AIR PARTNER PLC

ANNUAL REPORT 2021

60

LEADERS IN AVIATION SERVICES
for 60 years

Leaders in aviation services for 60 years

Founded in 1961, Air Partner is a world-leading global aviation services group providing aircraft charter, aviation safety and security solutions and managed services to industry, commerce, governments and private individuals, across civil and defence organisations. With 60 years' experience, we are dedicated to going above and beyond delivering tailored solutions for our customers across a breadth of service offering. With a strong geographic presence and 24-hour year-round flight operations centre, our team of aviation professionals consistently puts our customers first to deliver the extraordinary.

Strategic report

Corporate governance

Financial statements

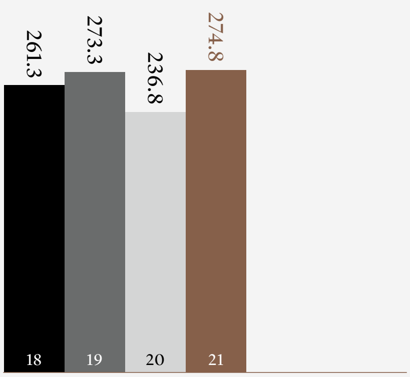
Shareholder information

Highlights 2021

Operational highlights

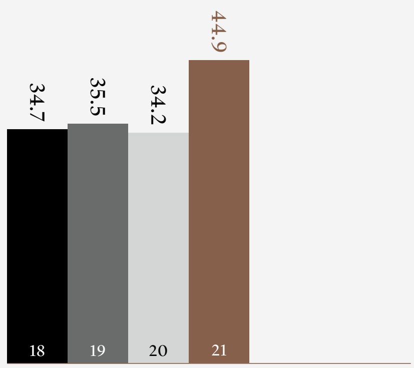
- Excellent performance in Group Charter, arising from extensive evacuation activity
- Strong Freight performance driven by PPE flying and automotive supply chain disruption
- US Private Jets performed well, despite the pandemic, as high net worth individuals travelled for leisure
- Number of new JetCards sold up 9.4% on prior period
- Difficult period for Private Jets in UK and Europe due to ongoing travel restrictions
- Safety & Security adversely affected by the impact of the pandemic on the aviation industry
- Purchase of CHS Engineering Ltd trading assets further extended Managed Services offering

Financial highlights



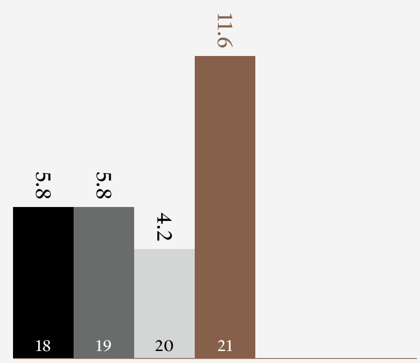
Gross transaction value[1]

£274.8m



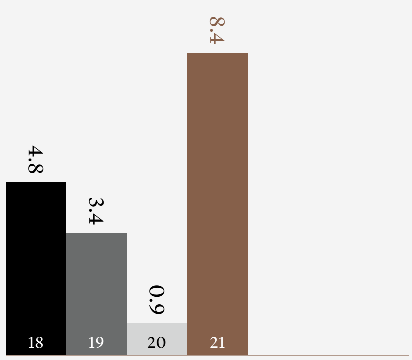
Gross profit

£44.9m



Underlying profit before tax[2]

£11.6m



Profit before tax

£8.4m

	2021	2020
Underlying continuing basic EPS	**14.2p**	6.4p
Basic continuing EPS	**9.4p**	0.6p
Final dividend	**1.60p**	–
Total dividend per share	**2.40p**	1.80p
Net cash/(debt)	**£9.9m**	£(6.9)m

1 Gross transaction value represents the total value invoiced to clients and is stated exclusive of value added tax.
2 Underlying profit is stated after exceptional and other items. Please refer to note 7 in the financial statements.

As we have grown and diversified our services and offering, we have also ensured our brand is able to support our continued growth and expansion. While our services reach from aircraft charter to aviation safety consulting, our brand's purpose, vision and values unite us and underpin our strategy.

Purpose

This is our purpose; it is why we exist and what we continually strive for.

Vision

What do we want to achieve?

Mission

How will we get there?

Values

Our strong values are embedded into our business to help unite us and deliver our Company vision and goals.

We deliver the extraordinary to fly our world.

To be a world-class aviation services group.

By putting our customers first, we create the difference.

Care deeply

Customer First is in our DNA, whether our customers are internal or external. Treat people how you like to be treated. So work closely, listen carefully and respond with warmth and humility. Exceed people's expectations. Deeply value their contributions. Always go the extra mile.

Take responsibility

Be the trusted partner people count on. Do what you say you'll do and follow through. Taking full responsibility shows true respect. So if something goes wrong, be open, transparent and honest. Employ ingenuity and integrity to find the fair way forward.

Live your passion

Let your passion for work fuel your hunger to discover the new. Stay curious and informed, fearlessly trying fresh approaches that propel everyone forward. Respect each other's know-how and amplify expertise, sharing it to help everyone improve.

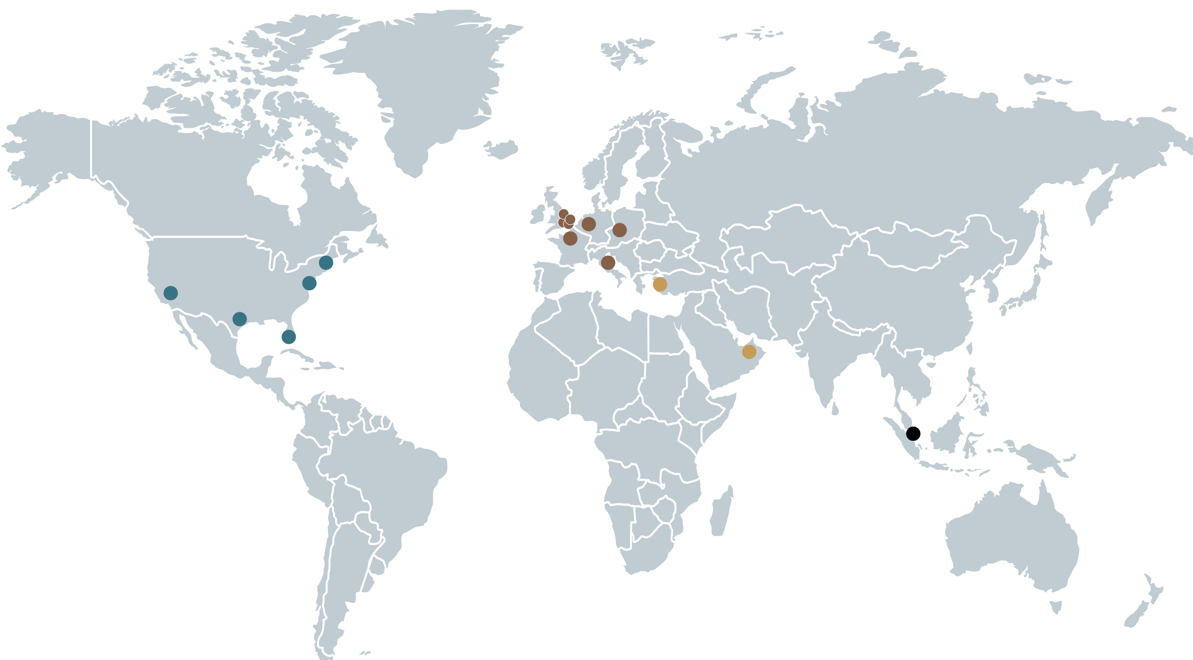
Work as one

Support and empower each other, as one team – one Air Partner Group. Build, nurture and value roles and relationships with one another. Seek ways to collaborate. Be a champion connector of people, places and services – seeking opportunities to strengthen our commercial and creative success.

Be extraordinary

Extraordinary is a big word. It asks big things of us. To go above and beyond. Push that bit more in everything you do. It's the attitude that turns up the volume on what you believe – and it's vital that we do this, to set us apart as an organisation.

A global aviation services group



Experience	Aviation professionals	Global locations
60yrs	420	16

EUROPE LONDON | GATWICK | CHELMSFORD | DONCASTER | PARIS | COLOGNE | MILAN | VIENNA
UNITED STATES FORT LAUDERDALE | LOS ANGELES | HOUSTON | WASHINGTON, D.C. | NEW YORK
MIDDLE EAST ISTANBUL | DUBAI
ASIA SINGAPORE

Our business is split into two divisions. To complement our market-leading core Charter business, our Safety & Security division, already one of the most influential in aviation consulting and training, enables the provision of a broad portfolio of products and services to our global customers.

AIR PARTNER PLC

Divisions

Charter

We work with all industries, assisting corporates and individuals to reach their destinations and goals with our charter services, 24/7 all year round. Our tailored solutions meet complex requirements across a suite of services.

Safety & Security

Our highly technical experts work with our clients to resolve compliance and regulatory performance challenges. We support the aviation and transport sectors, critical national infrastructure, armed forces, governments and regulators globally to address risk and vulnerabilities throughout their organisations. By drawing upon our large pool of expertise within aviation we help clients manage often complex projects within airports and other related industries.

Products and services

Group Charter
Charter of aircraft for larger groups (20+ people) to governments, corporates, sports and events, the energy sector, industrial and manufacturing customers, and tour operators. Our services also include short-term aircraft leasing, covering both commercial and private aircraft.

Private Jets
Charter of smaller aircraft (up to 19 people) for corporates and high net worth individuals (HNWI). We offer a range of solutions to meet our customers' Private Jet requirements, from On-demand, a flexible JetCard membership programme to custom proposals, whether travelling for business or leisure.

Freight
Charter and part-charter of cargo aircraft, from Learjets to the giant Antonov 225, for regular and bespoke requirements, including emergency aid drops, time-critical door-to-door freight delivery and onboard couriers.

Specialist Services
A range of other aviation services that complement our Charter business: Tour Operations, Air Evacuation, Aircraft Sales and Leasing and Flight Operations.

i Chief Executive Officer's review: **p22–32**

Regulatory Compliance
In today's complex regulatory environment with a heightened focus on safety and security within aviation, it is integral that practices are in line with regulatory standards. Our compliance management ranges from a single aspect of a process through to a holistic approach to your entire safety and security operations.

Training
Our National Safety & Security Academy (NSSA) provides industry-leading training, with the capability to deliver a wide range of industry leading courses, to our global client base. We offer training in person at our academy or at client premises, and online through an e-learning platform or virtually. It is the only academy in the UK to be recognised by ICAO as one of only 32 approved Aviation Security Training Centres delivering globally against ICAO, EU, TSA and UK standards.

Consultancy
Our consulting services help organisations in both the aviation sector and other industries to achieve and maintain compliance for safety and security performance. We work with our customers to ensure they have the best practices in place to support their safety and security requirements and mitigate potential risks.

i Chief Executive Officer's review: **p22–32**

Managed Services

Wildlife Hazard Management
We are one of the world's leading airport wildlife hazard management specialists, offering affordable, professional solutions to reduce wildlife strikes.

Aircraft Registry
We design, build and operate aircraft registries on behalf of governments worldwide, with a proven track record as an experienced and reliable government service partner.

Remote Condition Monitoring
Air Partner CHS (AP CHS) offers consultancy services for airports and logistics operations, remote condition monitoring and baggage system testing. AP CHS's remote condition monitoring service provides valuable data and insight to support operators to manage key assets and undertake preventive maintenance, thereby reducing cost.

The above diagram explains our service offering and is not representative of our divisional structure.

Chair's statement

Despite the highly complex backdrop posed by the COVID-19 pandemic in the year under review, we are pleased to report a very strong set of results. Gross profit was up 31.3% to £44.9m (FY20: £34.2m), while underlying profit before tax for the period stands at a record £11.6m, an increase of 176.2% on the prior year (FY20: £4.2m). Statutory reported profit before tax was also materially up on the prior year at £8.4m (FY20: £0.9m).

The Group's results are particularly pleasing given the wider aviation industry has been so negatively impacted by COVID-19. This success is due to our strategy to diversify the business by product and geography, which has served us well. We have developed our business model so that we operate in two distinct divisions, Charter and Safety & Security, which offers us a level of protection against the ebbs and flows in our operating environment.

Our performance for the period reflects the inherent strengths that diversity brings to Air Partner. Group Charter and Freight were our best performing services, due to the high levels of COVID-19 related activity in the first half of the year. Group Charter carried out significant volumes of evacuation and corporate shuttle work, while the Freight team experienced very high demand for the transportation of emergency protective personal equipment (PPE).

Conversely, Private Jets and Safety & Security were negatively impacted by government restrictions and airport closures globally. However, we saw some improvement here in the second half of the year, with a noticeable uptick in Private Jets enquiries, especially in the United States (US). From a geographical perspective, the US was our standout performer, contributing 39.6% to the Group at a gross profit level (FY20: 22.8%). This has been extremely encouraging as we have been actively scaling up our operations in the US over the last four years, there is a huge market here for Charter services and it is a region in which we still have a lot of headroom to grow.

In terms of our customer offering, the value of our scope of services has been apparent throughout the crisis, as we have been able to combine the capabilities of our Charter and Safety & Security divisions to provide global tailored solutions that meet multiple aviation requirements at the same time.

I am proud of the way the Group responded to the crisis across all areas of the business. Throughout the pandemic our number one priority has been the health, safety and wellbeing of our employees and everyone that we work with. We have worked hard to comply with all government recommendations in the countries where our offices are situated, as well as implement additional preventative and protective measures specific to our operations. In addition, we brought in swift cost saving measures in the early stages of the pandemic, which included our Board Directors taking a voluntary pay reduction for April, May and June, and took government support where appropriate. Combined with our actions throughout the year, this has left us well positioned to benefit from the eventual reopening of the travel industry across both our Charter and Safety & Security divisions.

Fundraise

On 12 June 2020, we announced the successful completion of a placing of new ordinary shares. Retail investors were given the opportunity to participate in the fundraising through a retail offer on the PrimaryBid platform. The oversubscribed placing raised gross proceeds of approximately £7.5m from new and existing shareholders, which enabled us to enter the second half of the year with no debt and good working capital to support large customer programmes and invest in new organic growth opportunities.

Board changes

In March 2020, we were greatly saddened by the passing of Richard Jackson, Air Partner's Senior Independent Director, after a short illness. Richard was a hugely valued and well-liked colleague, who provided a significant contribution to the Group's strategy and he is greatly missed. Following Richard's passing, Amanda Willis was appointed Senior Non-executive Director at the next Board meeting.

Dividend

As stated in our shareholder update on the 22 February 2021, the Board has reviewed its dividend policy so as to ensure that the Group has the ability to pay a sustainable and growing level of dividends over time. Recognising the importance of dividends to Air Partner's shareholders, many of whom are private investors, we announced the reinstatement of dividends at the interim results in September with a payment of 0.8 pence per share. The Board is now recommending a final dividend of 1.6 pence per share, making a total of 2.4 pence per share for the year as a whole. The final dividend is expected to be paid on 15 July 2021 to those shareholders on the share register at close of business on 11 June 2021. The ex-dividend date will be 10 June 2021.

In future, looking beyond the pandemic environment, the Board will target dividend cover of 3.0 to 3.5 times earnings in a normal year, after adding back non-cash related exceptional items such as amortisation of acquired intangibles.

Prospects

As the vaccination roll-out progresses around the globe, we are prepared and ready to support our customers however we can as government restrictions lift. We are seeing demand returning for our Safety & Security services as airports prepare for a relaxation on lockdown rules and an increase in passenger numbers, and we are confident that Private Jets activity will pick up significantly over the coming months.

We are pleased to see the US continue to perform well, particularly in Private Jets and Freight, proving the rationale for our ongoing investment in this region. As I have said before, it's an area of significant opportunity for us and we shall continue to focus on growing our share of the US charter market.

The Group's strong performance in the period under review, combined with the cost-cutting and fundraising actions taken, stand us in good stead for the current financial year. We are debt free with a solid cash position and a streamlined business. We were already confident that our diversification strategy to mitigate against product or market volatility was the correct one, and the past year has served to reinforce that we have taken the right course. We are very pleased to be able to leave such a tumultuous year on solid footing, and we shall seek to capitalise on this by continuing to explore organic and acquisition growth opportunities, while remaining mindful of the current economic climate.

I would like to extend my most sincere thanks to Air Partner's people worldwide, who have shown such dedication and diligence during this busy and difficult period. Despite the challenges involved in complying with government guidelines, our teams across the Group have remained focused on delivering exceptional service to all of our customers. I would also like to thank our shareholders, new and old, for their continued support.

Ed Warner
Non-executive Chair

11 May 2021

Delivering the extraordinary for 60 years

Our focus continues to be the generation of long-term, sustainable value for our stakeholders through the diverse portfolio of services that we offer to our global customer base. We aim to be a world-class global aviation services group, using our unrivalled industry experience and network to deliver a truly exceptional service to our customers.

Key strengths that drive our business

- Experienced aviation professionals
- Diversified portfolio of aviation products and services
- Global footprint
- Leading market reputation
- Clear long-term strategy
- Cash generative
- Long-standing relationships with customers and suppliers
- Diverse customer profiles
- Customer focused
- Strong long-term market fundamentals

What we do

Charter

Our market-leading Charter team offers a suite of bespoke services across Group Charter, Private Jets, Freight and Specialist Services, working with a wide range of customers globally, including governments, royalty, multi-national organisations and individuals. Without owning any aircraft, we leverage the relationships we have in place with aircraft operators to create tailored solutions to meet our customers' often complex requirements.

Safety & Security

Our Safety & Security division was formed after the acquisition of Redline Worldwide Ltd (Redline) in December 2019. The division comprises Baines Simmons, which offers aviation safety and fatigue risk management, and Redline, which delivers government-standard security training, consultancy and solutions to regulated, high value and high threat environments. We support companies in the aviation and transport sectors, critical national infrastructure, armed forces, governments and regulators globally to address risk and vulnerabilities in their organisations.

Managed Services

Within our Safety & Security division, our Managed Services offering comprises wildlife hazard management, aircraft registry services, consultancy services for airports and logistics operations, remote condition monitoring and baggage system testing.

What differentiates us

Delivering above and beyond for our customers

Our ability to deliver exceptional customer service is integral to our business and we strive continuously to provide bespoke, creative solutions that are built around our customers' individual requirements.

We build long-standing relationships with our customers and suppliers. As a result of the experience we have gained from 60 years in business, we have high levels of customer retention and are a preferred supplier to some of the most prestigious organisations and discerning individuals in the world.

A trusted partner with an unrivalled breath of services and experience

Our decades of aviation experience, global reach and diverse range of services set us apart from our competitors, enabling us to handle extremely complex projects that others could not. As a listed company we are governed by strict financial regulations and are committed to achieving a high standard of corporate governance, thereby providing all stakeholders with financial transparency and assurance.

Where we add value

For our customers

We provide world-leading services through our Charter and Safety & Security divisions, having extended our geographic presence and service offering over recent years in order to meet our customers' diverse requirements. Since we do not own any aircraft and are not limited to a certain fleet, our Charter division is able to source the right aircraft for our customers' exact needs. Meanwhile, our Safety & Security division delivers expertise and technical know-how in highly specialised areas to support our customers as they navigate an ever-changing regulatory environment. Redline also operates the UK's only International Civil Aviation Organisation (ICAO) Aviation Security Training Centre and boasts market-leading proprietary software solutions in Security Management Systems (SeMS).

Net promoter score

↑ 93% (2020: 89%)

For our people

As a business, we are committed to providing a diverse and inclusive working environment where everyone is treated fairly and with respect, and to help all our employees reach their full potential and develop valuable skillsets. Given the challenging circumstances of the pandemic, in the last year we have prioritised establishing new ways of working, employees' mental health and wellbeing and regular, effective communication between management and employees. We have been encouraged by the success of these initiatives and will continue to develop ways in which we can support our employees further.

We conducted an engagement survey during the year seeking feedback from employees on matters such as communication, engagement, reward and recognition.

Engagement score 2021

74%

(Note: survey not performed in 2020)

For our suppliers

We aim to build supplier relationships based on mutual respect with appropriate risk apportionment, and a fair return for all partners.

In the Charter division, the financial stability of the airlines and operators we work with is key to our service delivery and risk mitigation. Quality of supply and reliability are paramount to our customers, so we work closely with our suppliers to guarantee these. We endeavour to build long-standing relationships with all our suppliers, and they can rely on our Charter team to market their aircraft effectively and professionally to our global, diversified customer base. We are also looking to develop a preferred supplier relationship programme.

Unfortunately, the Group Charter supplier conference we had planned for 2020 could not take place due to the COVID-19 pandemic, and industry events such as EBACE, where we would normally meet with our suppliers, were cancelled.

Number of aircraft operators we worked with over 2020

>550

For our shareholders

Our long-term strategic objective is to grow our aviation services business by diversifying our portfolio across geographies and complementary product lines, both organically and through acquisition. One of our stated aims is to invest in our Safety & Security division to increase the forward visibility of earnings, thereby smoothing the volatility in earnings inherent in our Charter business. As well as reinvesting in the business for the long-term benefit of all stakeholders, we are a dividend paying stock. Looking beyond the conditions created by the COVID-19 pandemic, the Board is targeting dividend cover of 3.0 to 3.5 times earnings in a normal year, after adding back non-cash related exceptional items such as amortisation of acquired intangibles.

Total dividend per share

2.4p (2020: 1.8p)

(Note: in 2020 the final dividend was suspended due to COVID-19)

Our market drivers

The key factors which influence Air Partner's aviation services business.

Demand

The demand for airline products and services depends primarily on economic growth. According to world economic data, global gross domestic product (GDP) declined in 2020 by 3.5%. Amid high levels of uncertainty surrounding the pandemic, growth for 2021 and 2022 is projected to be +5.5% and +4.2% respectively (source: World Economic Outlook Update, January 2021).

The travel industry has been severely impacted by the pandemic, with border closures and government restrictions severely limiting customers' ability and willingness to fly. The latest International Air Transport Association (IATA) outlook forecasts that passenger traffic for 2021 will be up by 55% on 2020, albeit still materially lower than the 2019 performance: 'Passenger numbers are expected to grow to 2.8 billion in 2021. That would be a billion more travellers than in 2020, but still 1.7 billion travellers short of 2019 performance'.

Overall, industry experts are predicting that it will take approximately three years for worldwide travel to return to 2019 levels and a few years beyond that for the industry to resume the long-term growth trend of approximately 5%.

Impact on us

The long-term outlook for the aviation industry remains positive due to the fundamental drivers of demand for air travel and transportation: economic growth, increasing propensity to travel due to increased global trade, globalisation, and improved airline services driven by liberalisation of air traffic rights between countries. This has been evident during the year with demand for our Charter services. The Safety & Security division is also seeing increasing order books as we start to recover from the effects of the pandemic.

The road to recovery remains unpredictable as varying regional travel restrictions and protocols continue to impact air travel. The pace of recovery will be heavily dependent on COVID-19 infection rates, the availability of vaccines, and government travel restrictions.

How we are responding

We are building a portfolio of aviation services in line with our customers' requirements. The addition of further services gives us the opportunity to cross-sell between our two divisions to increase revenue, strengthen customer relationships and support customer retention. We are also investing in our teams and building our geographic presence where we see demand and opportunity.

Supply

Group Charter supply has been affected by a number of operators going out of business as a result of COVID-19.

In Private Jets we have seen market consolidation with a number of smaller operators disappearing.

In terms of air cargo, there have been capacity limitations in the market given the significant impact that COVID-19 has had on international passenger operations, which usually carry cargo in the belly of the planes. This has resulted in high demand for dedicated freighters and as a result we have seen passenger aircraft reconfigured for freight logistics operations only.

In terms of service delivery for training and consultancy we are seeing a shift in the market from on-premise to digital solutions.

Impact on us

Changes in the supply base can affect our operations in a number of ways, including availability of aircraft, pricing and quality of service.

In the Safety & Security division, we are seeing more customers go online and use digital platforms for their training and development needs (see Technology market driver on page 12).

How we are responding

As Air Partner continues to foster its culture of extraordinary customer service, our supplier relationships remain a key focus point in our organisation, ensuring the highest standards of safety and service are at the heart of all we do.

We have recently hired a Vice President of Supplier Relations in the US and we are looking to do the same in the UK for Europe and the Rest of the world as we increase our efforts to strengthen relationships with key suppliers.

This role will be the first resource dedicated solely to ensuring that we continue to deliver a high quality service to all our Charter customers, as well as promoting our broad range of services in the air carrier market.

Natural disasters, geopolitical events and terror attacks

The global aviation market can be adversely affected by geopolitical events, natural disasters and terror attacks. These have both short-term and long-term consequences for demand and supply.

Impact on us

While these events can cause a short-term decrease in normal demand for air travel, unforeseen world and local events can also increase short-term demand for aircraft charter and security services as exemplified by the COVID-19 pandemic.

How we are responding

Our Charter and Safety & Security divisions work closely with government and non-government organisations and freight forwarders to transport aid, equipment and personnel at short notice. As a 24-hour business, we have the resources in place to execute our customers' time-critical requests.

Meanwhile, our strategy to diversify our product offering, targeting a global customer base, has allowed us to reduce reliance on any one sector, geography or customer.

Environmental and social

Environmental concerns are a challenge for the aviation industry. In order for the sector to achieve the UK and EU target of net-zero CO_2 emissions by 2050, advanced technologies and the increased use of sustainable aviation fuels (SAF) will be needed, as well as remedial actions such as carbon offsetting and reducing resource consumption.

A company's impact on communities and people is also an increasingly important consideration among all stakeholders.

Impact on us

All our stakeholders, be it customers, shareholders, suppliers or employees, will expect us to carry out any remedial actions that we can to counteract the negative impact of aviation on climate change. They will also want us to positively impact the economies and communities in which we operate and create the best working environment for our people.

Airlines, whether they are suppliers to our Charter division or customers of our Safety & Security division, may be impacted by changes in customer behaviour and increased governmental regulations aimed at reducing aviation's negative impact on the environment. In turn, we will need to manage any structural changes in our supply chain and the impact this may have on our customers.

How we are responding

We have a clear environment strategy in place that responds to stakeholder concerns. This strategy has four pillars:

- encourage Charter customers to offset carbon emissions from their flights;
- form partnerships with charities supporting environmental protection causes;
- reduce our internal resource consumption; and
- report the impact of our activities on the environment consistently and transparently.

As part of our focus on the Group's societal impact, we have established a clear development strategy for our people, including supporting their overall health and wellbeing. We are also working on making a positive difference to the communities in which we operate, for example via donations to chosen charities.

Air Partner's Board is fully committed to these initiatives and supports management and staff in achieving their environmental and social goals.

For more details on our sustainability strategy, see pages 52 to 57.

Technology

Technology innovation and advancement are introducing opportunities to change the buying patterns of our customers and improve efficiencies. COVID-19 has accelerated the growing trend for digitalised services and solutions. This changing landscape is also providing an opening for new entrants into the market for more commoditised products and services.

Impact on us

Private Jets customers are increasingly asking for digitalised services and on-demand facilities. Some of our competitors have invested heavily in this area but have had limited success in offering the customer an end-to-end solution for booking a private jet without a human interface.

Fuelled by the pandemic, we have seen an increase in uptake and demand for online training courses and remote learning, and we expect this trend to continue. Our Safety & Security division is well positioned to benefit from this.

How we are responding

We are in the process of developing a JetCard portal for our Private Jets customers, enhancing the overall customer experience. Once we have rolled this out, we will focus next on developing an Air Partner portal to satisfy all our customer needs across the product range.

Driven by customer demand, we have increased the number of online training course we offer and are continually investing in the content and user experience.

During the year, we completed the roll-out of our customer relationship management tool for both Charter and Safety & Security and we are now using the data to drive decision making in the organisation and improve our customer service.

The competitive landscape for charter

The global air charter market continues to be highly competitive and fragmented with low barriers to entry.

Impact on us

Competitors are employing a number of tactics to increase their market share, including new product development, price cutting, expansion in technology, aggressive promotion and geographical expansion.

How we are responding

With 60 years of sector experience, Air Partner is an established and reliable player in the charter sector. In an industry where we have seen a lot of competitors come and go, we offer stability and superior quality to our customers. We continually review our product offering and look to provide additional value-added service wherever possible across our global footprint. Our purpose to deliver the extraordinary keeps us focused on providing a market-leading service and maintaining our excellent relationships with our diverse customer base.

The competitive landscape for safety and security

The market for safety and security products and services is highly competitive and wide ranging. Security is mandated through regulation, meaning the vast majority of products and services are a must have for customers; with the deciding factor typically who delivers the requirement and at what cost. Safety, whilst not mandated, is a critical requirement for the worldwide airline industry.

In the post-COVID-19 recovery period, price will remain the main competing factor for customers' selection of suppliers.

Impact on us

Given the number of competitors offering aviation safety and security products aligned with an industry that is in recovery mode from the financial impact of the pandemic, the sector will remain under pricing pressure for the foreseeable future.

Competitors are investing in product development and digitalisation to simplify content delivery and to cut operating costs.

Customers are in turn looking to suppliers to help support them in their long-term financial recovery by delivery of more cost effective and efficient products and services.

How we are responding

Our Safety & Security division is made up of recognised experts in our field with a strong reputation in the market for safety and security products and services spanning a vast portfolio of training, consultancy, compliance auditing, operational management and oversight, software, solutions and business supporting services. This is evident by our list of blue-chip customers and government contracted work.

In Safety, our services are delivered by experts with a high degree of specialism in regulation and compliance, which is not easily replicated by our competitors.

In Security, our range of products and services spans the entire spectrum and includes technology based software applications and tools, such as its digital Security Management Systems (SeMS), threat image recognition software for X-ray operators and a wide range of e-learning courses covering both the safety and security product portfolio.

In Redline, we are endorsed by the International Civil Aviation Organisation (ICAO) as an Aviation Security Training Centre (ASTC).

Increasing regulation and compliance

Growth within the aviation industry, characterised by busier skies, increased competition, demands for higher fleet utilisation and greater operational capability, is taking place against a backdrop of increasing regulation and compliance, as well as the continued threat from acts of terrorism.

This trend is expected to continue post pandemic, with the increased requirement to rebuild depleted workforces, upskill and refresh staff and integrate new airport equipment as the industry looks at new ways to operate in a post-COVID-19 world.

Impact on us

Many operators are choosing to outsource training and use consultancy services to keep abreast of the rapidly changing regulatory environment and manage costs. With its diverse range of products and services in Charter and Safety & Security, Air Partner is well positioned to capitalise on the expected uptick in demand as the travel market reopens post lockdown.

The significant scale of pent-up demand for international travel will mean a rapid and sustained growth of the aviation sector, creating strong demand for our Safety & Security offering in particular.

The Safety business will be first in line to help support and train the airline industry recovering its fleet and operating crews post lockdown, while the Security business will help airports to meet the required regulatory standards for its workforce as they begin to scale backup operations post COVID-19.

How we are responding

As a result of the pandemic, the Group has quickly transitioned from largely on premise operational delivery to digital platforms.

Working in partnership with our customers, we are providing rapid, sustainable and affordable solutions that can weather future COVID-19 (or other) challenges so that our customers can recover as quickly as possible with our support.

Additionally, switching to virtual delivery platforms affords our customers a long-term cost benefit, as it reduces/removes unnecessary travel and accommodation costs. This is strategically important for us as many of our customers now view virtual delivery as part of the new way of doing business.

The investment across the Safety & Security division in virtual delivery platforms for audit, training and testing means we are able to rapidly deploy our well-proven capabilities to customers on a truly global basis.

CASE STUDY:

A holistic approach in delivering charter, safety and security services to our customers

Air Partner delivered a unique and fully integrated solution of services for the critical evacuation and repatriation of 32 UK and Irish nationals onboard the Princess cruise ship quarantined off the coast of Yokohama in Japan on behalf of the UK Foreign and Commonwealth Office (FCO). The project was complex, challenging and time sensitive, made more demanding by the requirement for the FCO to carry out the security screening of all passengers and baggage in Tokyo before they could board the flight back to the UK. Employees from across the Air Partner Group worked closely with the FCO, the operating airline, the Department for Transport (DFT) and authorities to obtain approvals needed to complete the project. The Group Charter team chartered a Boeing 747-400 to carry out the flight from Tokyo Haneda to Boscombe Down in the UK, ensuring that the aircraft was optimally configured to segregate evacuees safely. Redline security experts worked on the security screening along with providing the necessary scanning equipment. Our Freight team worked alongside Redline to charter a Metroliner freighter to transport the security equipment directly from Redline's Training Centre overseas.

'By offering a holistic approach to our customer's needs we were able to sell charter services combined with safety and security. This is a great example of how we are able to meet our diverse customer aviation requirements in a fast-moving crisis situation.'

Mark Briffa, Chief Executive Officer

Maintaining our long-term strategy

In line with our business strategy, we continue to grow our world-class global aviation services group to meet our customers' ever-evolving needs, despite the unprecedented circumstances posed by the COVID-19 pandemic. As a Group, we are dedicated to delivering tailored solutions and the very highest levels of service to our customers. Our strategy is underpinned by our culture of putting the customer at the heart of everything we do, to deliver the extraordinary. To achieve our objective, we have five strategic priorities:

1.

Putting our customers first

The cornerstone of our business is our Customer First principle. To achieve this, we work closely with our customers to provide consistent and exceptional service across the Group globally. Our annual Peter Saunders Award for Extraordinary Customer Service, now in its third year, has helped to further cement our customer ethos among our people across the business.

Progress in the year

- In this extraordinary year, we have harnessed our immense experience across the Group to deliver customised solutions across multiple products and services against a challenging market environment. This was exemplified by our work at the start of the pandemic, which saw our Charter and Safety & Security divisions working hand-in-hand to deliver complex evacuation solutions for a government customer at extremely short notice. See our case study on page 14.
- During the pandemic, we have provided tailored solutions for our customers, providing a one-stop-shop for all their needs. Throughout the year we have continually seen our customers purchasing more than one service. For example, a number of our Group Charter customers have also made bookings with our Private Jets team, while Private Jets and Air Evacuation customers have bought our Security services and products. This is an encouraging trend, which we intend to capitalise on through our cross-selling initiatives.
- Our customer feedback has been exemplary and we are tremendously proud of our colleagues, who have put our customers first in all they have done during the year.
- In Safety & Security, many of our airport and operator customers scaled back or, in some cases, mothballed operations during the pandemic. We are now working within tight timeframes to support these customers as they remobilise, be it through the provision of training, safety audits or advisory services, so that they can up scale at short notice and offer an optimal service to their customers.
- We continue to invest in the customer experience and launched our new Group Investor and Charter websites during the year. Working on a much-improved platform, this is enabling us to better track customer response and lead generation.
- We completed the roll-out of our customer relationship management (CRM) system across the Group. This allows us to better understand our customers' buying needs, while enabling us to tailor our product and service offerings.

FY22 priorities

- Continue the integration of our Safety & Security businesses, allowing us to adapt our product offering under the new normal, which will include the use of technology to deliver training through virtual platforms.
- Launch the Group JetCard portal by the end of FY22. This will enable our customers to gain instant access to their trips and flight balances.
- Appoint a supplier relation expert in the US in Q1 and in Europe by the end of FY22.
- Continue the benchmarking of our customer service offerings through customer feedback and our NPS and Feefo rankings. Our targets will be greater than 85% and no less than four stars.

Net promoter score

93% (2020: 89%)

KPIs: **p20–21**
Risks: **p44–48**

2.

Growing organically: strengthening our core business

We continue to strengthen our core business through organic growth. This is achieved through various initiatives, including the hiring of new talent, investment in our people through training, and the enhancement of our technology capabilities to allow the Group to deliver products through virtual channels, for example e-learning. We will continue to assess new strategic locations, taking into account the current market conditions and the post-pandemic recovery.

Progress in the year

- In FY21, our activities were firmly rooted in meeting the demands of our customers as the world responded to the impact of the pandemic.
- We demonstrated the strength of our stated strategy to diversify our earnings so that the Group is not reliant on any one product, market or geography, and this diversification left us well positioned to navigate an extremely challenging and uncertain marketplace. For example, in our Charter division, when Group Charter and Freight were strong at the start of the crisis, Private Jets was weak. However, as borders reopened, Private Jets activity increased, particularly in the US, where there has been a different approach to lockdowns.
- We invested further in our Singapore operations by increasing our Freight presence in the region.
- Prior year investment in Freight talent in the UK and US proved highly successful.
- Fatigue Risk Management (previously Clockwork Research) had a very successful year delivering contracts to well-known airlines and energy customers.
- Wildlife Hazard Management delivered expected returns throughout the year, as many regional military airfields continued to use this service, despite the pandemic.
- Many safety training courses were converted from classroom delivery to virtual delivery, and we are seeing this trend continue in our new financial year.

Contribution to gross profit from outside the UK

55.0% (2020: 49.1%)

KPIs: **p20–21**
Risks: **p44–48**

FY22 priorities

- Continue the growth trajectory of the US business across all product and service lines by investing in new talent acquisition. It is expected that the US will be the Group's biggest contributor of gross profit for the next few years.
- Explore additional growth opportunities in Asia Pacific, including Australia, and invest further in Air Partner's presence in Dubai and Singapore by adding talent.
- Strengthen the Freight business across all our locations by hiring key talent and targeting specific market sectors.
- Harness the Group's key customer relationships to sell the full range of Air Partner's products and services.
- Improve the marketing presence of the Air Partner brand by accelerating innovation and digitalisation in the organisation, with the aim of improving customer reach.
- Complete integration of the Safety & Security division to enable us to leverage resources across the Group to capitalise on cross-selling opportunities.
- Explore ways for the Safety & Security business to enter the US market, as well as adding strategic partners in Southeast Asia.
- Launch and promote our new environment strategy with our customers. Alert customers to the opportunity to offset the carbon emissions of their private jet flights to achieve carbon neutrality.
- Commit to reducing our own carbon footprint and achieving carbon neutrality from our own internal operations.

3.

Broadening our offering

The Group provides a diverse portfolio of aviation services so that we can better meet our customers' ever-evolving needs, while reducing our exposure to the volatility of the charter market and improving the overall quality of our earnings. We continue to assess targeted acquisition opportunities that add capability and provide a steady revenue stream.

Progress in the year

- With the addition of Redline into the Safety & Security division in December 2019, it was our aim to dilute the Group's dependency on the Charter division. Regrettably, the Safety & Security division's revenues were materially impacted by the pandemic, as its customers (airline operators and corporates requiring safety and security products) scaled back their operations.
- Progress on the integration of Redline into the Safety & Security division has been slower than expected, mainly due to the effect of the pandemic. However, good progress was made in terms of embedding Air Partner's culture, values, policies and procedures, as well as developing the go-to-market brand (Air Partner Safety & Security), and establishing cross-functional teams to capitalise on cross-selling opportunities within the enlarged group.
- We have successfully implemented a new CRM system across the Charter division, enabling us to see all our customer activity on one platform.
- At the end of 2020, we acquired the trading assets of CHS Engineering Ltd after the business went into administration. We subsequently formed a new trading entity, Air Partner CHS Ltd (CHS), which offers consultancy services for airports and logistics operations, remote condition monitoring, and baggage system testing. This business will be incorporated into Air Partner's Managed Services offering within the Safety & Security division.

FY22 priorities

- Acquire key talent to support organic growth and continue to increase our JetCard product sales across the US, the UK and Europe.
- Continue the integration of our Safety & Security businesses so that we can benefit from marketing these products and services under the Air Partner Safety & Security umbrella brand.
- Continue to leverage the value of the new CRM system.
- Introduce new product offerings for the Safety & Security division utilising virtual platforms.
- Capitalise on cross-selling opportunities across our Safety & Security businesses as airports remobilise and passenger numbers return post lockdowns. This includes the newly acquired CHS business, albeit on a smaller scale.
- Build the Redline business in line with pre-COVID-19 expectations as airports reopen and customer demand returns. Redline typically enjoys long-term contracted revenues with global blue-chip customers, good forward visibility of its revenues, and a high customer retention rate.
- Continue to review further targeted acquisition opportunities that add capability and provide a steady revenue stream.

Safety & Security's contribution to Group gross profit

12.9% (2020: 13.5%)

KPIs: **p20–21**
Risks: **p44–48**

4.

Developing and retaining our people

Air Partner is a people business and we remain committed to recruiting the best people to join our already strong and customer-focused teams. We provide an inclusive and safe working environment for all our colleagues to ensure they are able to reach their full potential.

Progress in the year

- We implemented comprehensive actions to support employee mental health and wellbeing and facilitate effective working from home during the COVID-19 pandemic.
- A group-wide engagement survey, ‘Your Say’, was held during the year, with overall engagement of 74% (up 5% from the previous survey done in 2019). In addition, two pulse surveys were undertaken to assess employee engagement, with both surveys receiving positive results.
- Significant focus was placed on improving communication, engagement, reward and recognition across the organisation, with several initiatives implemented. These included weekly CEO video updates throughout the pandemic, monthly ‘All Hands’ virtual town hall meetings (with the ability to ask questions anonymously) and the development of a new intranet platform.
- Implicit bias training sessions were conducted across the Group to support our focus on diversity and inclusion.
- The Air Partner Sharesave scheme was recently launched to all UK based employees.

FY22 priorities

- Continue the progress of our Group People strategy, adapting to the changing market environment and the addition of our newly acquired businesses. Particular focus for next year will be on ways of working post pandemic, with a refreshed flexible working policy and new agile working guidelines.
- Further develop our mental health and wellbeing programme in partnership with the Charlie Waller Memorial Trust, as our fundamental priority remains the health, safety and wellbeing of our people.
- Complete the organisational design work commenced in FY20 (delayed in FY21 as a result of the pandemic).
- Commence further work on our employee reward programme, looking at flexible employee benefits in order to attract and retain the very best talent.

Engagement score 2021

74.0%

(note: survey not performed in 2020)

KPIs: **p20–21**
Risks: **p44–48**

5.

Embedding our brand across our business

As a Group, we have grown and diversified but we remain united across our Charter and Safety & Security divisions by our strong brand and Company values. The strength of the Air Partner brand is testament to the extraordinary customer service that we deliver. The development of our brand has continued to evolve, and the use of the core brand proposition and the establishment of our single-brand approach enable us to onboard new acquisitions within this framework.

Progress in the year

- We continued to embed our brand values into everything we do across the organisation, both internally and externally, to improve on our Company culture.
- We launched our new Charter website, as well as our Group site for investors.
- We continued the development of our feedback and appraisal system, which recognises employees delivering our brand values, both to customers and colleagues:
  - **Our purpose:** We deliver the extraordinary to fly our world.
  - **Our vision:** To be a world-class aviation services group.
  - **Our mission:** By putting our customers first, we create the difference.
  - **Our values:** Care deeply, take responsibility, live your passion, work as one, be extraordinary.

FY22 priorities

- Continue to embed the Safety & Security division under the Air Partner umbrella branding, internally and externally.
- Invest appropriately in marketing the Air Partner brand across all products and services.
- Utilise the strength of our new brand and our 60-year heritage to leverage growth opportunities across key industries and markets.

Measuring performance against our strategic objectives

Strategic KPIs

Our performance against our key performance indicators (KPIs) reflects the Group's strength and resilience in very challenging market conditions.

Customers and brand

Net promoter score
Calculated by subtracting the percentage of customers who are detractors (those who score the Group's service 0–6 out of 10) from those who are promoters (score the Group's service 9 or more out of 10).

93% (2020: 89%)

Strengthening our core Charter business

Measuring gross profit growth in our Charter business
Organic growth remains a top priority. We are committed to diversifying the Group's gross profit across our various products, services and locations. This measure focuses on how we are performing in our core Charter division.

£39.1m (2020: £29.6m)

Refer to the Chief Executive's Divisional Review for a full breakdown on pages 22 to 32.

Broadening our offer

Growing the Safety & Security division – delivering on Air Partner's diversification strategy
This KPI measures the gross profit the Safety & Security division contributes to the overall Group. The expectation is, post the pandemic, that Safety & Security will continue to grow both organically and via acquisition, diluting our dependency on the unpredictable Charter division. The first acquisition we did in Safety & Security was in 2015. Since then we have been actively acquiring new businesses in this area.

Contribution to Group gross profits

12.9% (2020: 13.5%)

Developing and retaining our people

Employee turnover
Calculated as the percentage of employees who leave the Group on a voluntary basis during the financial year and are replaced by new employees.

8.4% (2020: 20.8%)

Engagement
Measurement of employee positivity in response to a group of key questions on employee advocacy and overall satisfaction.

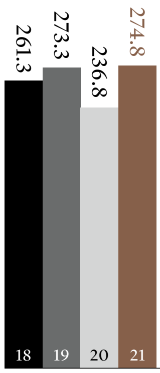
Engagement score 2021

74%

(note: survey not performed in 2020)

Financial KPIs

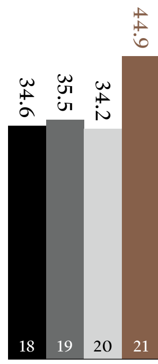
We monitor a range of financial metrics that reflect the underlying strength of our business and help to measure progress against our strategy.



Definition: This represents the total amount invoiced to our customers, exclusive of value added tax. We use this as a KPI instead of revenue as it gives a fairer impression of the scale of the business and the impact it can have on the working capital of the business.
Performance: Refer to the Chief Financial Officer's review on pages 33 to 39.

Gross transaction value (GTV)

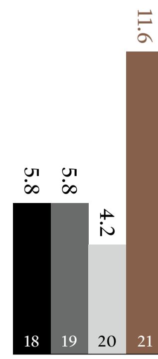
£274.8m



Definition: Total sales minus the cost of providing the service (refer to the accounting policies on pages 121 to 132.) We consider gross profit a key measure given the agent versus principal status of the Charter division, which represented 87.1% (FY20: 86.5%) of the total Group's gross profit in the year.
Performance: Refer to the Chief Financial Officer's review on pages 33 to 39.

Gross profit

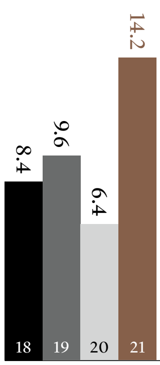
£44.9m



Definition: Underlying profit before tax is stated before exceptional and other items (see note 7 in the financial statements). It is the main measure of financial performance used within the business.
Performance: Refer to the Chief Financial Officer's review on pages 33 to 39.

Underlying profit before tax

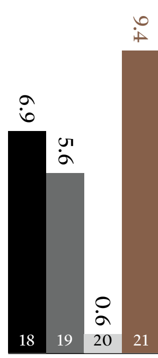
£11.6m



Definition: Underlying earnings (profit after tax adjusted for exceptional and other items) divided by the average number of shares outstanding in the period.
Performance: Higher than the prior year due to an increase in the underlying performance of the business. The weighted average number of shares increased in the period by 13.8%.

Underlying basic earnings per share

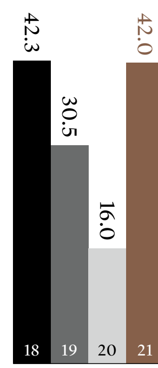
14.2p



Definition: Profit after tax divided by the average number of ordinary shares outstanding in the period.
Performance: Much improved in the period given the strong levels of trading in the underlying business offset by £3.2m of exceptional costs; refer to note 7 in the financial statements.

Basic earnings per share

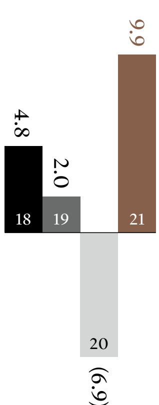
9.4p



Definition: Calculated as operating profit for the year over net assets.
Performance: Greater return on equity driven by the strong performance in the year despite net assets doubling.

Return on equity

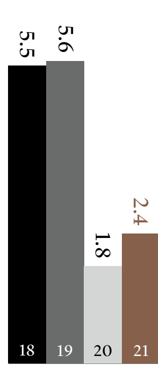
42.0%



Definition: This measure represents cash in the business, net of debt, excluding that held on account for our JetCard members.
Performance: Following the shareholder fundraise in June 2020, debt relating to the Redline acquisition was fully paid down. The strong underlying trading of the business during the year has much improved the Group's liquidity from the prior year and is cash positive.

Net cash/(debt) (excluding JetCard)

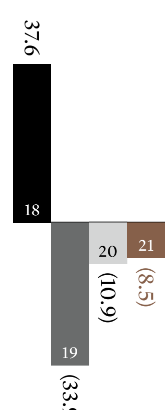
£9.9m



Definition: Total dividends divided by total number of ordinary shares outstanding.
Performance: Given the impact of the pandemic and the resulting uncertainty in the market, the Directors did not recommend a final dividend for FY20 but have since resumed payments. We reviewed our dividend policy in February 2021. Refer to the Chair's Statement on pages 6 and 7.

Dividends per share

2.4p



Definition: Calculated as the closing share price for the period plus dividends paid, less opening share price, all divided by opening share price.
Performance: Refer to the dividends per share KPI.

Total shareholder return

(8.5)%

Chief Executive Officer's review

The year under review is the most remarkable time I have ever encountered in my 33 years in the aviation industry. Air Partner is used to operating in the volatile market conditions associated with air charter, but we have never before seen such an unpredictable trading environment. I have been hugely impressed by our people, who have worked extremely hard in often challenging circumstances, and they have my deepest thanks.

We are reporting underlying profit before tax of £11.6m (FY20: £4.2m), which was predominantly driven by the strong performance in Group Charter and Freight in the first half of the year, as they carried out very high levels of emergency evacuations and PPE flying as a result of the pandemic. On a statutory reported basis, profit before tax was £8.4m (FY20: £0.9m). I am particularly pleased to be reporting this strong set of results given that other areas of our business, such as Private Jets in the UK and Europe and Safety & Security, were negatively impacted by the COVID-19 crisis, in line with wider aviation market trends. The high levels of activity early in the year resulted in record results, however, trading in the second half of the year returned to more normalised levels, similar to the prior year.

The importance of putting our customers first and providing exceptional service, while remaining flexible at all times, has shone through this year. I would like to send my thanks to all of our customers for their continued support and loyalty through this difficult time.

Our response to the COVID-19 pandemic

Once we had ensured the protection of our team and customers, the key financial priority at the peak of the crisis was to preserve cash, and the measures taken have enabled us to be highly cash generative in 2020. The Board took swift and prudent action to implement cost management initiatives, including minimising discretionary spend, rightsizing departments, and making use of available government support for employees in areas of the business that were most severely impacted. This helped to ensure that we were in the best shape possible to manage our way through the extremely unpredictable crisis.

As a reminder, Air Partner owns no aircraft and is an asset light business, which has certainly positioned us well versus other aviation businesses during the pandemic. Without monies tied up in working capital and underutilised assets, we have been able to maintain our liquidity, which has afforded us flexibility and agility at a time of great uncertainty and change.

In the early stages of the pandemic, the Group took the decision to publish regular market updates to keep shareholders informed of our performance. We released monthly updates from March to July, detailing our activity across all our services and products, cost management measures and cash position, to provide transparency to our investors during this extraordinary period.

Strategic progress

In line with our business strategy, we continue to grow our world-class global aviation services group to better meet our customers' ever-evolving needs, while improving the overall quality of our earnings and reducing our exposure to the volatility of the charter market. The last financial year firmly demonstrated the strength of our stated strategy to diversify our earnings so that the Group is not reliant on any one product, market or geography. This stood us in good stead to navigate the extremely challenging and uncertain marketplace arising from COVID-19.

We saw a very strong performance from the US, which offset weaker results from the EU and certain UK services. We were pleased to see continued growth in the US region, driven by Freight and Private Jets, despite the pandemic. The US Freight team was extremely active flying PPE between Asia and the US, and played a large role in FEMA's Project Airbridge, the US effort to bring in medical supplies from overseas, early in the pandemic. The Freight team has also been active in supporting the automotive sector through supply chain challenges. US Private Jets held up far better than our other regions, and we saw growth in our overall customer numbers and JetCard membership, with particularly strong demand from high net worth individuals (HNWI) for leisure travel.

The success of the US division is a direct result of four years of significant investment in the team and office network, as the Group has sought to establish itself as a truly global business and lessen its reliance on revenues from the UK, which was historically always its strongest market. The US accounted for 45.5% (FY20: 26.4%) of the Group's gross profit from Charter services, and it is expected to be the highest Charter contributor to the Group's profits in future years. This expansion in the region has been transformational for Air Partner and it continues to be an area of strategic focus across all product lines.

In terms of other locations in which we have recently invested, the last financial year marked the first contribution from the Group's office in Singapore (opened in 2019), as the team here played a key role supporting the US Freight team on the logistics of transporting large volumes of PPE from Asia. We have invested further in our operations here by increasing our Freight presence. Our Dubai office, which was also opened in 2019 with a focus on Private Jets, has begun to establish a customer base but has not been able to reach its full potential in the current market conditions.

Strategic progress *continued*

Further to our organic growth objectives over the period, we also continued to monitor acquisition opportunities. At the end of 2020, we acquired the trading assets of CHS Engineering Ltd (CHS) after the business went into administration. CHS offered consultancy services for airports and logistics operations, remote condition monitoring and baggage system testing. These services will now be incorporated into Air Partner's Managed Services offering and trade as Air Partner CHS. This is a small acquisition but one which extends our customer offering further still, while sharing a very similar customer base with the rest of our Safety & Security division, thereby presenting cross-selling opportunities. The business is not expected to be profit enhancing until the second half of the year when airports remobilise post lockdown.

Environmental, social and governance (ESG)

As a company operating in the aviation sector, Air Partner is very focused on understanding and improving the impact of its operations on the environment and society. We are committed to developing and implementing a long-term sustainability strategy and to operating within a responsible and sustainable framework. As part of this, we appointed environmental consultants Delta-Simons to help us identify areas where we can add value to the environment protection effort. We have now defined the four strategic pillars of our environmental strategy as (a) carbon offsetting, (b) charitable partnerships, (c) reduction of resource consumption and (d) transparency in reporting.

An environment working group (EWG), consisting of representatives across Air Partner's functions and geographies, considers ways to implement each of the strategic pillars, and proposes these to the Group Executive Team, which has ultimate responsibility for their implementation. The Board receives regular reports on the development and activity of the sustainability strategy. More information can be found in the Sustainability section of our Annual Report.

We are committed to recruiting the best people to join our already strong teams, improving engagement and retention of our employees, and positively impacting the economies and communities in which we operate. Given the challenging circumstances of the pandemic, in the last financial year we prioritised establishing new ways of working, employee mental health and wellbeing, and ensuring regular and effective communication between management and employees.

We launched a revised diversity and inclusion policy, which reinforces our commitment to constantly improving our workplace culture. As part of this, we conducted implicit bias training sessions across the Group, which received excellent feedback. We remain committed to gender and equal pay and will continue to monitor and take action where it is needed. The mental health and wellbeing of all employees is a key priority for us and we have undertaken a number of activities around this, including the development of a mental health and wellbeing policy to increase awareness and reduce stigmas.

An Employee Advisory Panel, established in FY20, met throughout the year, continuing to gather the views of the workforce and act as a conduit for two-way communication with the Board. We also introduced weekly CEO video updates throughout the pandemic, monthly 'All Hands' virtual town hall meetings (with the ability to ask questions anonymously) and a new intranet platform.

In addition, we have refreshed our volunteering policy, with up to two days' paid volunteering per year available to staff. Since January, a number of our employees have volunteered at local vaccination centres in the UK. At Christmas, the Group also donated to several charities in the communities in which our main offices are based to help the homeless and those in need.

'The importance of putting our customers first and providing exceptional service, while remaining flexible at all times, has shone through this year. I would like to send my thanks to all of our customers for their continued support and loyalty through this difficult time.'

Charter

The Charter division delivered £39.1m, a growth of 32.1% on the prior year

Charter
Overall, the Charter division delivered £39.1m (FY20: £29.6m) of gross profit for the 12 months to 31 January 2021, driven by the exceptional H1 performance by Group Charter and Freight, which more than offset a weaker performance in Private Jets. The division contributed 87.1% to the overall gross profit of the Group, with Group Charter (including Specialist Services) contributing 39.6%, Private Jets 20.7%, and Freight 26.5%. Performance was mixed across geographies, with the US performing well, while others, such as Europe, have struggled and remain challenging in the face of multiple lockdowns and restrictions.

Group Charter
Group Charter performed well in the year, reporting gross profit of £17.8m, up 21.1% on the prior year (FY20: £14.7m), with strong results coming out of the US and the UK in particular. A key driver was the delivery of emergency evacuation flights around the world for the UK government, international corporations and the cruise industry. Air Partner was able to provide superior solutions due to our unique ability to combine and coordinate our Group Charter, Air Evacuation and Safety & Security capabilities.

In addition, Group Charter saw high demand for corporate shuttles, as companies in the UK and US sought to safeguard their employees. We also carried out work in the sports sector, flying sports teams to fixtures safely and in line with local regulations to enable the continuation of top tier sporting events. However, there has been a significant downturn in our Tour Operations and Meetings, Incentives, Conferences and Exhibitions (MICE) business, predominantly in Europe, as activities in these areas have been deferred until restrictions have been lifted. As a result of the market conditions, the Directors took the decision to exit the UK Travel Agency market, which will be completed later this year.

Within our Specialist Services offering, Air Partner Remarketing arranged the sale of an ATR72 for Heritaviation, as well as three B747-400s and two PW4000 engines for Corsair. A consultancy agreement was made with an airline to renegotiate its leases on new aircraft, and a substantial Aircraft, Crew, Maintenance and Insurance (ACMI) project was also completed in the year. COVID-19 has impacted the market for aircraft sales and leasing but new mandates have created a promising pipeline for when the market recovers.

Air Evacuation had a strong year, retaining 86% of its long-term customers. Unsurprisingly, interest in this product remains high due to COVID-19 and the hurdles faced for international travel.

Charter gross transaction value
£262.4m

Charter gross profit
£39.1m

Charter underlying operating profit
£14.5m

Charter statutory operating profit
£13.9m

CASE STUDY:

Keeping critical supplies moving during COVID-19

The Freight team carried out more than 300 dedicated cargo flights since February to support the urgent demand for personal protective equipment (PPE), COVID-19 test kits and supplies for the manufacture of the COVID-19 vaccine.

Throughout the pandemic, with the changing availability and supply, we were able to use our extensive experience to charter numerous passenger configured aircraft to move urgent PPE cargo, as an innovative approach to overcome the global cargo aircraft capacity crunch during the height of the COVID-19 pandemic.

‘We’ve worked with our clients around the clock to ensure critical supplies arrived safely and as quickly as possible to the places and people that needed them most during these challenging times,’ said David McCown, President of Air Partner US.

As part of this work, we supported a US based freight forwarder in its participation in a COVID-19 emergency response initiative led by the Federal Emergency Management Agency (FEMA). Identifying the best aircraft charter solutions for our client allowed it to expedite the delivery of medical supplies, such as N95 masks, surgical gowns and gloves, from international manufacturers to points across the US.

During the height of the COVID-19 pandemic, we also helped the client in the urgent transportation of more than 5,000 experimental COVID-19 test kits from South Korea to Washington, D.C. The test kits were shipped under highly regulated specifications in temperature controlled containers and required hourly temperature checks to ensure they stayed inside the required frozen range throughout the flight.

Our Freight division also expanded in Asia and South Africa in 2020 due to the increased demand.

Freight

It was an exceptionally strong year for Freight, which delivered gross profit of £11.9m, up 271.9% (FY20: £3.2m). It was the most challenging environment this area of our business has ever seen, due to the high levels of demand, urgent nature of the projects, and additional logistical requirements to ensure the safety of the crews. Due to the volumes of capacity required, the industry saw many commercial passenger aircraft being used for freight deliveries, where regulations permitted, in addition to typical freighters.

Our Freight team around the world worked tirelessly and cohesively to fly critical shipments of PPE from Asia to the US, the UK and Europe throughout the pandemic. Although the US, the UK and Germany were the primary contributors due to their established customer bases, it was a truly global effort, with the Singapore and Turkey offices assisting with aircraft supply and providing key local knowledge so that we could deliver a first-class service to our customers. Over and above the delivery of PPE, Freight also continued to fly critical and high value goods across the globe, with the US team being particularly busy supporting the automotive sector through supply chain challenges.

Private Jets

It was a difficult year for Private Jets, as regulations around lockdowns and quarantines shifted constantly, resulting in gross profit decreasing 20.5% to £9.3m (FY20: £11.7m). The US was the best performing region by some margin on account of both our recent investment in the team and the stronger private jet market there. Although gross profit in the US was lower year on year, we saw a surge in new customers in the first half of the year, as people sought safer methods to return to their homes during the first wave of the pandemic. As a result, bookings during the second half of the year were up 10% on the prior year. Overall, the number of Private Jets customers in the US increased 23% year on year, with new customer numbers up 75%. Our US JetCard programme also continued to grow, with membership increasing 18%.

The UK and Europe were both down year on year, in line with market expectations. Private jet flights are heavily weighted to the leisure market and, unfortunately, a strong summer was not enough to offset the impact of global travel restrictions. Some customers did still fly for business-critical reasons, with private jets taken to ensure the health and safety of employees flying. However, many businesses have scaled back travel in light of the economic impact of the pandemic. We did, though, see an increase in the number of first-time private jet flyers mainly in the UK and the US over the period, as people sought flexibility and the safety of travelling within their own bubble, with fewer contact points.

> 'It was an exceptionally strong year for our Freight division, which delivered gross profit of £11.9m.'

CASE STUDY:

Growing our global footprint

Air Partner expanded its Singapore office and established its first physical presence within Africa. The expansion followed record growth of the Freight division over the last three years, with increased demand throughout the global pandemic.

The COVID-19 pandemic uncovered unexpected opportunities in the Asia Pacific region. As manufacturing hubs began to reopen after localised lockdowns, Air Partner moved to support clients with growing freight requirements. Already established in Singapore since 2019 as a Freight office, Air Partner Group expanded its Charter offering in Singapore to provide the full range of service offering including private jet hire and Group Charter services.

As well as the growth in Asia, Africa is fast becoming a growth market for air freight, and the industry has seen an increasing demand for services in the region, with the International Air Transport Association (IATA) reporting a 7.4% increase in freight volumes last year.

Longer term, through the expanded presence in Asia and Africa the Group will look to grow freight forwarding and e-commerce operations, as well as reestablishing onboard courier (OBC) services activity which was increasing in demand pre-COVID-19.

Safety & Security

The green shoots of recovery in our Safety & Security division continue to grow as airports scale up operations

Safety & Security gross profit for the period was £5.8m (FY20: £4.6m). There was greatly reduced demand for many of these services during the pandemic, as a number of our airport and airline customers scaled back or, in some cases, indefinitely delayed operations. As result, we took UK government support in the form of furlough monies to protect jobs up to December 2020. In its first year of contribution, Redline was the best performer within the division, supporting other critical infrastructure sectors and delivering software related services.

Baines Simmons saw much lower demand than usual, as airlines cut almost all discretionary spending. However, we successfully converted many of our safety training courses from classrooms to virtual delivery, resulting in a significantly improved performance during the second half of the year, and we are seeing this trend continue. Our Fatigue Risk Management team (previously Clockwork Research) also had a very successful year delivering contracts to well-known airlines and energy customers, among others, as they adapt to the new regulations for COVID-19 compliance.

SafeSkys has now exited its Air Traffic Control operations in the UK, enabling it to focus solely on its wildlife hazard management offering. This area of our Managed Services portfolio delivered expected returns throughout the year, as many regional military airfields continued to operate despite the pandemic.

We acquired Redline just before the outbreak of COVID-19 and we have been encouraged by its performance during a particularly challenging period, although its activities were, of course, significantly impacted by the pandemic. It secured a number of business wins throughout the year with a wide range of customers, including those with international facilities management company OCS Group UK, the UK Civil Aviation Authority (CAA), private aviation company Jet Edge, supporting Align JV on a HS2 project, and Nice, Guernsey, Birmingham and Belfast International airports.

In July, Redline was also appointed to develop and deliver a robust Security Management System for ISS Australia and New Zealand, marking Air Partner's entry into the Australian market. Good progress was also made in terms of embedding Air Partner's culture, values, policies and procedures, developing the go-to-market brand (Air Partner Safety & Security), and establishing cross-functional teams to capitalise on cross-selling opportunities within the enlarged group.

Going forward, we remain confident about the prospects for Redline and we expect to see the true value of this business come through in the current financial year.

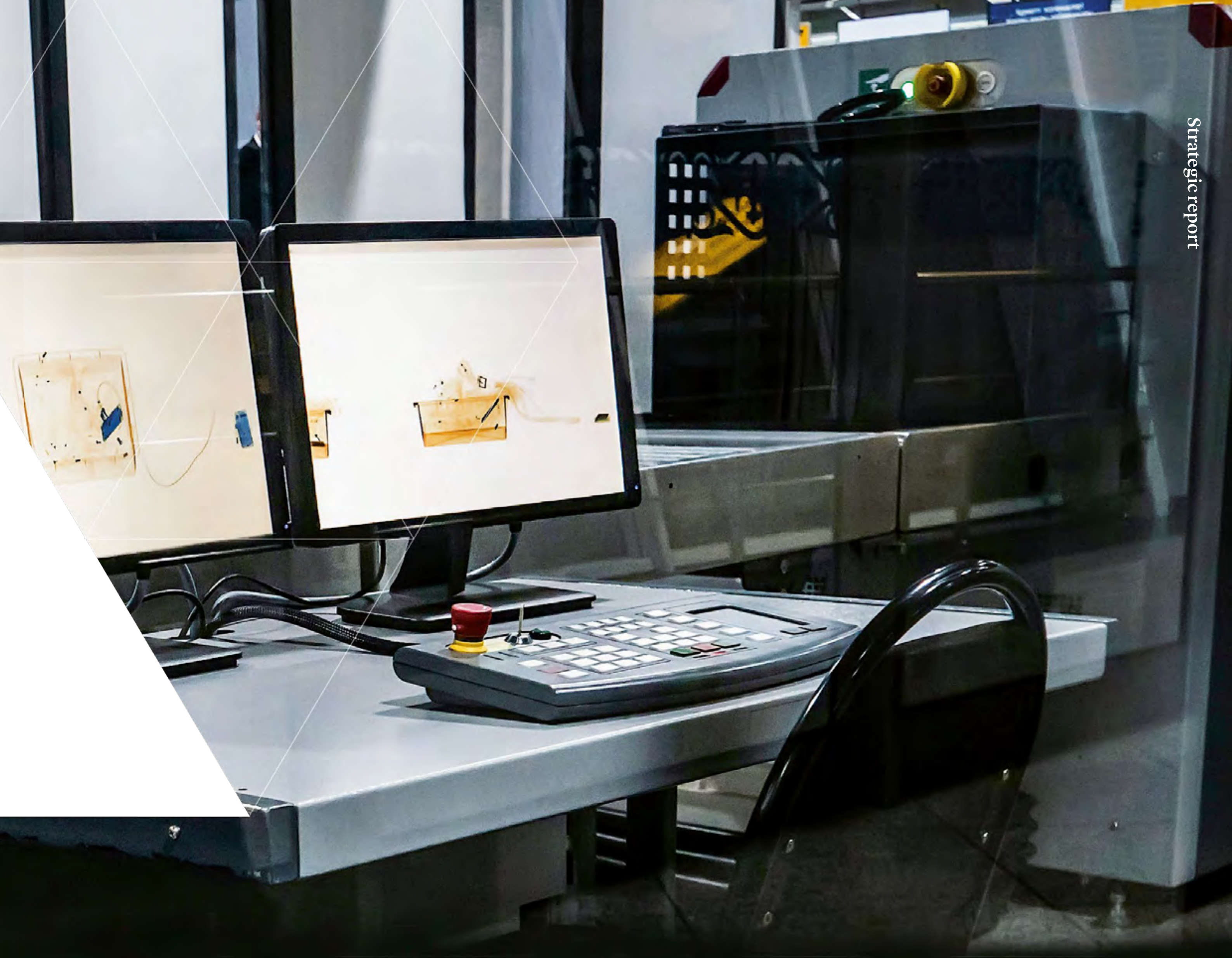
Safety & Security gross transaction value
£12.4m

Safety & Security gross profit
£5.8m

Safety & Security underlying operating profit
£0.0m

Safety & Security statutory operating loss[1]
£2.6m

1 Statutory operating loss includes £2.4m of amortisation of intangible assets arising on acquisition.



CASE STUDY:

Diversifying our earnings by investing in security services

Although the aviation landscape has been challenging throughout 2020, Redline Assured Security, acquired by Air Partner Group in December 2019, has seen a strong performance with a number of new contract wins, supporting clients with a wide range of security services.

Redline expanded into the Australasian market, being appointed to deliver a robust Security Management Systems (SeMS) for ISS Australia and New Zealand.

The system is a first of its kind in Australia, enhancing ISS's security services across its aviation and transport activities. ISS is one of Australia's largest facility services providers, delivering security, screening and facility services across airports and ports in every Australian state. Redline's SeMS focuses on all aspects of security activity, supporting management at all levels within an organisation. All security tasks, such as quality assurance activity, training performance and audits, are fed into the system, instantly highlighting any exposed vulnerabilities. This allows management to maintain control of risk in an ever-changing threat environment.

As well as expanding into new markets globally, Redline also has seen success in other non-aviation markets supporting customers in sectors such as facilities management, logistics and the Department for Transport (DfT). In total, Redline has now secured 43 new contract wins or renewals since joining Air Partner in December 2019.

Chief Executive Officer's review *continued*

The assets of CHS Engineering Ltd were acquired towards the end of the year after the company went into administration. The company's expertise in airport logistics operations and technical services complement and expand the Group's existing Security portfolio, and we foresee cross-selling opportunities with the other areas of our Safety & Security division. We expect that this part of the business will become profit enhancing during the next financial year.

Current trading and outlook

We have enjoyed an encouraging start to our current financial year, with the first quarter exceeding management's expectations, and we are optimistic for the months ahead. Trading levels for Q2 are also expected to be ahead of management's original forecast, subject to government restrictions being lifted. As a result, our base case expectation for the current year is now to deliver profits in excess of those generated in the year ended 31 January 2020, where we achieved underlying profit before tax of £4.2m, despite the global reduction in airline passenger numbers due to the pandemic.

The strong performance from our US Private Jets and Freight has continued into this year, with the latter assisting with the vaccination roll-out by moving large shipments of raw materials used in the manufacture of vaccine vials. In the UK and Europe, our Group Charter team continues to work with governments and the sports sector, although Private Jets bookings in the UK and Europe remain slower due to ongoing travel restrictions. However, pleasingly, JetCard sales and deposits are strong in both the UK and US. We expect to see an improvement in Private Jets activity in the summer as restrictions lift and the vaccine roll-out drives a return of business and leisure travel.

The green shoots of recovery in our Safety & Security division continue to grow as airports scale up operations in preparation for flying during the summer season, the length of which will be dictated by when governments lift lockdown measures and relax restrictions. We are seeing demand return for Redline's range of security services and the order book is now at its highest point since the pandemic took hold. In its first full year of ownership, we are greatly encouraged by the progress Redline is making within the Group and are confident it will go from strength to strength.

We still have a lot of headroom to grow and so we shall continue to pursue our organic growth initiatives and assess targeted acquisition opportunities that meet our strict criteria and align with our strategic objectives to extend our customer offering and improve the visibility of our earnings.

Finally, I would like to thank the collective Air Partner team once again for all its hard work throughout the pandemic. It has certainly not been easy but its commitment to both the Group and our customers has been unwavering and truly inspiring.

Mark Briffa
Chief Executive Officer

11 May 2021

'We have enjoyed an encouraging start to our current financial year, with the first quarter exceeding management's expectations, and we are optimistic for the months ahead.'

Chief Financial Officer's review

In an extraordinary year, we have demonstrated the inherent strength of our business model, delivering an excellent set of results in which the true value and impact of our strategy shines through. We have built a strong business that is diversified by product and geography, so that we are not over reliant on any one revenue stream. The benefits of this model have never been clearer than in the last financial year as different areas of the Group have been affected by the impact of the global pandemic in varying ways.

We are encouraged by the performance of Redline in its first full year of ownership, despite the challenging environment. It won a number of new contracts and is now seeing demand rebound from airport customers as they plan for a re-emergence post lockdown. We are confident that Redline, along with the rest of the Safety & Security division, is well positioned to benefit from significantly increased levels of activity as the travel industry opens up and airports remobilise.

Our key financial priority at the onset of the pandemic was the preservation of cash and we took several actions in this area to strengthen our position. Cost saving measures included salary reductions, tight control over discretionary spend, reorganisational activities and a reduction in our property footprint. Actions taken to preserve cash included the withdrawal of the final dividend payment relating to FY20 and an overall reduction in capital expenditure for the year.

In June 2020, we raised £7.5m from a successful, oversubscribed fundraise, which enabled us to repay the debt taken on at the time of the Redline acquisition and increase our working capital to fund organic growth initiatives, such as growth in our Freight business and an increase in governmental contract work.

Prudent cash management and the strong trading performance during the year have enabled us to be highly cash generative. Thanks to the significant and swift actions we took in FY21, we are strongly positioned for the coming year.

Gross transaction value and revenue

Air Partner uses gross profit as its key indicator of business performance. This is due to the potential for revenue, as determined under IFRS, to fluctuate depending on the number of contracts enacted in the year where the Group acts as principal as opposed to an agent. The Charter division, which accounts for 87.1% (FY20: 86.5%) of the total gross profit, is the area of the business where we predominantly act as an agent. For the sake of completeness, commentary below is given on gross transaction value (GTV) and revenues.

Gross transaction value and revenue *continued*

GTV of £274.8m (FY20: £236.8m) was up by 16.0%, which is principally due to the increase in Freight activity, as described in more detail in the gross profit section below. GTV represents the total value invoiced to customers and is stated exclusive of value added tax.

Revenue of £71.2m (FY20: £66.7m) represented a smaller year-on-year increase of 6.7%, due to a lower proportion of income coming from transactions where the Group acted as principal.

Gross profit

Gross profit of £44.9m was up 31.3% against the prior period (FY20: £34.2m). On a comparative basis, adjusting for the full year impact of the Redline acquisition, gross profit increased by 24.3%. Constant exchange rates had a negligible impact on year on year gross profit movement.

At a divisional level, the gross profit of the Charter division was up 32.1% on the prior year at £39.1m (FY20: £29.6m). This growth was driven by the exceptional levels of activity in Group Charter and Freight during the first half of the year, carrying out repatriations and PPE flying as a result of the pandemic.

Private Jets, Travel and Tour Operations were all impacted by COVID-19 travel restrictions. After a critical appraisal of the UK Travel Agency business, the Directors took the decision to exit the market and completion is expected in the second half of FY22. The Group's Travel Agency business is currently consolidated into Group Charter. Exiting this business is not expected to have a material impact on the underlying performance of Group Charter going forwards.

Breaking the Charter division down into its constituent parts, Group Charter's gross profit of £17.8m was a year-on-year increase of 21.1% (FY20: £14.7m). This came predominantly from COVID-19 evacuations earned in the UK and US. Conversely, due to tighter travel restrictions, gross profit in Europe was down due to its dependency on Tour Operations, which all but stopped as a result of the pandemic. Within Group Charter, the reduction in Tour Operations and Travel Agency activity, which are typically high volume, low margin businesses, has resulted in the gross profit to GTV margin increasing to 22.9%, compared to 10.7% in FY20. Depending on the rate of recovery of these businesses, we would expect this margin to reduce while noting our decision to exit the low margin UK Travel Agency business.

Travel restrictions have resulted in Private Jets gross profit decreasing by 20.5% to £9.3m from £11.7m in FY20 due to lower levels of activity in the UK and Europe. Although a significant decrease year on year, this is still considerably stronger than the overall trend in aviation revenue passenger kilometres, which saw a sharp decline of 66% for the 2020 calendar year (source: IATA – Air Passenger Market Analysis, December 2020). The Directors expect to see a strong recovery in this sector in the second half of the current financial year as lockdown measures are eased. We continue to invest in the growth potential of Private Jets, particularly in the US, through talent acquisition and technology investment in our JetCard programme.

Freight was the standout performer of the year, generating £11.9m of gross profit, an increase of 271.9% year on year (FY20: £3.2m), as a result of extensive PPE flying. Although the increase was driven by the exceptional levels of trading in the US, all Freight offices saw significant increases on prior year results.

As alluded to above, the high levels of trading in Group Charter and Freight in the US have significantly changed the Group's regional mix. US Charter gross profit increased by £10.0m year on year to £17.8m (FY20: £7.8m) and now contributes 45.5% to Charter Group gross profit, compared to 26.4% in the prior period. As a result, UK Charter now accounts for 36.8% of Charter gross profit, compared to 43.2% in the prior year, despite a £1.6m increase in gross profit. Europe is the only geographic segment that saw a decline in gross profit year on year to £5.3m, while the Dubai and Singapore offices increased Rest of the world gross profit to £1.5m (FY20: £0.2m).

Safety & Security delivered gross profit of £5.8m (FY20: £4.6m), an increase of 26.1%, which is attributable to the full year impact of Redline. On a true like-for-like basis, the division declined by 31.0% year on year. This reflects the fact that the many of the services provided by our Safety & Security division were viewed as discretionary spend by our customers, especially in the aviation industry.

In addition, within gross profit for Safety & Security is £0.4m of UK government support monies as a result of employees, who are charged as a direct cost of sale, being on furlough for a number of months during the year, in areas of the business where work had effectively dried up.

Despite the decline in gross profit, the Directors remain confident that the Safety & Security division is well positioned to recover. Redline and Clockwork have won a number of contracts from non-aviation customers, while Baines Simmons has been adapting its courses for online learning. In addition, the newly acquired CHS has very similar customers to the rest of our division, offering an opportunity to cross-sell additional products and services.

Administrative expenses

Costs included in administrative expenses in the consolidated income statement are personnel costs, sales and marketing, finance, information systems, human resource management, legal and compliance, and other administrative costs.

Underlying administrative costs, excluding net impairment losses on financial assets, were £32.1m (FY20: £29.2m), an increase of 9.9%, despite the cost cutting and restructuring undertaken, because of the pandemic (see Exceptional and other items). The increase is driven by higher commission payments and other remuneration effects resulting from the strong trading performance (£3.7m), and a full year of overheads for Redline (£2.3m). This has been offset by £1.3m of government support for areas of the business that have been significantly impacted by COVID-19*. Adjusting for these effects, administrative costs decreased year on year by £1.7m, reflecting the numerous cost-cutting initiatives taken during the year.

Net impairment losses of £0.8m (FY20: £0.2m) represent provisions for irrecoverable balances made during the period. The Group has entered legal proceedings against a customer with an outstanding balance of £0.3m and the case is still ongoing. As a result of the impact of the pandemic, the Group has provided for £0.4m of balances which are no longer considered recoverable and has increased its IFRS 9 credit loss provision by a further £0.1m.

In order to progress our strategy, while remaining mindful of the risks and ongoing effects of COVID-19, the Group expects to make further investments in administrative expenses as we grow organically across new locations. The cost benefit analysis of any initiative will be assessed at the appropriate time against the Group's investment criteria.

* Total of £1.7m taken at Group level, £0.4m relating to employees whose costs are recognised within costs of sales and the government grant matched to this.

Underlying operating profit

Underlying operating profit has increased 150.0% to £12.0m (FY20: £4.8m). As referenced in the preceding sections, performance has varied considerably across the products and services. Underlying operating profit by sector is stated after the allocation of attributable central support costs.

Freight has seen the largest increase in underlying profit, producing £6.7m compared to £0.2m in FY20. Freight has a relatively low cost base, so the high trading volumes converted strongly to operating profit. Group Charter also performed strongly, increasing operating profit by £3.3m to £6.4m (FY20: £3.1m), despite the reduction in its Tour Operations business. Private Jets saw underlying operating profit fall from £2.6m in FY20 to £1.4m with a mixed performance across the Group. The US was the standout performer in this area.

The decline in Tour Operations, combined with the performance of Private Jets, has resulted in underlying operating losses being recorded by the countries where these are the primary revenue drivers. France and Italy have been particularly affected and are loss making, despite the government support taken for staff costs.

The Safety & Security division produced a break-even result (FY20: £0.9m), because of the limited trading opportunities in the year. This was inclusive of the government support of £0.6m taken for staff costs, included within cost of sales and administrative expenses, which are higher in this division.

The remaining underlying profit is comprised of a loss of £2.4m (FY20: £2.1m), relating to corporate costs that are not assignable to any division. The year on year increase reflects the increased performance based remuneration to senior management to reflect the Group's performance.

Finance costs

The net interest charge for the year was £0.5m (FY20: £0.5m). The charge reflects the interest payable on finance leases recognised under IFRS 16 and interest on the Group's revolving credit facility (RCF). The Group repaid the RCF balance in full at the end of the first half of the year and, as a result, expects borrowing costs to decrease going forward.

Underlying profit before tax

The above results translated to record underlying* profit before tax of £11.6m for the Group, an increase of £7.4m (176.2%) from the prior year (FY20: £4.2m). On a comparative basis, adjusting for the full year impact of the Redline acquisition, underlying profit before tax increased by 182.5%. Adjusting for constant exchange rates had a negligible impact on year on year profit movement.

* Underlying earnings are stated before exceptional and other items, see note 7 in the financial statements.

Exceptional and other items

Exceptional items are excluded from underlying performance measures by virtue of their size and nature, in order to better reflect management's view of the performance of the Group. In the year under review, the net effect of exceptional and other items on operating profit was £3.2m (FY20: £3.3m).

Exceptional and other items excluded from underlying profits in the period are broken down as follows:

	2021 £m	2020 £m
Underlying profit before tax	**11.6**	4.2
Change of Board composition	**–**	(0.2)
Restructuring costs	**(0.8)**	–
Amortisation of purchased intangibles	**(2.4)**	(0.6)
Acquisition costs	**–**	(0.6)
Disposal of subsidiary	**–**	–
Cost incurred and provision for outflows resulting from French tax investigation	**–**	(0.7)
Impairment of goodwill	**–**	(1.9)
Settlement of historical legal disputes	**–**	0.4
Release of deferred consideration	**–**	0.3
Statutory reported profit before tax	**8.4**	0.9

Exceptional and other items *continued*

In total, there is a £3.2m exceptional charge on the consolidated income statement for the year, comprising £2.4m of amortisation of acquired intangibles and £0.8m of restructuring costs incurred across the Group. The latter were incurred as a result of an assessment of the Group's headcount requirements, exiting the UK Travel Agency market and a reduction in the office footprint of the Group in the wake of COVID-19. The remaining exceptional costs relate to the disposal of our Swiss subsidiary, the release of a provision for acquisition costs, and present valuing of the deferred consideration on acquisition of Redline, which all net to below £100k. They are mentioned here for full transparency and to be consistent with the prior year approach.

Further information and details of the prior year figures are provided in note 7 – Exceptional and other items in the financial statements.

Statutory reported profit before tax

Reflecting the strong trading period of the Group, statutory reported profit before tax, after the above exceptional and other items, was £8.4m (FY20: £0.9m).

Taxation

The Group seeks to manage the cost of taxation in a responsible manner to enhance its competitive position on a global basis while managing its relationships with tax authorities on the basis of full disclosure and legal compliance.

On a statutory reported profit basis, the effective rate of taxation was 32.8% (FY20: 67.6%). The high tax rate in the prior year was due to the level of exceptional costs which did not attract tax relief.

The underlying tax charge* of £3.0m (FY20: £0.9m) represents an effective rate of 26.6% (FY20: 20.5%) on the underlying profits before tax. The higher tax rate reflects the greater share of profits in countries with higher tax rates, in particular the US, and losses in other tax jurisdictions, on which we have chosen not to recognise the deferred tax assets as the recoverability is not sufficiently certain at this time.

* Adjusting for exceptional and other items.

Earnings per share

Basic underlying* earnings per share from continuing operations was 14.2p (FY20: 6.4p), up 121.9% on the prior year. On a statutory basis, basic earnings per share from continuing operations was 9.4p (FY20: 0.6p).

* Underlying earnings are stated before exceptional and other items, see note 7 in the financial statements.

Dividends

The Board has reviewed its dividend policy so as to ensure that the Group has the ability to pay a sustainable and growing level of dividends over time. Recognising the importance of dividends to Air Partner's shareholders, we announced the reinstatement of dividends at the interim results in September 2020 with a payment of 0.8 pence per share. The Board is now recommending a final dividend of 1.6 pence per share, making a total of 2.4 pence per share for the year as a whole. The final dividend is expected to be paid on 15 July 2021 to those shareholders on the share register at close of business on 11 June 2021. The ex-dividend date will be 10 June 2021.

Going forwards, the Board will target dividend cover of 3.0 to 3.5 times earnings in a normal year, after adding back non-cash related exceptional items, such as amortisation of acquired intangibles.

Statement of financial position

Shareholders' funds

After considering the profit for the period, dividend payments, exchange rate differences and the share issue (see below), overall shareholders' funds at 31 January 2021 were £21.1m, representing an increase of £11.9m on the position at 31 January 2020 (£9.2m).

In June 2020, the Group completed a cash box placing for 10 million new shares in the capital of the Company. The placing price was 75p per share. The placing raised gross funds of £7.5m and incurred fees approaching £0.5m, resulting in a net increase in equity of £7.1m. In accordance with Section 612 of the Companies Act 2006, merger relief has been applied, resulting in an increase to retained earnings of £6.9m, with the remainder going to share capital and share premium. Share premium was only recognised on shares issued as part of an offer through PrimaryBid, which did not qualify for merger relief.

Goodwill and intangibles

The carrying value of goodwill is £8.7m (FY20: £8.6m), with the movement relating to foreign exchange.

Intangible assets arising from business combinations are assessed at the time of acquisition in accordance with IFRS 3 and are amortised over their expected useful life. This amortisation is excluded from underlying profits. The net book value of intangible assets is £9.3m (FY20: £11.9m), comprising of acquired intangible assets: customer relationships, customer contracts, software development costs and internally generated software assets.

In the period, we invested £0.2m (FY20: £0.4m) in software development as we finalised and subsequently rolled out our Charter customer relationship management system and completed our new Charter and Group websites.

Other balances

The Group holds property, plant and equipment totalling £6.0m (FY20: £7.7m), of which £5.1m is held on lease in accordance with IFRS 16 (FY20: £6.7m). Approximately 70% of the IFRS 16 assets relate to the right of use of an Italian aircraft where the lease was due to expire at the end of October 2021 but following the year end, the contractual terms and payment obligations have been further delayed until 2022. Capital expenditure in the period was £0.3m (FY20: £0.5m) on property, plant and equipment.

The net current asset position of the Group has improved by £2.9m. The main drivers have been a significant trading result in the period and a cash injection from the shareholder fundraise net of paying down all the Group debt. Other balance sheet movements are noted below.

The positive change in receivables was driven by several factors, including that COVID-19 related activity did not attract customer credit. We also restricted credit terms wherever possible and the parts of the business that typically give credit did not have high levels of trading during the period, i.e. Safety & Security. This resulted in a positive unwinding of the trade receivables position in the year of £3.2m.

In addition, prepayments and accrued income were £4.1m and £1.3m lower than the prior year, respectively. This was driven predominantly by the shift in our business mix. Tour Operations and Travel projects often require deposits several months in advance of the flying date and a reduction in volume in these areas contributed to the movement in prepayments.

In line with the above, deferred income has declined from £24.7m in FY20 to £21.4m in FY21. It should be noted that deferred income includes JetCard balances, which increased by £1.1m year on year. This shows that, although our Private Jets business has been negatively impacted this year, our customers still intend to use the balances once travel restrictions have been eased.

Trade and other payables and other liabilities have increased by £0.5m, driven by the accrued costs for the employee remuneration due because of the strong trading performance. The tax liability due has decreased despite the higher charge for FY21, as the Group has paid instalments in line with the total expected annual charge in most tax jurisdictions.

Overall, the aforementioned movements resulted in a positive working capital movement of £6.5m in the period (FY20: negative movement of £0.7m). This trend is considered one-off and symptomatic of the COVID-19 trading environment we have experienced, and we fully expect to invest in working capital when more normalised levels of trading resume and the parts of our business that have suffered due to the pandemic come back on line.

The Group has a non-current liability for deferred consideration in relation to the Redline acquisition of £1.0m (FY20: £2.3m). £1.3m was paid to the former owners of Redline during the year in line with the acquisition agreement.

Cash generation and net debt

Operating cash from trading activities after investment in capital expenditure and software was £18.9m (FY20: £8.2m), reflecting the higher profit in the year and reduction in receivables.

In terms of financing activities, the aforementioned issue of shares in the period generated net additional funds of £7.1m, which were used to repay the RCF of £11.5m, in combination with funds from operating activities.

The above means that the Group held net cash (cash offset by bank debt) of £9.9m versus net debt on the same basis of £6.9m at 31 January 2020, an increase of £16.8m. The increase is despite significant outflows in the year for corporation tax (£4.5m), payment of finance leases (£1.6m), deferred consideration (£1.3m) and dividends (£0.5m). In managing the Group's cash prudently during the year, the Directors began to use normalised cash (non-JetCard cash less client deposits and similar balances) as the best assessment of available funds in the business. This is due to the expectation at the advent of the pandemic that customers would cancel bookings and pursue refunds. Although this did not occur at the levels expected, the Directors have continued to use this measure as a more meaningful approach to cash management at this time. The normalised cash balance after adjusting for £1.6m of customer deposits at 31 January 2021 was £8.3m.

Encouragingly, JetCard cash increased by £1.1m to £17.8m (FY20: £16.7m). JetCard cash is kept in separate segregated bank accounts and is not used for the Group's working capital needs. Including JetCard cash, the Group held £27.7m cash at the year end (FY20: £21.4m).

Cash generation and net debt *continued*

The only borrowing remaining in the Group relates to the leases recognised under IFRS 16, which include property leases, motor vehicles, office equipment and the right of use of an Italian aircraft under a charter agreement that is due to expire in Q3 of the next financial year. The total lease liabilities in current and non-current liabilities amount to £5.9m (FY20: £7.3m).

Bank facilities

The Group has total debt facilities of £14.5m (FY20: £14.5m) comprising a committed RCF of £13.0m (FY20: £14.5m) and a £1.5m overdraft. As at 31 January 2021, none of the RCF was drawn down (FY20: £11.5m) and the overdraft was not utilised. The facility attracts an interest rate of 2.6% plus LIBOR and non-utilisation fees of 1.3% per annum and is repayable in February 2023.

Exchange rates

The results of overseas operations are translated into Sterling at average exchange rates. The net assets are translated at period end rates. The principal exchange rates, expressed in terms of the value of Sterling, are shown in the following table.

	Average rates		
	31 January 2021	31 January 2020	
USD	**1.28**	1.28	No movement
EUR	**1.13**	1.14	EUR strengthened by 0.9%

	Period end rates		
	31 January 2021	31 January 2020	
USD	**1.37**	1.32	USD weakened by 3.8%
EUR	**1.13**	1.19	EUR strengthened by 5.0%

Accounting policies and recent accounting developments

The accounts in this report are prepared under International Financial Reporting Standards (IFRSs), and the applicable legal requirements of the Companies Act 2006. In addition to complying with international accounting standards in conformity with the requirements of the Companies Act 2006, the consolidated financial statements also comply with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The accounting polices used in preparing these accounts are set out in note 1 in the financial statements on page 121.

Treasury and risk management

Foreign currency effects

Where possible, the Group uses natural hedges to minimise its foreign exchange exposure, for example matching JetCard deposits denominated in Euro or US Dollar with the respective liability. In addition, the Group uses derivatives to hedge certain transactions in accordance with its internal policies.

Financial risks

The main financial risks faced by the Group are credit risk, foreign currency risk, interest rate risk and liquidity risk. The Directors regularly review and agree policies for managing these risks.

Credit risk is managed by monitoring limits and payment performance of counterparties. The Directors consider the level of general credit risk in current market conditions to be higher than normal. Where a customer is deemed to represent a level of credit risk, terms of trade are modified to limit the Group's exposure.

Foreign currency risk is managed by matching payments and receipts in foreign currency to minimise exposure.

Interest rate risk is managed by holding a mixture of cash and borrowings in Sterling, US Dollar and Euro at fixed and floating rates of interest.

Liquidity risk is managed by the Group having access to an RCF, which can be used for working capital means, and a moderate overdraft facility to provide short-term flexibility.

Going concern

The Group's business activities, together with the factors likely to affect its future performance, are set out in the Strategic report and in the Principal risks and uncertainties section.

The Directors believe that the Group is well placed to manage its business risks and, after reviewing the Group's current financial position, including factors affecting its cost base, and the availability of financing facilities and forecasts for a period of not less than 12 months from the date of approval of these financial statements, are satisfied that the Group has adequate resources to continue in business for the foreseeable future and that the Company is a going concern.

A summary of the going concern assessment is provided in the Going concern and viability statement on pages 49 and 50.

Joanne Estell
Chief Financial Officer

11 May 2021

Risk management

A key component to our operations

Risk management approach

Like many organisations, our business involves constant risk management. It is an integral part of day-to-day operations. Effective risk management is particularly important during a period of growth and rapid change, as was the case during the year, particularly due to the COVID-19 pandemic. As a business we need to make sure we manage the risks to mitigate their impact and turn them into opportunities.

As part of our risk management strategy, we have implemented a proportionate and effective risk management framework to ensure all significant risks are identified and treated appropriately on a timely basis.

The process is designed to support delivery of our business objectives, protect the interests of our stakeholders, and enhance the quality of our decision making through the awareness of risk-assessed outcomes. It also facilitates open communication on risk between the Board, the Audit and Risk Committee and the Group Executive Team, and the newly created Risk and Compliance working group (more details on the latter can be found on page 62).

This approach enables us to manage and monitor the risks which could threaten the successful execution of our strategy and ensures that our strategic, financial and operational risks are appropriately considered by the Board, the Audit and Risk Committee and the Group Executive Team.

Risk governance

The Board and its Committees set the culture and approve the strategy for the Group. The Board ensures appropriate oversight and monitoring through a number of mechanisms, including strategic review meetings, Committee meetings, management reports and focused reviews on the strategy risk areas.

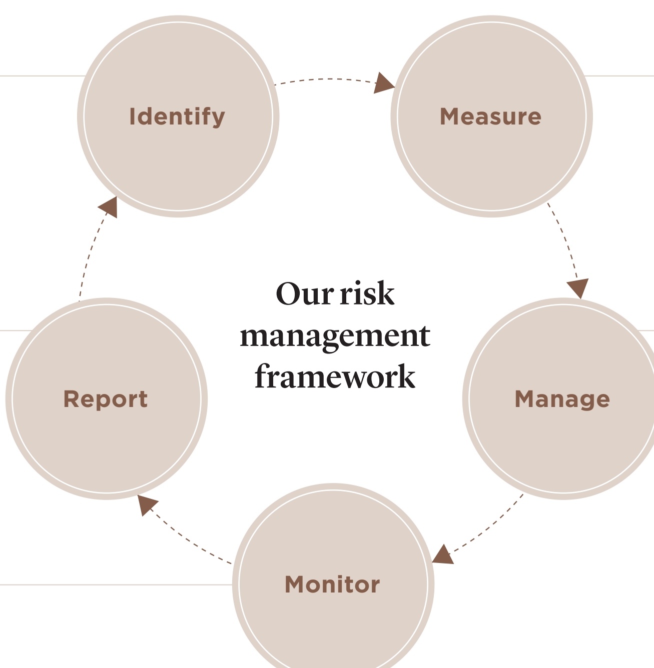
On behalf of the Board, the Audit and Risk Committee has oversight of the enterprise risk management (ERM) framework ensuring that it is effectively deployed throughout the Group. The Committee is satisfied that management has put in place a proportionate and effective risk management framework to ensure all significant risks are identified and treated appropriately.

The Chief Executive Officer (CEO) has overall accountability for the control and management of risk. The individual members of the Group Executive Team, reporting to the CEO, are accountable for specific risks. The Group Executive Team is assisted by the risk and compliance working group in defining the risk management strategy.

‘The Committee is satisfied that management has put in place a proportionate and effective risk management framework.’

Enterprise risk management (ERM) framework

Risk assessment
The Group Executive Team, assisted by the risk and compliance working group, identified and assessed new and existing risks over the course of the year as the Group's overall risk profile continued to evolve. A full and complete risk register is maintained and regularly updated.



Risk analysis
The Board and the Group Executive Team analysed and prioritised the identified risks, with a focus on those considered to pose the greatest risk to achieving our objectives.

Treatment plans and controls
The Group Executive Team implemented risk treatment activity through regular reviews and its general oversight of the day-to-day running of the business. The Group Executive Team was also responsible for adherence to the risk management process.

Risk governance
The Audit and Risk Committee received regular updates on the main risks faced by the Group from both the Chief Financial Officer and the Head of Risk and Compliance.

Regular review
On behalf of the Audit and Risk Committee, the Head of Risk and Compliance, together with the risk and compliance working group, monitored the application and effectiveness of the risk management framework and the risk treatment plans. This involved developing and managing policies and control frameworks across all aspects of the business.

Principal risks and uncertainties *continued*

Risk categorisation

We have identified six risk categories to ensure sufficient focus and clear ownership:

The Group's risk register is maintained to record all principal risks and uncertainties identified in each part of the business.

- A member of the Group Executive Team is allocated as the risk owner for each of the risks identified, as appropriate.

The risk owners conduct an analysis of each risk, according to a defined set of assessment criteria, including:

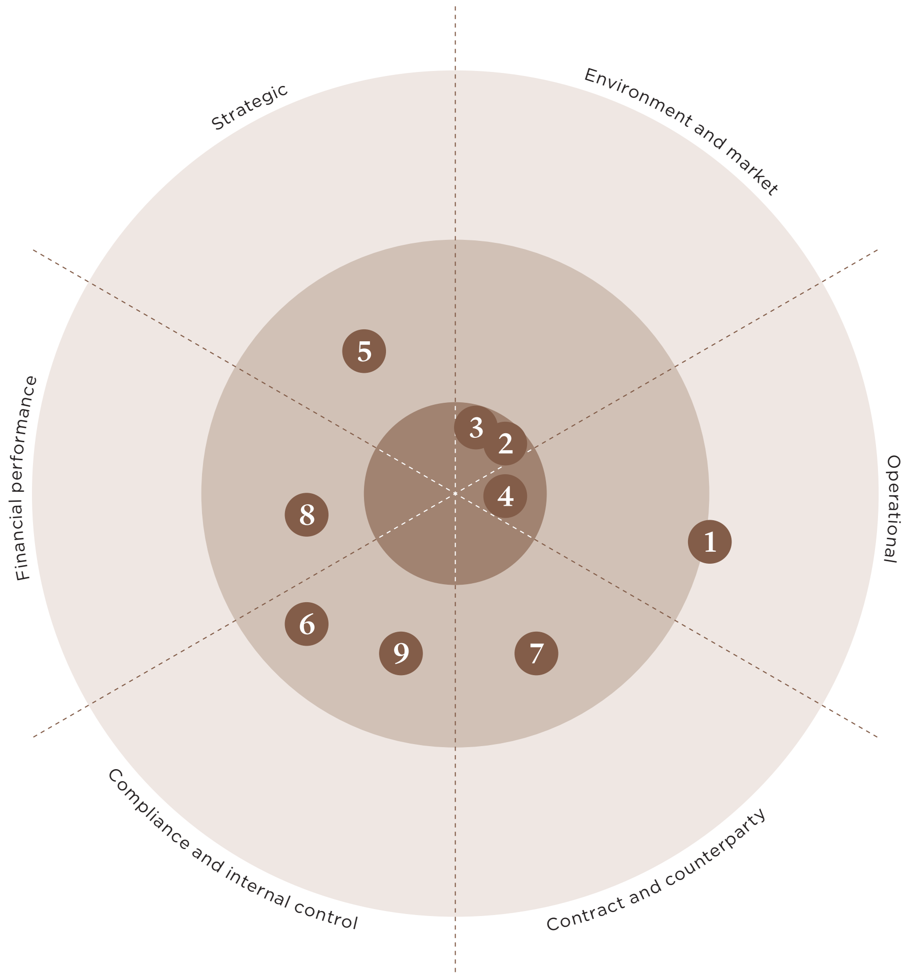
- How does the risk relate to the Group's business model and/or strategy?
- What is the likelihood of the risk occurring?
- What is the potential impact should the risk occur?
- What would the consequences be over the short, medium or long term?
- What mitigating actions are available?
- What is the degree of residual risk and is it acceptable?

Risk heatmap

The principal risks facing the organisation, at the signing of the accounts, are summarised in a heatmap opposite and provided in more detail on pages 44 to 48.

Key

- High
- Medium
- Low



Risk		Category	Movement	Risk owner
1	People	Operational	No change	Craig Pattison, Chief People and Technology Officer
2	Changing market environment	Environment and market	No change	Kevin Macnaughton, Managing Director, Charter David McCown, President, Air Partner Americas Paul Mason, Managing Director, Safety & Security
3	Environmental concerns	Environment and market	Increased	Kevin Macnaughton, Managing Director, Charter David McCown, President, Air Partner Americas Paul Mason, Managing Director, Safety & Security
4	Cybersecurity and IT systems	Operational	Increased	Craig Pattison, Chief People and Technology Officer
5	Growth – geographical expansion, acquisition and integration risk	Strategic	No change	Mark Briffa, CEO
6	Legal, regulatory environment, ethics and compliance	Compliance and internal control	No change	Judith Banks, General Counsel and Company Secretary Joanne Estell, CFO
7	Operators and other charter supply chain	Contract and counterparty	No change	Kevin Macnaughton, Managing Director, Charter David McCown, President, Air Partner Americas
8	Financial management and performance, including COVID-19	Financial performance	Decreased	Joanne Estell, CFO
9	Effective control environment	Compliance and internal control	No change	Mark Briffa, CEO Joanne Estell, CFO

Change in risk assessment: No change Increased Decreased

Principal risks and uncertainties *continued*

Category	Risk description	Potential impact	Controls/processes to mitigate	Areas of strategy impacted
Operational	**People** • Impact of COVID-19 on the workforce's wellbeing, mental health and engagement while working remotely to ensure their safety. • Maintaining effective leadership, engendering a culture of compliance with our values and policies. See page 63 for Company values. • Attracting new talent and retaining existing key staff who have in-depth knowledge of the business and industry.	• Loss of productivity, high sickness rates and employee fatigue due to negative COVID-19 impact. • Loss of earnings and key customer/supplier contacts through lack of effective leadership and inability to attract and retain key individuals. • The loss of key personnel following acquisitions may impact performance and value.	• Numerous initiatives to assist with maintaining the workforce's wellbeing, mental health and engagement. Details of these initiatives can be found on pages 56 and 57. • Continuous monitoring of COVID-19 restrictions in every jurisdiction in which we operate. • Leadership development programme in second year of operation. • Talent and succession plan reviews. • Remuneration packages evaluated regularly against market trends. • Clearly defined people integration plan for acquisitions. • Diversity and inclusion initiatives (details of these initiatives can be found on page 76). • **Owner: Craig Pattison, Chief People and Technology Officer**	• Customers. • Developing and retaining our people. • Growing organically. • Broadening our offer.
Environment and market	**Changing market environment** • Air charter bookings and the sale of safety and security products and services can be materially impacted by changes in financial markets, political instability and natural events such as COVID-19 affecting the movement of people or cargo, and the airlines' and airports' ability to invest in safety and security products and services. • Financial challenges facing operators and the consequent lack of availability of capacity continues to be a risk factor for our Charter division. • Risk of falling behind competitors in product development, technology innovation, standards of service or cost effectiveness. • Particularly in the Charter division, challenge of retaining and attracting customers in a highly competitive environment with low barriers to entry.	• Reduced gross profit and revenues. • Cost structure not aligning with market conditions showing reduced charter availability and lack of investment in safety and security products and services. • The risk of long-term social distancing and the sporadic peaks around the global COVID-19 pandemic could result in a laboured return to normal air travel and reduced levels of trading into 2022.	• Diversification of client base, and of product and service offering, including through cross-selling between our Charter and Safety & Security divisions and through seeking long-term partnerships with customers. • Monitoring of the charter operator market with which we maintain a close relationship, and diversification of our supply chain across the regions in which we operate. • We actively seek to improve the forward visibility of our earnings by investing in the growth of our Safety & Security division, which typically has more long-term contracts and strong order book coverage. This will help smooth the inevitable peaks and troughs in the Charter division. • Expanding operations in high growth markets and regions, which are currently underserved, including Asia and the Middle East. • Close monitoring of overheads and investment spend relative to revenues and gross profit and immediate corrective actions taken where necessary. • Investing in the customer experience and changing needs, based on customer feedback (including via customer survey), and reviewing technology innovations in the sector. • Rebranding and new website. • **Owners: Kevin Macnaughton, Managing Director, Charter** • **David McCown, President, Air Partner Americas** • **Paul Mason, Managing Director, Safety & Security**	• Customers. • Growing organically. • Maintaining brand value.

Category	Risk description	Potential impact	Controls/processes to mitigate	Areas of strategy impacted
Environment and market ▲	**Environmental concerns** ‣ The impact of our stakeholders' concerns in respect of air travel on the environment, in particular private jets, and the possible reduction in demand. ‣ The impact on the aviation industry if there are governmental and regulatory changes in respect of the climate change agenda.	‣ Lack of investment in Air Partner, existing shareholders selling their stock and difficulty in finding new investors. ‣ Lack of employee engagement. ‣ Reduction of customer base.	‣ We are considering further measures to ease environmental concerns, including carbon offsetting opportunities, and reduction of internal resource consumption. See the Sustainability section on pages 52 to 55, detailing our environment strategy. ‣ **Owner: Mark Briffa, CEO**	‣ Customers. ‣ Growing organically.
Operational ▲	**Cybersecurity and IT systems** ‣ Cyber attacks seeking to compromise the confidentiality, integrity and availability of data held on IT systems. ‣ IT failure impacting our ability to operate and not recovering quickly. ‣ Risks from social engineering and potential losses through fraud and theft. ‣ The dependency on resilient IT systems and the reliance on homeworking during the COVID-19 pandemic have heightened the risk of breach as fraudsters have looked to capitalise on the situation.	‣ Breaches of confidentiality and attacks on our assets could affect customer service, financial performance and reputation. ‣ Systems failure could result in business interruption and lost revenue. ‣ Financial losses through payment deception.	‣ The Group uses modern IT systems and technical controls and processes and ensures that they are well maintained and upgraded regularly to mitigate the risk of failure. ‣ Most key data and applications have enhanced backup capabilities and resilience. ‣ Appropriate investment in training and resources to counteract cyber threats and support increased homeworking. ‣ Our business resilience is underpinned by our technology and geographical spread, which allow our business to be operated and maintained from any of our locations. ‣ Cyber insurance in place to mitigate the impact of any cyber related losses. ‣ **Owner: Craig Pattison, Group People and Technology Officer**	‣ Customers. ‣ Maintaining brand value.
Strategic ▶◀	**Growth – geographical expansion, acquisitions and integration risk** ‣ Risk related to organic growth and complementary acquisitions in aviation services. ‣ Risk that investment in new offices (e.g. Singapore and Dubai) does not deliver the expected returns relative to the business case. ‣ Investment of funds and resources in acquisitions which fail to deliver on expectations due to incorrect due diligence or poor integration post acquisition.	‣ Business growth puts pressure on all resources in an organisation that may not have had the time to scale up or adequately plan for the change. ‣ Poor acquisitions lead directly to financial damage and indirectly to reduced shareholder confidence. ‣ Financial performance suffers from goodwill or other impairment charges. ‣ Newly acquired businesses deliver less value or require more investment than anticipated.	‣ Added governance in the review of business cases with the creation of the operational Strategic Investment Board established to assess the relative merits of internal business cases and investment propositions. ‣ Detailed due diligence in any acquisition process undertaken with appropriately skilled personnel, supported internally and externally as required. ‣ Appropriate representations and warranties negotiated with the sellers of any business acquired, commensurate with target's size and risk profile. ‣ Detailed integration plans drawn up with key accountabilities. ‣ Post-acquisition reviews conducted to capture key learnings for future acquisitions and business cases. ‣ **Owner: Mark Briffa, CEO**	‣ Broadening our offer. ‣ Customers. ‣ Growing organically.

Change in risk assessment: ▶◀ No change ▲ Increased ▼ Decreased

Category	Risk description	Potential impact	Controls/processes to mitigate	Areas of strategy impacted

Compliance and internal controls	**Legal, regulatory environment, ethics and compliance**
	• The challenge of operating in multiple jurisdictions that are subject to many different and evolving laws and regulations.
	• We have c.420 employees in a number of countries. Individuals may not all behave in accordance with our values and ethical standards.
	• We operate in markets requiring strict adherence to laws such as:
	  • bribery and corruption;
	  • money laundering;
	  • international trade law and sanctions;
	  • human rights and modern slavery;
	  • international labour standards;
	  • government contracting regulations; and
	  • General Data Protection Regulation (GDPR).
	• We operate across many different tax jurisdictions and are subject to periodic tax audits, which sometimes challenge the basis on which local tax has been calculated and/or withheld.
		• Ethics or other compliance breaches cause harm to our reputation, financial performance, customer relationships and ability to attract and retain talent.
		• Successful challenges by local tax authorities may have an adverse impact on profitability and cash flow.
			• The Group has a dedicated legal resource supplemented by external support arrangements to ensure the management team fully understands current and future legal and regulatory risk.
			• The risk and compliance working group was formed to support governance on risks and advise on mitigation strategies in this area. The implementation of the Group's risk management and compliance programme is a regular agenda item at the Group Executive Team, Board and Audit and Risk Committee meetings.
			• Group-wide ethics framework which includes our values and training on such matters as: data privacy, market abuse regulation, confidentiality, conflicts of interest, whistleblowing, modern slavery, trade compliance and money laundering.
			• Ongoing programme to ensure that all businesses are compliant with data privacy requirements including GDPR.
			• Multiple sources to assess culture including surveys, 'Speak Out' and exit interviews.
			• Central monitoring of any tax investigations with independent tax advice taken where necessary.
			• **Owners: Judith Banks, General Counsel and Company Secretary**
			• **Joanne Estell, Chief Financial Officer**
				• Customers.
				• Developing and retaining our people.
				• Maintaining brand value.

Category	Risk description	Potential impact	Controls/processes to mitigate	Areas of strategy impacted
Contractual and counterparty ▶◀	**Operators and other charter suppliers** • Reliance on third party airline operators in the Charter division for delivery of services to our customers. • Operator compliance with relevant regulations. • Financial exposure if customers fail to pay for Charter services after Air Partner has paid the operators in advance of flight take-off, which is custom and practice in the industry. • During COVID-19, there have been increased contractual and counterparty risks as staff have operated to shorter timescales and, in some cases, urgent demand. Operators have also been under extreme financial pressures leading to a reduction in supply.	• Failure of aircraft or operator chartered by Air Partner, or failure of other suppliers (e.g. hauliers). • Loss of customers and revenues. • Loss of earnings and cash impact. • Negative reputational ramifications.	• We have an approved list of aircraft chartered on behalf of our customers, ensuring that the best and most appropriate aircraft is used. • Air Partner's approved list of operators is screened, assessed and benchmarked to ensure every aircraft meets all our stringent tests. • The Group constantly monitors defaults of operators and other counterparties and incorporates this information into its credit risk controls. • It is the Group's policy that all counterparties which wish to trade on credit terms are subject to a credit verification process before and during the business relationship. • **Owners: Kevin Macnaughton, Managing Director, Charter** • **David McCown, President, Air Partner Americas**	• Customers. • Maintaining brand value. • Growing organically.
Financial performance ▼	**Financial management and performance** • Foreign exchange risk, interest rate risk and liquidity risk. • There is a foreign exchange risk as we buy and sell goods and services in currencies other than Sterling, particularly with regard to the US Dollar and Euro rates. • There is both a credit and liquidity risk in paying operators before a flight occurs or before payment is received from the customer. • The financial pressures of COVID-19 have caused an increased risk related to cash and liquidity.	• Negative impact on profitability, cash flow and financial statements. • Negative impact on financial ratios and credit ratings, impacting our ability to raise funds. • Inability to invest in medium to long-term drivers of growth.	• The Group's policy on foreign currency risk is not to enter into forward contracts until a firm contract has been signed. Consideration is given to using derivatives where appropriate to hedge our exposure to fluctuations in foreign exchange rates. The purpose is to manage the currency risks arising from the Group's operations. • Mitigation of the credit and liquidity risk by making payments to operators only once payment from the customer has been received, where possible. • Maintaining strong banking relationships and striving to keep sufficient headroom in the facilities to manage the business risks. The Group currently has no debt. • Regular monitoring of cash and cash collections, creating a culture of cash management across the organisation. • Where appropriate, the Group has accessed government support during the pandemic. For FY21 this amounted to £1.7m. See the Chief Financial Officer's review on pages 33 to 39. • **Owner: Joanne Estell, CFO**	• Customers. • Maintaining brand value. • Growing organically.

Change in risk assessment: ▶◀ No change ▲ Increased ▼ Decreased

Principal risks and uncertainties *continued*

Category	Risk description	Potential impact	Controls/processes to mitigate	Areas of strategy impacted
Compliance and internal controls	**Effective control environment** • Ensuring appropriate and effective controls and risk management frameworks are embedded in our changing business.	• Loss of earnings. • Damage to brand reputation and stakeholder trust.	• Our risk management framework is overseen by the Audit and Risk Committee (ARC). The Head of Risk and Compliance reports to the ARC on our risk management. See page 80 for additional detail. • Following the roll-out of our fully integrated Charter CRM tool we have invested in a Finance Business Improvement Project to further simplify, standardise and automate our processes across the Group. Systemised controls are currently being rolled out and processing times are reducing. • **Owners: Mark Briffa, CEO** • **Joanne Estell, CFO**	• Maintaining brand value.

Pages 1 to 60 of this Annual Report constitute the Strategic report. It has been approved and signed on behalf of the Board on 11 May 2021.

Mark Briffa
Chief Executive Officer

Joanne Estell
Chief Financial Officer

Going concern and viability statement

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report on pages 1 to 60. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Chief Financial Officer's review on pages 33 to 39. In addition, note 24 – Financial Instruments in the financial statements includes the Group's objectives, policies and processes for managing its capital risk; details of its financial instruments and hedging activities; and its exposures to interest rate risk, credit risk, liquidity risk and foreign currency risk.

As at 31 January 2021 the Group had a net cash position of £9.9m (excluding JetCard cash), compared to a net debt position of £6.9m at the previous year end. The increase in cash was driven by the strong trading during FY21, the share issue and the steps taken by the Directors to deal with the economic impact of COVID-19. At the end of April 2021 net cash was £12.0m.

In light of COVID-19, during the year the Group began using normalised cash (cash in the bank excluding JetCard, significant customer deposits and advance payments) as the basis of its cash flow assessments. As at 31 January 2021 normalised cash was £8.3m.

In addition to the cash held, the Group has access to a committed revolving credit facility of £13.0m (2020: £13.0m), which the Group currently does not utilise (2020: utilised of £11.5m). The facility is due to expire in February 2023. For short-term liquidity the Group also has access to a £1.5m overdraft facility.

As described in the Strategic report, COVID-19 has increased uncertainty surrounding the future trading environment for the Group even as it appears restrictions are beginning to be rolled back. The exceptional FY21 results were driven by Group Charter activity of repatriation flights and PPE freight logistics during the early stages of the pandemic, while other products saw a significant downturn. The Group is seeing recovery in some of these products, notably within Safety & Security, and this has resulted in the Group recording a stronger than expected Q1 for FY22.

The Directors have undertaken a thorough assessment in evaluating Going Concern. This has been assessed by reference to cash forecasts through to July 2022, which reflect a cautious view of trading activity across our divisions, and further sensitivities have then been applied to reflect a slower recovery in underlying performance from the COVID-19 pandemic. We have also assessed our adherence to banking covenants where applicable. In all scenarios tested there are no reasonably foreseeable downside scenarios where the Group would not maintain sufficient liquidity.

Following the year end, the Directors have continued to carefully monitor the impact of COVID-19 on the Group's products and take steps to mitigate the potential risks arising. These include tight control over credit terms, limiting discretionary spend and utilising government support for staff costs in markets that continue to be highly restricted due to containment measures in place.

The Directors believe the steps detailed above and the strong cash position at the end of April 2021 mean the Group is well placed to manage its business and meet its liabilities as they fall due. In reaching this conclusion, the Directors have taken into account the risks identified in the Principal risks and uncertainties on pages 40 to 48.

The Directors have made appropriate enquiries and have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Viability statement

In accordance with the requirements of the 2018 UK Corporate Governance Code, the Directors have assessed the longer-term prospects of the Group, taking into account its current position and a range of internal and external factors, including the principal risks detailed on pages 40 to 48.

The Directors have determined that a three-year period is an appropriate time frame for the viability assessment. The selected period is considered to be appropriate as it represents the limit of acceptable forecasting accuracy and recognises the unpredictability of the Charter business. The Directors have considered the current financial position, the prospects of the Group, the detailed operating plan for the 2022 financial year and the strategic plan when making the viability assessment.

Viability statement *continued*

Against the underlying financial model, the Directors have modelled the scenarios laid out below. The revised models review the impact of the risks on the long-term ability of the Group to continue to operate, in terms of profitability, cash flow and adherence to banking covenant tests. The Directors have considered the impact of the risks both in isolation and cumulatively. The Directors are confident that the Group's diversification in products, services and geographic base means it is well positioned to react to any changes if any of the risks identified are crystallised.

Based on the assessment detailed above, the Directors have a reasonable expectation the Group will remain viable for the period being assessed and will continue to operate and meet its liabilities as they fall due. The Directors have no reason to doubt that the Group will continue in business beyond the period under assessment.

Scenarios	Link to principal risks	Scenario-specific assumptions
Scenario 1 – Market disruption due to COVID-19 (base case) The global disruption caused by COVID-19 has been incorporated into the base case viability assessment. The aviation market is not expected to fully recover until travel restrictions have been lifted.	Financial management and performance, including COVID-19 Changing market environment	‣ In line with the Going Concern model, gross profits for FY22 have been reduced by up to 20% from the original budget. ‣ Aviation market begins to return to historical levels during FY23. ‣ Full market recovery in FY24. ‣ Reduce discretionary spend while market restrictions prevail.
Scenario 2 – Loss of key staff The Charter business is reliant on the relationships our brokers have with customers. Losing key brokers could result in loss of customers and therefore income.	People	‣ Assumed loss of two key brokers. ‣ Gross profit to decline by around 4% from FY21 offset by a reduction in remuneration benefits.
Scenario 3 – Impact of flying trends due to environmental concern Environmental legislation and increased public concern over the environmental impact of flying could result in a reduction in global flying, which would limit the market opportunities for the business.	Changing market environment Environmental concerns	‣ Reduction in Group Charter gross profit of 10% from FY23 onwards. ‣ Private Jets gross profit to reduce by a total of 50% by FY24. ‣ Commission reduces in line with gross profit. ‣ Private Jets headcount reduced to an appropriate level to account for lost business.
Scenario 4 – Technological innovation Technology disrupter in Private Jets delivers a digitalised end to end solution. Results in loss of market share and pressure on margins.	Changing market environment	‣ Private Jets gross profit to reduce by a total of 50% by FY23. ‣ Commission reduces in line with gross profit. ‣ Private Jets headcount reduced to an appropriate level to account for lost business.
Scenario 5 – Non-compliance risk A failure of controls or due diligence process could result in one off expenditure for the business or loss of income.	Legal, regulatory environment, ethics and compliance Effective control environment	‣ £1.0m expense a year for a non-compliance event.
Scenario 6 – Combination of the above Combination of the above scenarios. It is noted that that the model will likely have overlapping impacts on the businesses and further mitigating actions would be taken in this case.	As above	‣ As above.

CASE STUDY:

Peter Saunders Annual Award for Extraordinary Customer Service

In 2018 we launched the Peter Saunders Annual Award for Extraordinary Customer Service to recognise the lasting impact our late Chairman, Peter Saunders, had on our Group. With a strong career in retail, Peter intrinsically knew the importance of customer service to business performance and reputation and was key to the introduction of our Customer First programme that helped us to put customers at the heart of everything we do.

The winner of the award for 2020 was Jeanne Muzio, Senior Vice President – Outside Sales team for the US. Jeanne has been with Air Partner for eight years. Throughout her time with the Company she has persistently demonstrated an above-and-beyond customer service approach to new and existing clients. Jeanne is an extremely hard-working individual who thinks creatively about our clients while ensuring we deliver the extraordinary.

She has led the US Sales teams through an uncertain and challenging trading period given the effect of the pandemic and has delivered unparalleled results. Employing her vast experience in aviation brokerage and 'working as one' Air Partner, Jeanne is consistently thinking of new ways to broaden the customer offering by cross-selling the full spectrum of Air Partner's products and services.

'Jeanne's dedication to working with her clients and team is inspirational. She is a true testament to delivering our customer-centric values, which is what the Peter Saunders Award is all about.'

Mark Briffa, Chief Executive Officer

Our commitment to sustainability

Introduction

We are committed to:

- developing and implementing a long-term sustainability strategy for the Group, in line with our purpose, mission, vision and values;
- operating within a responsible and sustainable framework;
- adopting a Group-wide cultural and policy framework aligned with the sustainability strategy; and
- setting realistic goals and targets which can be measured and communicated both internally and externally.

Sustainability initiatives can be broken down into Environmental, Social and Governance (ESG) initiatives.

Environment

This year we have strengthened our focus on our environment strategy, building on the initiatives which had started the previous year. We appointed Delta-Simons, environmental consultants, to consider shareholder, competitor, industry and our current positions on environmental issues and potential areas for consideration for future policy development.

From the Delta-Simons review, we identified where we could add value to the environment protection effort and make a difference. We defined four pillars for our environment strategy, namely: (a) carbon offseting, (b) charitable partnerships, (c) reduction of resource consumption and (d) transparency in reporting. Initiatives carried out under each strategic pillar are detailed later in this report.

Environment strategy governance

An environment working group (EWG), consisting of representatives across Air Partner's functions and geographies, considers and proposes to the Group Executive Team ways to implement each of the strategic pillars. The EWG's activities and progress are regularly reported to the Group Executive Team, which has ultimate responsibility for the implementation of the initiatives.

The Board is also deeply interested in seeing our environment strategy being developed and implemented, and therefore closely oversees activities, on which it receives regular reports.

Our environment consultants, Delta-Simons, guide us in the implementation of our strategy.

Carbon offsetting

We aim to take greater responsibility for promoting sustainable flying and understand the role we can play in reducing the environmental impact of flight activities.

In FY20 we formed a partnership with ClimateCare to provide customers with the ability to offset the carbon emissions of charter flights. The scheme enables customers to calculate and offset their carbon emissions dependent on the type of aircraft being chartered and the distance flown.

The partnership is continuing, targeted at supporting projects that not only cut carbon but also alleviate poverty and improve lives. The projects are selected to provide a combination of the highest quality emission reductions while also delivering the most sustainable development impact. By way of example, the type of projects supported by ClimateCare are:

- Aqua Clara in Kenya – this project helps people in rural Kenya gain access to safe water without boiling it, by making affordable household water filters;
- Burn Stoves – this project is revolutionising domestic energy production in Kenya with its specially engineered Jikokoa stove. This market-leading clean cookstove cuts emissions, reduces exposure to indoor air pollution and lowers fuel bills by as much as $300 per year. It also provides employment opportunities in manufacturing, sales and distribution to more than 400 local people, 60% of whom are women; and
- wind farms – powering the low carbon transition in India. 75% of India's energy needs are currently met through the burning of fossil fuel, meaning greenhouse gas emissions continue to rise. Carbon finance is supporting the transition to low carbon energy provision and creating jobs in predominantly rural areas.

Our Charter division is focused on expanding the number of customers adopting the scheme, whether customers are chartering private jets or group charters.

The EWG will also be gathering information on any environmental initiatives run by our flight operators and partners, including any plans for carbon offsetting and the move towards Sustainable Aviation Fuel (SAF). This information will assist us going forward in refining our environment strategy in so far as it relates to our supply chain.

CASE STUDY:

Safety & Sustainability

Baines Simmons partnered with Heart Aerospace, the Research Institute of Sweden and Electroflight to provide consultancy and training support in the development of a commercially viable all-electric aircraft – helping to support with vital approvals and advice on aircraft certification aspects.

The project will develop the battery power system of the Heart Aerospace developed ES-19, an all-electric aircraft scheduled to enter commercial service as early as 2026. With a range of 400km (217m) and able to operate from shorter runways (750m), the ES-19 will be optimised for short-haul flights, operating from smaller airfields.

The battery power pack, being developed by Electroflight, is a bespoke, high integrity system designed to be aerospace certifiable for flight. As propulsion technology improves, this range will continue to extend, with Heart Aerospace predicting that electric aviation has the potential to reduce total aviation carbon dioxide emissions by 43%.

This assistance will be vital as the ES-19 continues to progress through the testing and prototype phases. With a ground-based prototype currently undergoing testing, a full-scale prototype is scheduled to start flight tests in mid-2024. The aircraft has already secured global interest, even at such a formative stage, with Heart Aerospace citing letters of intent from eight airlines from across North America, Europe and Oceania.

'While the focus of the aviation industry in recent months has been, understandably, the impact of the COVID-19 pandemic on operations and the market's immediate future, in the lead up to this the conversation centred squarely on the environmental impact of flight. That conversation might have been muted recently, but it has not gone anywhere, and the lull in aircraft operations during the pandemic period has led many to review and reprioritise their options in terms of thinking, working and flying greener.'

Ian Holder
MD of Baines Simmons

Environment *continued*

Charitable partnerships

We aim to support environmental protection causes. We recognise that there are major environmental issues to address, such as water scarcity, plastic pollution and the endangering of ecosystems and species, on which we have limited potential to have a direct impact. Therefore to help environmental causes, we made it a pillar of our environmental strategy to engage with environmental charitable partners.

We are currently reviewing a range of charities with which a partnership initiative would fit with our strategy and values.

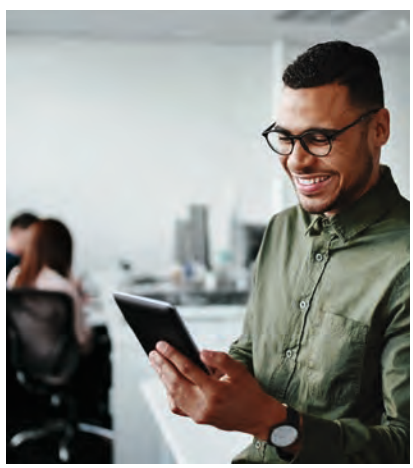
Reduce resource consumption

The vast majority of carbon emissions resulting from our business activities are from the flights provided to our customers.

While that will remain the case for some time to come, we are committed to reducing the carbon footprint resulting from our own internal operations.

The EWG has identified a number of initiatives to fulfil this objective, in particular the following:

- a paperless office;
- reducing marketing material other than online;
- increasing the number of e-learning courses;
- increasing the use of renewable energy in offices;
- partnering primarily with catering companies which have an environmental or sustainability policy in place; and
- in the longer term, transitioning car usage to hybrid or fully electric vehicles.



We promote homeworking and video conferencing to avoid unnecessary travel. During the COVID-19 pandemic, employees have worked from home very successfully, providing our customers with uninterrupted services with the same high quality and standards as prior to the pandemic. Taking into account this success, we will be considering new ways of working for employees once the pandemic has abated and a ‘new normal’ post-pandemic era has started.

Transparency in reporting

We aim to be transparent to our stakeholders on the impact of our activities on the environment and what we are doing about it.

The Board has taken note of the Financial Reporting Council’s recommendations in its letter to CEOs, CFOs and Audit and Risk Committee chairs of 12 November 2020, encouraging companies to meaningfully report on their environmental policies. The Board is regularly informed on the initiatives we take up to comply and develop our environment strategy and commits to disclosing details of the strategy year on year in our Annual Report and Accounts. Regular progress reports are provided at Board meetings throughout the year, when there is an opportunity to challenge the initiatives taken.

Our Charter division acts as an intermediary between flight operators and customers and has no physical assets or operations that are likely to be directly impacted by climate change. It is anticipated that any impact indirectly resulting from climate change would be more likely to be seen in the division’s supply chain, namely flight operators, resulting from any future laws or regulations targeted at reducing climate change. The future of such laws and regulations and how (and to what extent) the supply chain would be impacted is not fully known today. We will keep abreast of any changes.

Our Safety & Security division mainly acts as consultants to airports and airlines. It is not known today whether the division's customer base is likely to be affected by climate change, directly or indirectly. The growing diversification of the division's client base is likely to mitigate any negative impact should it become visible.

The review by the Board of the financial statements, any climate related risks and the impact these will have on the Group's policies, strategies and disclosures concluded that there is no change in:

- useful economic lives of assets;
- expected amounts and timing of cash outflows for provisions and other liabilities;
- fair values of assets and liabilities; and
- disclosure of key accounting estimation uncertainties and related sensitivities.

The Directors are therefore satisfied that there is no material impact of climate change on either individual assets or cash-generating units in the financial statements.

As a premium listed company on the London Stock Exchange, we intend to fully comply in our FY22 Annual Report and Accounts with the requirement of the Financial Conduct Authority to include a statement consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, on a comply or explain basis.

Greenhouse gas emissions

We have been reporting every year on our greenhouse gas (GHG) emissions in the Directors' report section of our yearly Annual Report.

This section includes our mandatory reporting of greenhouse gas emissions (scope 1 and scope 2) and global energy use pursuant to the Companies Act 2006 (Strategic report and Directors' report) Regulations 2013 and the Streamlined Energy and Carbon Reporting (SECR) under the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The methodology used to calculate our emissions is based on the GHG Protocol Corporate Standard. Emissions reported correspond with the Group's financial year.

As a whole, we have seen a decrease in GHG emissions in 2020, largely driven by the move to homeworking. We have seen emission savings from reduced office occupancy, although emissions from vehicle usage have increased as a result of increased operations.

	Tonnes of CO_2e	
Emissions from:	**2021**	2020
Scope 1 (direct)	**210.8**	154
Scope 2 (indirect)	**86.3**	429
Total emissions	**297.1**	583
Selected intensity ratio (tCO_2e per £m revenue)	**5.95**	17

Underlying global energy consumption used to calculate GHG emissions in 2020 equated to 1,411,409.08 kWh including 1,069,626.54 kWh (75%) from vehicle operations. 93% of total global energy consumption and 87% of total global GHG emissions result from operations in the UK.

This assessment has been self-certified to be carried out in general accordance to ISO 14064-1:2006 Greenhouse Gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals.

Other environmental initiatives carried out by the Company

Our Wildlife Hazard Management business, part of our Safety & Security division, is ISO 14001 certified. ISO 14001 is an excellent framework to help implement an environmental management system (EMS), which helps organisations reduce their environmental impact while growing their business.

During the year Baines Simmons was also at the heart of an initiative targeted at reducing carbon emissions. As described in the case study on page 53, Baines Simmons partnered with Heart Aerospace, the Research Institute of Sweden and Electroflight Ltd to provide consultancy and training support in the development of a commercially viable all-electric aircraft – helping to support with vital approvals and advice on aircraft certification aspects.

Social

This year our objective has been to:

- create an inclusive safe working environment for our people so they can reach their full potential; and
- positively impact the economies and communities in which we operate.

This was achieved through the performance of the following strategic pillars:

Employees
Our People strategy is focused on enabling, engaging and growing our leaders and managers to allow their teams to Be Extraordinary.

Over the past year Air Partner has focused on attracting the best talent, as well as improving engagement and retention of our employees. This was done against the backdrop of the COVID-19 pandemic, which led Air Partner to focus strongly on new ways of working, mental health and wellbeing, and regular and effective communication between management and employees.

The People strategy has been reviewed and six areas of focus have been identified to further support the Group's strategy and our people:

- the future of work;
- HR systems;
- mental health and wellbeing;
- diversity and inclusion;
- leadership and development; and
- employee reward.

Initiatives to support our People strategy included:

- Employee engagement surveys.

  A full engagement survey, 'Your Say', was run in December 2020 which achieved an overall engagement rating of 74%.

  While the survey results were overall very positive, three areas were highlighted for further analysis and action planning in FY22: communication between different divisions; personal development; and reward. Pulse surveys will take place during the course of the year to assess progress on these and other areas of engagement and a further full engagement survey will take place in December 2021.

- The Group is committed to a supportive and inclusive culture for everyone. We believe it is in everyone's best interests to promote diversity and inclusion, and to eliminate all forms of discrimination, harassment, victimisation and bullying in the workplace. A revised diversity and inclusion policy has been launched which reinforces the value we place on individuality and our commitment to a workplace culture that allows our people to be themselves without fear of discrimination.

  Specifically, in recognition of the Black Lives Matter campaign, we developed implicit bias training for all staff across the Group to raise awareness and provide support and guidance to our teams. The training received excellent feedback throughout the Group.

- The revised annual talent and succession planning process has been completed for the second year. The aim of the plan is to build a high performance and values-driven workplace that supports the long-term growth strategy of Air Partner. This plan enables us to take a proactive and robust approach to talent management and succession planning. Linked to this was the launch of a High Potential Talent programme aimed at developing the future leaders of our business. This programme provides tailored development through individual coaching sessions, helping people to identify strengths and areas of development, enhancing their self-awareness and supporting them to create a career development plan.
- An Employee Advisory Panel, established in FY20, met throughout the year, continuing to gather the views of the workforce and act as a conduit to the Board, providing views and advice, and communicating responses back to the workforce. All panel meetings were attended by Amanda Wills, Non-executive Director, who in turn regularly reported the panel's activities, discussions and feedback to the Board.
- A five-year roadmap for benefits and rewards has been developed which focuses on compensation, variable pay, payroll and HR systems as well as a career development framework.
  Air Partner is committed to equal pay and will continue to monitor and take action where it is needed.

- Communication between the Leadership Teams and staff includes regular local team meetings and weekly CEO and Group Executive Team videos updating employees on business performance as well as broader business matters. Monthly virtual 'All Hands' meetings are well attended where everyone in the Group is invited to meet with the Executive Team. The CEO and Group Executive Team videos are viewed by a large number of employees.
- A number of different working groups were set up to discuss current issues and propose solutions, including a mental health and wellbeing group, a learning hub group, intranet champions, a future of work group and a Charity Committee. These continue to meet on a regular basis to review progress and develop solutions.

Health and wellbeing
The Group is committed to supporting the mental health and wellbeing of all employees through increasing awareness, reducing stigma and encouraging individuals to take responsibility for their own mental health and wellbeing. To deliver against this commitment a mental health and wellbeing strategy has been developed and is being implemented across the Group.

The following activities have been undertaken as part of the strategy:

- A mental health and wellbeing policy has been developed providing a framework for employees and line managers on how to build and maintain a workplace environment and culture that promotes positive mental health and wellbeing and prevents discrimination. Additionally, the policy sets out the support and resources available and the procedures to follow and provides clarity regarding roles and responsibilities.
- Air Partner is working in partnership with the Charlie Waller Memorial Trust. The Trust provides a range of workplace resources, tools and support including mental health and wellbeing webinars, employee awareness sessions and training for line managers.
- A number of employees have been trained as Mental Health First Aiders and we plan to train more employees in the future.
- An employee working group has been set up with volunteers from across the business. The role of the Group members is to act as champions and ambassadors of the mental health and wellbeing strategy and play a significant role in communicating updates and initiatives to and from their colleagues.

In the context of the COVID-19 pandemic and its potential impact on mental health, the following activities were carried out during the year:

- An update to the Group health and safety policy.
- A Group coronavirus policy was launched and COVID-19 risk assessments and protocols were developed with staff training provided on these new protocols.
- Temporary working from home policy and home DSE assessments rolled out to support employees to ensure safe homeworking.
- Our flexible working policy was refreshed to include guidelines around agile working in recognition of the significant change in the ways of working, to ensure they are fit for purpose and support new ways of working that are and will continue to be around long after the pandemic is over.
- Mental health and wellbeing webinars were held for employees covering areas such as mindfulness and how to improve sleep.
- In order to maintain contact between our employees during the COVID-19 pandemic, our Charity Committee organised many social events which included a Christmas fun afternoon, weekly quizzes and weekly online fitness classes.
- Our staff and their families were offered the opportunity to have an audience with the astronaut Colonel Tim Peake where he provided an inspiring insight into his career, his experience and how he became an astronaut.

Community
- Our volunteering policy was refreshed, with up to two days' paid volunteering per year available to staff. Our Chair, Ed Warner, and CEO, Mark Briffa, volunteered at a vaccination centre in January 2021.
- In December 2020, a total donation of £42k was made to foodbanks based in our main office hubs, an amount equal to £100 per employee to the following charities: FareShare Sussex was supported in Gatwick, UK; Realhelp in Doncaster, UK; Helping Hands in Cologne, Germany; and Feeding South Florida in Fort Lauderdale, USA.
- A donation was made to our mental health charity partner, the Charlie Waller Memorial Trust.

Governance

The Corporate governance report on pages 63 to 68 includes details of our corporate governance framework, values and culture.

Section 172 of the Companies Act 2006

The Directors are required to act in a manner which complies with their duties as set out in the UK Companies Act 2006.

This serves as our Section 172 (s.172) Statement and should be read in conjunction with the Stakeholder Engagement section in our Corporate governance report on pages 63 to 68. Under Section 172 of the Companies Act 2006, Directors have a duty to promote the success of the Company for the benefit of the members as a whole and, in doing so, have regard to the interests of stakeholders in their decision making. The Directors, acting fairly and in good faith, consider what is most likely to promote the success of the Company for its members in the long term.

Consideration of stakeholders' interests has always been integral to the work of the Board and in its decision making. The Board's decision-making process includes deliberating the impact of decisions on the key stakeholder groups identified by the Board. For strategic decisions, the Board is provided with associated documentation to allow an informed assessment, for example an outline of key risks and opportunities and of the possible impact on stakeholders and long-term forecasts. The Board also understands the importance of ensuring it has an effective engagement framework to capture feedback on the business' impact. Details of the stakeholder groups' key concerns and methods of engagement can be found on pages 65 to 67. During Board meetings the Directors consider the views received from the Group Executive Team and the Employee Advisory Panel and review the progress against strategic priorities and the changing shape of the business portfolio. This collaborative approach by the Board helps it to promote the long-term success of the Company.

Examples of strategic decisions taken within the year and stakeholder consideration

Communicating effectively during the COVID-19 pandemic

2020 was a truly extraordinary year, presenting challenges to businesses around the world. The Board recognised that highly effective communication with all stakeholders was essential to alleviate the uncertainties caused by the COVID-19 pandemic, and considered the points in the table below. The Board received regular updates on the challenges and opportunities we faced and the impact on our stakeholders. In turn, during the early months of the pandemic, the Board made it a priority to regularly update shareholders on our performance.

The Board also provided oversight and stewardship to the Group Executive Team in driving the implementation throughout the Group of any initiatives required at short notice, and in communicating these changes effectively with employees, customers and suppliers.

Stakeholders	Considerations
Shareholders	‣ Understand any shareholders' concerns on having a stockholding in the aviation sector, which was so directly impacted by the crisis. ‣ Ensure transparency to shareholders on cost management measures, cash position and performance via regular RNS communications and shareholder meetings.
Our people	‣ Provide regular updates to employees so they understand the financial performance of the Group during this uncertain period. ‣ Alleviate any negative impact on the workforce of the challenges of homeworking and on any related wellbeing issues. ‣ Manage expectations in adopting the furlough scheme in the UK and other government support schemes in the Group, and the impact of other employee cost-reduction measures.
Customers	‣ Get customer feedback on their needs specific to the COVID-19 pandemic crisis, such as evacuation needs and other changes in Charter service requirements. ‣ Understand the impact of the COVID-19 pandemic on the existing customers of the Safety & Security division, the possible timeline and ways of recovery, and the opportunities to sell safety and security services to existing Charter customers.
Suppliers	‣ Understand the impact of the COVID-19 pandemic on operators and the airline industry. ‣ Cement partnership arrangements with key suppliers to the mutual benefit of both parties. ‣ Assess shortages of supply and understand creditworthiness of operators.

Placing of ordinary shares

On 12 June 2020, we successfully raised new equity by way of a placing of new ordinary shares to institutional investors. Retail investors were also given an opportunity to participate in the fundraise using the PrimaryBid platform. The total amount raised was £7.5m. The fundraise strengthened our balance sheet, enabled the repayment of the debt taken at the time of the Redline acquisition in December 2019, and provided working capital to support organic growth.

Stakeholders	Considerations
Shareholders	‣ Explain the clear rationale for the fundraise and the usage of funds. ‣ Ensure shareholders understand the value proposition of the Group and its strategic objectives. ‣ Allow institutional shareholders, existing and new, a chance to invest in the Company through an accelerated book build, respecting the tight timeframes. ‣ Announce a retail offer to support the fundraise via PrimaryBid.
Our people	‣ Ensure the workforce's confidence in our financial stability. ‣ Alleviate any concern of the workforce on our continuing ability and willingness to grow and invest in its people despite the COVID-19 pandemic.
Customers	‣ Safeguard customers' confidence in our financial stability. ‣ Increase customers' confidence in our ability to invest in and diversify our range of products and services to meet their needs.
Suppliers	‣ Ensure suppliers' confidence in our financial stability and our ability to pay for suppliers' services and products.

Chair's introduction to governance

Ed Warner, Chair

On behalf of the Board, I am pleased to introduce our Corporate governance report for the year ended 31 January 2021. As a Board, we are committed to delivering the highest standard of corporate governance with a view to ensuring the Company's long-term success.

We have maintained a strong, effective and efficient governance framework, around four strategic areas of engagement, as follows:

Consideration of stakeholders' interests

In line with section 172 of the Companies Act 2006, the Board focused on promoting the success of the Company for the benefit of the shareholders as a whole. In doing so, the Board had regard to the interests of all stakeholders and the Group's contribution to wider society.

The Board considers that engaging with stakeholders and understanding their views is fundamental to the way the Company does business. This was particularly important during the COVID-19 pandemic, when the impact on the Company's stakeholders needed to be monitored very closely. Examples of how the Company engaged with its stakeholders are detailed on pages 65 to 67.

Regular updates explaining how key stakeholders' needs were addressed were provided to the Board. These included reports on customer and supplier feedback, reporting on participation in industry forums and events, community activities, engagement with shareholders following roadshows and meetings, and engagement with employees through the Employee Advisory Panel. These updates served to enhance the Board's understanding of stakeholder views and aided decision making.

Engagement with the workforce

The Employee Advisory Panel, which was formed last year, acted as a direct conduit to the Board by the attendance of Amanda Wills, one of the Non-executive directors, at the meetings. Items discussed during the year included: employee engagement, flexible working; mental health; our environment strategy; technology; places of work and ways of working, and Company culture. As an example of a direct result of these discussions and proposals put to the Board, our flexible working policy was refreshed as a result of the working arrangements put in place during the COVID-19 pandemic.

During the COVID-19 pandemic, key challenges for employees included: handling childcare, the lack of face-to-face interaction with customers, suppliers and colleagues, and uncertainties around the post-pandemic new ways of working. The lack of face-to-face interaction with colleagues was particularly challenging for new employees. To address some of these challenges, an employee assistance programme was made available with a confidential Helpline. Employees were also encouraged to raise concerns and find solutions regarding working arrangements, wellbeing and return to work together with their line manager or the Company's People department.

Working groups composed of employees across the Group were formed to address new ways of working. They considered the changing COVID-19 related risks and legislative landscape in every country in which we operate and communicated assistance and solutions to employees. Face-to-face social events were not possible, meaning our intranet and Microsoft teams platform were widely used and were essential for good communication between colleagues and other stakeholders. Other methods of engagement with employees included weekly videos from the CEO, online updates, quarterly 'All Hands' meetings, fortnightly online quizzes, and competitions. The 'All Hands' meetings gave an opportunity for anonymous questions to be asked in advance of the meeting so that the CEO or other members of the management team could provide answers.

Chair's introduction to governance *continued*

Engagement with the workforce *continued*

The regular communication between management and employees has been particularly praised throughout the year by employees.

Leadership composition and evaluation

The Board composition remained stable throughout the year and continued to be regularly monitored. Evaluations were conducted to assess the individual skillsets of the Board members against the requirements of a listed company. More details on the evaluation process in the year can be found on page 74. The Board acknowledged the usefulness of the evaluation process and sought to make changes where potential opportunities for improvement were highlighted. This year a skills matrix was developed against which the Directors assessed their own skills. This will be a useful tool to ascertain the skillset required for any new Non-executive Directors as well as the need for training.

In the context of a challenging year due to the COVID-19 pandemic, the Board appreciated the strong commitment of the Group Executive Team, which met virtually every day to ensure the much-needed reactivity and flexibility in dealing with the crisis. The Board worked particularly closely with the Group Executive Team, to ensure they received the support needed in promptly addressing any threats and opportunities.

Gender balance and succession planning for the Board and the Group Executive Team were regularly considered, as well as compliance with the Group's diversity and inclusion policy in line with our values. Further detail on the implementation of the diversity and inclusion policy can be found on page 76.

Compliance culture

During the year a risk and compliance working group was formed. Its members are senior employees from various parts of the Group who are tasked with defining and proposing to the Group Executive Team a risk management and compliance strategy, and associated training throughout the Group.

Although the group's activities have only recently started, the Group will, in the medium to long term, monitor and address our compliance culture, via regular reporting and training sessions and other means of communication.

The Board has reviewed any Speak-Out concerns raised during the year in compliance with our whistleblowing policy, and ensured remedial plans were in place and implemented. It has reviewed updated versions of existing policies, such as the Modern Slavery Statement, which are published on the Company's website.

With the above four strategic pillars for governance in place, I am confident that we have the best structure to ensure that our corporate governance is in line with regulatory requirements and best practice.

Ed Warner
Chair

11 May 2021

Compliance Statement

This corporate governance statement, together with the Nomination Committee report on pages 75 and 76, the Audit and Risk Committee report on pages 77 to 80, and the Directors' remuneration report on pages 81 to 96, provide a description of how the main principles of the UK Corporate Governance Code 2018 have been applied by the Company during the year ended 31 January 2021. The Code is published by the Financial Reporting Council and is available on its website at www.frc.org.uk. It is the Board's view that, throughout the year ended 31 January 2021, the Company complied with the relevant provisions set out in the Code. An exception to this was the provision of pension contributions of 12% to the Executive Directors as explained on page 84. This statement complies with sub-sections 2.1, 2.2(1), 2.3(1), 2.5, 2.7, 2.8A and 2.10 of Rule 7 of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. The information required to be disclosed by sub-section 2.6 of Rule 7 is shown on page 98.

We support the principles and provisions set out in the Code and consider it our duty to manage the Group in accordance with these. We have structured our Corporate governance report in line with the Code's principles, and you will find the relevant compliance statements highlighted in each section. Details of our corporate governance practices are publicly available on our website, www.airpartnergroup.com.

More information

Board leadership and Company purpose – see pages 63 to 68

Division of responsibilities – see pages 73 and 74

Composition, succession and evaluation – see page 74 and the Nomination Committee report on pages 75 and 76

Audit, risk and internal control – see the Audit and Risk Committee report on pages 77 to 80

Remuneration – see the Directors' remuneration report on pages 81 to 96

Role of the Board

The Board is responsible for maintaining sustainable value for our shareholders and promoting our success. It has oversight of the application of standards of corporate governance that are appropriate to the Group's size, profile and circumstances and which emphasise the value of good corporate governance to the sustainable growth of the Group.

The Board confirms that it has completed a robust assessment of the Company's emerging and principal risks, as detailed in Principal risks and uncertainties on pages 40 to 48.

Company purpose

The Board establishes the Company's purpose, values and strategy. In line with the Company's purpose, the Board sets the strategic aims of the Group and rigorously reviews trading performance against strategic initiatives and financial targets set at the beginning of the year. The Board also ensures the necessary resources are in place to achieve the strategic aims.

Values and culture

The Company is reliant on teams of great people to deliver an extraordinary service. This is supported by a culture committed to customer centricity. We have five core values, namely 'Care deeply', 'Take responsibility', 'Live your passion', 'Work as one' and 'Be extraordinary'. These values underpin the Company's strategy and are clearly communicated within the organisation to provide the framework of our culture and define the way in which our employees go about their business. These values, together with the Company's policies, are the thread aligning the practices and behaviours of the business to the Group's strategy. The Board recognises the importance of the Company's remuneration practices and policies being aligned to the strategy and values. Leading by example, the Board operates in a transparent environment and encourages debate of issues. This approach is cascaded from the Board to the Group Executive Team to foster a culture of openness and responsibility, and cascaded further to the Employee Advisory Panel (the Panel), which is chaired by the Chief People Officer and attended by one of the Non-executive Directors.

Examples of ways in which the Board monitors and assesses culture

Who	How
The Board	‣ As the designated Non-executive Director, Amanda Wills attends the Employee Advisory Panel (the Panel) meetings, allowing her to assess the Company culture. The Panel is tasked with considering employee engagement mechanisms and culture. Amanda gives feedback to the Board on these activities. Additional detail is provided on page 61. ‣ The Board evaluation carried out during the period specifically asked about the culture of the Company and how this was linked to strategy. ‣ The Head of Risk and Compliance reports to the Board on any compliance issues and areas requiring improvement. This includes any whistleblowing investigations made in accordance with the whistleblowing policy. ‣ The Group business ethics policy explains the Company's approach to ethical and professional standards and ensures employees know what is expected from them to uphold these standards. ‣ The Chief Executive Officer reports to the Board on the results of any employee engagement surveys undertaken, allowing the Board to assess any cultural misalignment and discuss corrective actions. An engagement survey was conducted during the year, the details of which were reported to the Board which took the time to address the feedback on communication, engagement, reward and recognition. ‣ The implementation of any new policies or significant change to existing policies is reported to the Board by the Chief Executive Officer to ensure cultural alignment.
Board members	‣ Under normal circumstances, Board members would visit different Group offices both in the UK and overseas enabling them to interact with employees in their own surroundings and assess culture in a local context. However, due to the COVID-19 pandemic, this has not been possible, but good communication both internally and externally with all stakeholders has been maintained via internet communication channels. The Executives ensure they are accessible to staff at any level by hosting regular 'All Hands' meetings and encouraging feedback. The Group Chief Executive rotates round the Group attending team meetings bi-annually, facilitating a culture of open and honest feedback and transparency.
Audit and Risk Committee	‣ Attitudes to compliance, risk and internal audit help to give an indication of culture. The Committee provides an oversight of all business risks including those arising from conduct within the organisation. Further details on the role of the Audit and Risk Committee in this area can be found on pages 77 to 80. ‣ All agenda items and reports are considered for any conduct and culture implications and their impact on the vision and values across the Group.
Remuneration Committee	‣ Overviews of employee pay structures and their alignment with the Company's purpose, values and strategy are provided to the Committee allowing the Committee to ensure relevant policies and practices promote the Group's values.
Nomination Committee	‣ The Committee considers the Group's diversity and inclusion policy, gender balance and succession planning. This allows the Committee to ensure policies and practices are consistent with values and provide for an inclusive and diverse culture. Further detail on this is available in the Nomination Committee report.

Corporate governance report *continued*

Board leadership and Company purpose *continued*

Company purpose *continued*

The Board is satisfied that the policies, practices and behaviours of the Group are aligned with our purpose, values and strategy and continually monitors this alignment. Outcomes of the Board's evaluation of culture included:

- renewed training programmes for employees to ensure all relevant policies are embedded in our culture;
- constant monitoring of any culture related incidents, regularly discussed in the Group Executive Team's meetings and reported to the Audit and Risk Committee;
- encouragement by Amanda Wills for the Panel to seek understanding and give insight on the Group's culture; and
- assessment of culture added as a regular item for discussion at Board meetings and at the Board's annual Strategy Day.

During the year, the Board's governance has contributed to our strategy as follows:

Key strategic activities

Due to the COVID-19 pandemic, we kept the shareholders abreast of our performance on a six-weekly basis. We provided updates on the work carried out on cost management and cash conservation, identifying the activities of the Group Charter, Private Jets, Freight and Safety & Security divisions throughout the period. Our various divisions and locations worked hand-in-hand to deliver complex evacuation and tailored solutions to these extraordinary circumstances to customers around the world, providing a one-stop-shop for all their needs. Cross-selling opportunities were actively pursued, which included the products and services offered by the newly acquired Redline.

The wellbeing of our employees was a particular focus during the year, with many employee engagement activities being held online. Good progress was made to integrate Redline into the Group's culture, values, policies and procedures. In addition, a Sharesave scheme was recently launched to all UK based employees.

On 12 June 2020, we carried out a successful share placing which raised gross proceeds of £7.5m to pay down debt which was used to fund the Redline acquisition (acquired on 12 December 2019) and to make further working capital available for organic growth opportunities.

At the end of 2020, we acquired some of the trading assets of CHS Engineering Limited, after the business went into administration. The business now trades under the name Air Partner CHS. Air Partner CHS offers consultancy services to airports and logistics operations, remote condition monitoring and baggage system testing, thus complementing our existing service and product offering.

Further details on our purpose, values and strategy and the assessment of the basis on which we generate and preserve value over the long term can be found in the Strategic report on pages 1 to 60.

Engagement with stakeholders

The Board has regularly engaged with and obtained feedback from its stakeholders, as detailed below:

Our stakeholders and how we engage with them

Stakeholder	Key concerns	Engagement	Outcomes
Shareholders: Our investors provide capital for us to grow and seek opportunities for future investment and success.	‣ Financial and operational performance ‣ Clear and understandable strategy ‣ Focus on sustainable and responsible growth ‣ Capital allocation and dividends ‣ Corporate governance	**Annual General Meeting (AGM):** Shareholder participation has been welcomed at previous AGMs. In line with UK government guidance resulting from the COVID-19 situation, last year shareholders were not entitled to attend the AGM in person unless we notified otherwise. However, despite the pandemic, we were able to run an AGM and shareholders were invited to submit questions online ahead of the meeting. Dependent on governmental guidance, it is anticipated that this year's AGM will be held in person. However, should this not prove possible, shareholders will be asked to submit their proxy votes and questions prior to the date of the meeting. For further details see the Notice of Meeting on pages 170 to 181. AGM voting results are made public and published on our website. **Ongoing investor engagement:** Communication is conducted primarily through meetings between the Executive Directors and analysts and significant shareholders following both the interim and preliminary announcements of the results of the Group. Corporate brokers' reports on investor feedback were shared with and discussed by the Board. During the year the Directors conducted online meetings with shareholders to explain how we were fairing during the COVID-19 pandemic. Feedback of individual meetings with investors was regularly shared with and discussed by the whole Board. Following the successful placing of ordinary shares with institutional shareholders and retail investors in June 2020, the Executive Directors met with new shareholders to give more details on the running of the Company and listen to the views of new shareholders. **Regulatory news service:** The Board exercises care to ensure that all information is released in accordance with applicable legal and regulatory requirements and to all shareholders at the same time. In last year's uncertain times, the Board felt it was even more important to keep shareholders informed and released updates on a six-weekly basis of the impact of the COVID-19 pandemic on our performance in the first half of the year. **Annual Report and Accounts:** We strive to provide a clear, informative and engaging view of the business in our reporting to shareholders. **Website information:** Shareholders and potential shareholders can access investor related information in the Investors section of our website, www.airpartnergroup.com. This site also provides contact details for any investor related queries.	**AGM:** The 2020 AGM was necessarily restricted due to the COVID-19 restrictions. The proposed resolutions were all passed with votes in favour ranging from 99.78% to 100%. The Board answered all questions that were submitted and responses to these questions were published on the website in the shareholder meetings section. **Investor engagement:** After the shareholder meetings took place, feedback was shared with the whole of the Board, who identified any actions to be taken as necessary.

Corporate governance report *continued*

Board leadership and Company purpose *continued*

Our stakeholders and how we engage with them

Stakeholder	Key concerns	Engagement	Outcomes
Customers: Putting our customers first and ensuring a positive experience is crucial.	‣ Customer engagement and satisfaction ‣ Frictionless services and solutions ‣ Protecting customers' businesses through our services	**Direct feedback, customer satisfaction surveys and other engagement:** The Board receives regular updates from the CEO at Board meetings on direct customer feedback, customer satisfaction survey results for charters and training, net promoter scores, key customer meetings and account management activities. Customer satisfaction and dispute resolution is captured in our systems as part of our ISO 9001 accreditation. **Customer service:** Air Partner is a people business and the 'Customer First' value is promoted by the Board. The Peter Saunders Award for Extraordinary Customer Service is granted by the Group Executive Team to one employee of the Group every year, following nominations by colleagues of employees who have consistently engaged with customers to provide them with extraordinary services. A new Charter website was launched during the year, improving customer response time to queries. We are in the process of developing a JetCard portal to improve the customer experience further and facilitate excellent engagement with, and service to, JetCard customers.	**Direct feedback, customer satisfaction surveys and other engagement:** Customer engagement feedback is taken into account in Board decisions including product and people development, service offerings and the Group's geographic spread. **Customer service:** Results from customer satisfaction surveys indicating low survey scores and underperformance are followed up by management and appropriate actions taken. Overall performance updates are provided to the Board. Baines Simmons has retained a gold Feefo standard for five years. Baines Simmons' customers continually provided excellent feedback on the online training offered during the year replacing face-to-face training.
Suppliers: Our supplier partnerships are vital to our overall success, allowing us to deliver an extraordinary experience to our customers in all of the markets in which we operate.	‣ Working in partnership to deliver the best customer experience ‣ Key supplier scheme ‣ Effective and respectful working partnerships	**Key supplier scheme/supplier partnerships:** Our Charter division has hired a Vice President of Supplier Relations in the US as it increases efforts to strengthen relationships with operators. This role will be the first resource dedicated to ensuring quality service delivery to customers, as well as promoting to operators our broad range of services, including safety and security services into the air carrier market. Relationships with operators continue to be a key focus point of our Charter division, ensuring delivery of the highest standards of safety and service are at the heart of all it does. In an ever-changing environment this is more important than ever before as we navigate our way into the future of aviation.	**Supplier engagement:** Supplier feedback and engagement informs the Board's decisions on supplier partnerships and enhancements to service offerings.

Our stakeholders and how we engage with them

Stakeholder	Key concerns	Engagement	Outcomes
Our people: Our people drive our business by creating, selling and supporting the delivery of an extraordinary service to customers.	‣ Career opportunities and reward ‣ Strategic direction and success of the Group ‣ Learning and development ‣ Internal communication and collaboration ‣ Health, safety and wellbeing ‣ Culture	**Employee Advisory Panel:** The Panel met regularly to engage with the workforce. Meetings were attended by Amanda Wills as designated Non-executive Director. Further details on the Panel's activities can be found on page 63. Members of the Panel were trained on corporate governance requirements and the role and duties of the Board, to help them identify how they could be a bridge between the Board and the workforce. **Employee surveys:** Pulse surveys and an employee engagement 'Your Say' survey across the Group were undertaken with high response rates. **Employee updates:** Various engagement methods were employed with staff including informal town hall events, 'All Hands' meetings and the Company's intranet. Weekly videos from our CEO and the Group Executive Team shared business and organisational updates with employees. Regular communication was also maintained with employees placed under the UK furlough scheme or equivalent schemes outside the UK to check employees' wellbeing. **Whistleblowing policy:** The channels allowing the workforce to raise concerns in confidence are clearly publicised to staff and any matters reported to the Board. **Mental health and wellbeing awareness:** During this difficult year, awareness of mental health and wellbeing has been a particular focus across the business. With staff working from home the awareness programme aimed to help our people look after their own wellbeing, be self-aware and to look out for and support colleagues and to provide an environment where people feel able to ask for help when needed.	The Board receives updates from the CEO at every Board meeting on matters relating to our people and engagement activities. Results of engagement activities and views have been taken into account by the Board and its Committees when considering remuneration and reward, Group structure, cultural alignment and strategic initiatives. **Employee Advisory Panel:** Amanda Wills reports to the Board on the activities of the Panel, providing the employees' perspective on key issues. Panel members are given a clear understanding of the Board function which is passed onto other employees of the Group. The Panel is tasked with considering employee engagement mechanisms to gain employee feedback. **Employee updates:** Results and key messages are deployed to the workforce using the most suitable methods. **Mental health awareness:** Initiatives are being implemented to educate and ensure that a wellbeing strategy is embedded into the business.
Community: Considering the impact of our operations on the communities and environments that the Group operates in is imperative to ensure the long-term sustainability of our offerings.	‣ Local employment and business opportunities ‣ Environmental impact ‣ Support for local communities	**Environment:** The action group set up last year considered our impact on the environment and proposed an environmental strategy to the Board. More details on the environment strategy and how we engaged with stakeholders in this area can be found on pages 52. **Charitable giving:** The Group has a charity committee made up of volunteer employees across the Group, responsible for driving charitable initiatives forward and organising a range of charitable events. Taking into account the challenges caused by the COVID-19 pandemic and the impact on our local communities, we strongly focused on helping foodbanks local to our main offices around the world via donations. More details on our engagement with communities can be found on page 57. **Volunteering:** All staff are entitled to two volunteering days annually and are actively encouraged to make use of these to support projects in the local community.	**Environmental, social and governance:** Work is ongoing to implement environmental initiatives. This is a key Board agenda item and the Board is committed to reducing the Group's impact on the environment. More details can be found on pages 52 to 55. **Charitable giving and volunteering:** The Board encourages the fundraising and volunteering efforts of the Group. A new charity initiative focusing on giving back was agreed on for this year. For every employee of the Group, we donated £100 per person to four key charities which provide support to the local community in our key office locations. A total of £42,000 was donated to the four charities, thus supporting over 100,000 meals to homeless or vulnerable people. Further details of the social and charity initiatives can be found on page 54.

You can find our Section 172 statement, detailing our Directors' responsibility to stakeholders, on pages 58 to 60.

Corporate governance report *continued*

Board leadership and Company purpose *continued*

UK Corporate Governance Code

A The Board's role is to provide entrepreneurial leadership to the Group within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board is also responsible for maintaining sustainable value for shareholders while contributing to the wider society and having due regard to all stakeholders in decision making.

B The Board establishes the Company's purpose, values and strategy and sets the strategic aims of the Group. The Board acts with integrity, operating in a transparent environment to promote the desired values and culture of the business.

C The Board ensures the necessary resources are in place to achieve the strategic aims of the Group and measures performance against objectives. A control framework is in place enabling risk to be assessed and managed.

D The importance of stakeholder engagement is recognised and the Board has developed its engagement mechanisms to understand stakeholder views on key matters to support its decision-making processes.

E Workforce policies and practices are consistent with the Company's values and are monitored to be refreshed as necessary.

Governance structure: Board and Committees

Board governance

The Board is ultimately accountable to our shareholders, and the Directors are responsible for ensuring that management actions are aligned with the interests of other stakeholders. The Board has approved a governance framework of systems and controls in order to effectively discharge its collective responsibility. This framework supports our Directors' compliance and their duty to promote our success under section 172 of the Companies Act 2006 (the 'Act'). The framework includes the delegation of specific authorities to the Board's three principal Committees, the Nomination Committee, the Audit and Risk Committee and the Remuneration Committee.

The Board

Ed Warner
Mark Briffa
Joanne Estell
Amanda Wills
Paul Dollman
Richard Jackson*

Responsibilities

The Board carries ultimate responsibility for the effective direction and control of the Group's business and is accountable to shareholders for the long-term success of the Group. This is achieved through:

- setting the strategic objectives of the Group;
- approving strategic projects and Group and divisional budgets;
- ensuring that the Group operates effective risk management; and
- reviewing trading performance against financial targets set at the start of the financial year.

Chair

Responsible for:

- leading the Board as an effective decision making body;
- setting the Board agenda and regularly reviewing strategic aims; and
- modelling boardroom culture and promoting individual Director engagement.

Chief Executive Officer

Responsible for:

- providing executive management and leading the Group Executive Team;
- setting, communicating and demonstrating the values and ethos of the Group; and
- promoting a clear vision and business plan, focusing on key strategic aims.

Senior Independent Director

Responsible for:

- acting as a sounding board for the Chair, providing support in the delivery of objectives; and
- being available to shareholders who wish to raise concerns.

Non-executive Directors

Responsible for:

- considering the performance of management against agreed goals;
- providing constructive challenge and strategic guidance;
- determining appropriate levels of remuneration for the Executive Directors; and
- oversight of succession planning.

Company Secretary

Responsible for:

- advising the Board on governance matters;
- managing the meeting timetable in conjunction with the Chair; and
- assisting the Chair to ensure the Board receives accurate, timely and clear information.

Board Committees

Remuneration Committee

Amanda Wills, Chair
Ed Warner
Paul Dollman
Richard Jackson*

Considers and oversees the Group's remuneration policy for Directors and monitors the level and structure of remuneration for senior management.

Directors' remuneration report: **p81–96**

Audit and Risk Committee

Paul Dollman, Chair
Amanda Wills
Richard Jackson*

Monitors and reviews the integrity of financial reporting, has oversight for internal control and risk management and oversees the relationship with the external auditors.

Audit and Risk Committee report: **p77–80**

Nomination Committee

Ed Warner, Chair
Amanda Wills
Paul Dollman
Richard Jackson*

Monitors and reviews the composition of the Board as a whole, leads the process for Director appointments, considers succession planning and diversity and supports the Board's evaluation process.

Nomination Committee report: **p75–76**

Group Executive Team

Responsible for:

- implementing the Group's strategy as approved by the Board;
- recommending capital expenditure and investment budgets for Board approval;
- monitoring financial, operational and service performance; and
- allocating resources as agreed by the Board.

* Richard Jackson passed away in March 2020.

Board of Directors and Company Secretary

The Directors and Officers of the Company who were in office during the year and up to the date of signing the financial statements were:

1. Ed Warner
Chair

Appointed: 1 April 2019

Ed has extensive PLC experience and has chaired the boards of a range of prominent organisations. He knows the broking sector well and was a Non-executive Director of Clarkson PLC, the world's leading provider of integrated shipping services, for over 10 years until February 2019. He also has a wealth of financial services broking experience from years spent in senior positions at several investment banks and financial institutions, including Dresdner Kleinwort and Bankers Trust, as well as CEO positions at Old Mutual Financial Services and IFX Group PLC.

Other significant appointments

- Chair, Grant Thornton UK LLP (stepped down March 2021)
- Chair, Blackrock Commodities Income Investment Trust PLC
- Chair, LMAX Ltd
- Director of a suite of Dublin-listed investment funds managed by DCI
- Chair, HarbourVest Global Private Equity

2. Mark Briffa
Chief Executive Officer

Appointed: 1 February 2006

Mark has an extensive knowledge of air charter broking and of the aviation industry worldwide, with over 30 years' experience working within the aviation sector. He started his career with Air Partner in 1996 as a Group Charter Broker and joined the Board in 2006 as Chief Operating Officer, becoming Chief Executive Officer in April 2010. Before joining Air Partner, Mark held commercial roles at Air 2000 and All Leisure.

3. Joanne Estell
Chief Financial Officer

Appointed: 10 September 2018

Joanne is a Chartered Management Accountant with over 20 years' experience. She started her career at Whitbread Plc and held a number of senior finance roles at Smiths Group plc including Finance Director of Specialised Business at John Crane and also Head of Mergers and Acquisitions at Survitec Ltd. Joanne brings a wealth of experience gained from senior finance and M&A roles at a number of listed and private companies. Before joining Air Partner, Joanne held Chief Financial Officer roles at Shield Therapeutics plc, the specialty pharmaceutical business, and, prior to this, at Stadium Group plc, a global manufacturer of technology lead products.

4. Paul Dollman
Non-executive Director

Appointed: 1 May 2019

Paul Dollman was appointed as Independent Non-executive Director of the Company on 1 May 2019 and took up the role of Chair of the Audit and Risk Committee on 26 June 2019. Paul is a Member of the Institute of Chartered Accountants of Scotland and has significant PLC experience and has held chair and non-executive director positions at a range of listed companies. In addition, he has excellent knowledge of the aviation industry, having been Group Finance Director at John Menzies PLC, the holding company of Menzies Aviation, from 2002 to 2013. He understands the sector's operational, strategic and commercial environment well, and is credited with nearly trebling Menzies Aviation in size during his tenure.

Other significant appointments

- Non-executive Director and Chair of the Audit Committee, Wilmington PLC
- Non-executive Director, Scottish Amicable Life Assurance Society (resigned March 2021 due to merger with Prudential plc)
- Non-executive Director and Chair of the Audit Committee, Etihad Topco Limited, trading as Verastar

5. Amanda Wills, CBE
Senior Non-executive Director

Appointed: 20 April 2016

Amanda was appointed Chair of the Remuneration Committee in June 2017 and as Senior Non-executive Director following the passing of Richard Jackson. Amanda is the Board representative on the Employee Advisory Panel. She began her career with Airtours plc and was Chief Executive Officer of Virgin Holidays Travel Group from 2001 to 2014. In 2015 Amanda was awarded a CBE for services to the British travel industry and to charity.

Other significant appointments

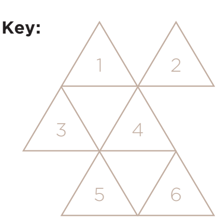
- Non-executive Director and Chair of the Remuneration and Nomination Committees, eDreams ODIGEO S.A., a global online travel agency

6. Judith Banks
General Counsel and Company Secretary

Appointed: 6 November 2018

Judith has recently been appointed as the Group's Head of Risk and Compliance. She qualified as a solicitor in 2001 and has practised law ever since, starting in private practice before becoming an in-house lawyer. Prior to joining Air Partner in October 2018 Judith held a number of senior legal counsel positions, including at Elekta, a Nasdaq-listed medical devices company, the industrial group Atlas Copco and ATR, the regional aircraft manufacturer.

Key:



Committees:

- © Chair
- Audit and Risk
- Remuneration
- Nomination
- Independent Director

Group Executive Team

1. Mark Briffa
Chief Executive Officer

2. Joanne Estell
Chief Financial Officer

3. Judith Banks
General Counsel and Company Secretary

4. Kevin Macnaughton
Managing Director, Charter

Kevin has a wealth of experience in the aviation charter industry, both in the UK and overseas, having held a number of senior roles at NetJets over a period of 13 years. Most recently, he was Company Director, Head of European Sales, leading the planning and execution of the sales strategy.

5. Paul Mason
Managing Director, Safety & Security

Paul was at the helm of Redline from inception in 2006 to acquisition by Air Partner in 2019, guiding Redline from a concept through to the internationally acclaimed security training, consultancy, and quality assurance company that it has become. With over 25 years of aviation experience, Paul is now leading the Safety & Security division of Air Partner which encompasses both Redline and Baines Simmons. The division offers an unmatched range of products and services spanning all aspects of safety and security, training, consultancy, quality assurance and innovative software products to cater for the needs of tomorrow's threats and risks as well as big data handling, live data analytics and real-time threat and risk management.

6. David McCown
President, Air Partner Americas

David has over 20 years' experience in the private aviation industry serving in various capacities including as founder of AirCharter.com (the first online reservation system for private jets, acquired by FlightTime in 1998), board member of the holding company for Wyvern Aviation Safety and Chair of the Air Charter Association of North America. Prior to aviation, David spent several years in the banking industry with Bank of America.

7. Tony Whitty
Executive Vice President, Remarketing and ACMI

Tony started his career in aviation in 1991 and in 1998 became one of the founding members of Cabot Aviation, which was acquired by Air Partner in May 2015 and is now Air Partner Aviation Services. Tony leads Air Partner's remarketing business, representing aircraft owners as exclusive remarketing agent and also undertaking acquisition mandates on behalf of airlines, lessors and spares companies. Tony also heads up the ACMI business, assisting airlines in sourcing aircraft on ACMI leases. Tony is a board member of the European Regions Airline Association, a committee member of the Aviation Club of the UK and a member of ISTAT.

8. Craig Pattison
Chief People and Technology Officer

Craig spent 10 years of his career in general management and customer service with Tesco before deciding to concentrate the next stage of his career in human resources both with the retailer and later in senior HR positions with BP, Lloyd's of London and, most recently, Wood Mackenzie, where he was Global Executive Vice President HR and led the HR function.

In July 2018, Craig joined Air Partner Group as Interim Group HR Director before being appointed permanently to the role in November 2018. Craig became Chief People and Technology Officer on 1 February 2020.

Craig is a Fellow of the Chartered Institute of Personnel and Development.

Division of responsibilities

The Company is governed by a formal Schedule of Matters Reserved for the Board (Schedule), which includes responsibility for the formulation and development of strategy, values, major acquisitions or disposals, significant bank borrowings, Board-level appointments, the approval of financial reports and price sensitive statements and overall business risk assessment. This Schedule is reviewed annually by the Board to ensure it remains appropriate and complete.

The Board discharges some of its responsibilities through its Board Committees. Copies of the schedule of matters reserved for the Board and the Committees' terms of reference, which were reviewed during the year, can be found on our website at www.airpartnergroup.com.

Non-executive Directors

The Non-executive Directors consider the performance of management against agreed goals and provide constructive challenge and strategic guidance to the Executive Directors during Board discussions.

The Board considers all the Non-executive Directors, including the Chair, to be independent when assessed by the circumstances set out in Provision 10 of the Code. Given their relatively small shareholdings, the Board does not believe that these impact on the independence of Ed Warner, Amanda Wills or Paul Dollman.

Upon appointment, Directors are informed of the time commitment expected from them. A copy of the terms and conditions of the appointment of the Non-executive Directors is available for inspection at the Company's registered office during normal business hours and during the AGM. Upon their appointment to the Board, Ed Warner and Paul Dollman notified the Board of their commitments to other organisations as detailed in their biographies on page 71.

Additional external appointments are discussed with the Board before acceptance and the Board reviews the impact before approving. No such external appointments were brought to the Board's attention this year.

Board and Committee meetings

The Chairman sets the agenda and determines the style and tone of discussions at Board meetings. At each scheduled Board meeting the Chief Executive Officer and the Chief Financial Officer present separate reports, detailing business performance and progress against strategy. These are supplemented by regular performance updates from the Chief Executive to the Directors between meetings. Invitations to Board meetings are extended to divisional Directors and functional heads when appropriate to ensure the Board is up to date with management priorities and challenges. External advisers are invited to attend as necessary.

All Directors have access to the advice and services of the Company Secretary and to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as Directors.

UK Corporate Governance Code

F The Chair, Ed Warner, is responsible for the leadership and effectiveness of the Board. Board meetings are open and constructive debate is encouraged. The Chair, in conjunction with the Company Secretary, ensures that all Board members receive accurate and timely information.

G At least half of the Board, excluding the Chair, are Non-executive Directors, whom the Board considers to be independent. This provides an appropriate combination of Executive and Non-executive Directors and balance to decision making. There is a clear division of responsibilities between the leadership of the Board and executive leadership. The division of these responsibilities has been set out in writing and approved by the Board and the roles and responsibilities of key Board members are available online at www.airpartnergroup.com.

H The Non-executive Directors constructively challenge management and provide strategic steer and guidance. The time commitment required of Non-executive Directors is communicated to them upon appointment and any other obligations which may impact this commitment are disclosed.

I The Board, supported by the Company Secretary, ensures that policies and processes are in place. Appropriate time is allowed for consideration of matters and decision making and necessary resources are available for the Board to carry out its duties effectively.

J When making appointments to the Board, the Board and the Nomination Committee consider the wide range of skills, knowledge, experience and independence required to maintain an effective Board. The Nomination Committee leads the process for Board appointments.

K As a whole the Board has a balance and depth of skills and experience, together with suitable knowledge of the Group and industry, to enable successful discharge of respective duties and responsibilities.

L An annual evaluation of the Board's performance was carried out during the year and included consideration of the composition of the Board and its effectiveness.

Board and Committee meetings *continued*

The table below shows the attendance record of individual Directors against scheduled Board meetings and Committee meetings that those individuals were eligible or in office to attend. The majority of Board meetings during the year took place via videoconferencing. The Directors had been due to meet in other locations where Air Partner has a presence, but these were cancelled due to restrictions arising from COVID-19.

	Executive Directors		Non-executive Directors		
	Mark Briffa	Joanne Estell	Ed Warner	Amanda Wills	Paul Dollman
Board	10/10	10/10	10/10	10/10	10/10
Audit and Risk Committee				4/4	4/4
Remuneration Committee			4/4	4/4	4/4
Nomination Committee			1/1	1/1	1/1

Richard Jackson passed away in March 2020 after a short illness and was unable to attend any of the Board or Committee meetings prior to his passing.

Composition, succession and evaluation

Composition of the Board

The composition of the Board is shown on pages 62 and 69 to 74. It is comprised of a Non-executive Chair, two Executive Directors, an independent Senior Non-executive Director and an independent Non-executive Director.

Evaluation

The Board and the Committees are subject to annual evaluation to assess their overall effectiveness and identify any potential learning opportunities. In addition, a skills matrix was completed to recognise individuals' strengths, areas of expertise and where we may have gaps in experience. This was particularly relevant in determining Non-executive representation on the Board, following Richard Jackson's passing in March 2020. Having regard to government restrictions concerning the pandemic during the year, the decision was taken to postpone recruitment of a replacement Non-executive Director until face-to-face meetings could be conducted.

Election and re-election of Directors

Non-executive Directors are appointed for an initial three-year term, subject to re-election by shareholders at each AGM. After the initial term their appointment may be extended, subject to mutual agreement. All Directors are subject to election by shareholders at the first AGM after their appointment and to annual re-election thereafter. On this basis, all members of the Board will retire and seek re-election by shareholders at the 2021 AGM.

Nomination Committee report

Ed Warner, Chair of the Nomination Committee

The principal purpose of the Nomination Committee is to monitor the composition of the Board and its Committees, lead the process for appointments of new Directors and Committee members and oversee planning for our succession needs. The Committee has responsibility for the Company's policy on the promotion of diversity and inclusion and supports the Board evaluation process.

The terms of reference for the Committee have been agreed by the Board and are available online at www.airpartnergroup.com. The Directors who served on the Nomination Committee during the period were Ed Warner, Amanda Wills and Paul Dollman, and their meeting attendance during the year is set out on page 74.

Although not Committee members, the Chief Executive Officer and Chief Financial Officer are invited from time to time to attend meetings of the Committee.

When proposing appointments of Directors, the Committee considers the independence, skills, knowledge and experience that a candidate possesses compared to the skillsets and experience of the Board as it currently stands. Selection of candidates also takes into consideration the breadth of knowledge that the Board has and that it may require to provide a well-balanced environment which encourages scrutiny and appropriate challenge of executive management.

Board appointments

During the year there were no new directors appointed to the Board. However, on 21 May 2020, Amanda Wills was appointed Senior Non-executive Director at the Board meeting following Board notification of Richard Jackson's passing.

Succession planning

Succession planning for the Chief Executive Officer and Chief Financial Officer was considered by the Committee during the year. In addition, more robust processes were introduced to assess talent and succession to Band 3 (senior leadership). As with external recruitment, developing the diversity and inclusiveness of the Group's Executive Team is a consideration in all promotions and appointments. The processes identified high potential talent, of which 45% were female.

Board and Committee evaluation

The performance and effectiveness of the Board is subject to annual evaluation. This year the evaluation process was internally led with questionnaires drawn up for the Board and each of the Committees. The evaluation focused on strategy and culture, budgeting and financial performance, risk and control processes, management diversity and Board operation. In addition, the Board's engagement with all stakeholders and the assessment of the impact of the COVID-19 pandemic on our strategy were key areas of evaluation. Result summaries for the Board and each of the Committees were shared and recommended actions were openly discussed and challenged. The key actions were fed back into the annual Board agenda and policies and processes were updated as necessary.

The evaluation process concluded that the Board maintained focus on the Group's strategy and that the Chair showed effective leadership and encouraged healthy debate of issues. It also highlighted that there were healthy boardroom dynamics with the right balance being struck between challenge and mutuality, with the Non-executive Directors providing constructive support, and the Board Committees are being used effectively and their activities are being reported regularly to the Board. Areas of focus for the future included deeper understanding of the Group's international culture and reiteration of purpose, a greater awareness of the environmental and social governance required, the need for additional Board training and development, and maintaining focus on understanding stakeholders.

Board and Committee evaluation *continued*

The Board and Committee questionnaires included an individual evaluation element both for the Chair of the Board and Chair of each of the Committees. Executive Director performance evaluations are conducted annually against pre-set key performance indicators, on which they receive detailed feedback in preparation for their annual reward review.

Overall, the collective view of the Directors is that the Board is effective in discharging its responsibilities. The Board confirms its belief that all Directors bring significant value to the business, are effective in Board decision making and show the appropriate level of commitment to their roles.

Diversity and inclusion

The Board is a team made up of people with a broad range of backgrounds. The Board believes that a diversity of experience and personal strengths is as important as diversity of gender and social and ethnic backgrounds. Our policy is to ensure that the best candidate is selected to join the Board; this policy will remain in place going forward. The Board does not intend to adopt a quota system with prescriptive, quantitative targets. Instructions to any external adviser conducting a search for appropriate candidates require it to search for candidates from as many different backgrounds as possible.

The Group's aim is to ensure that all employees and job applicants are given equal opportunity and that the organisation is representative of all sections of society. In accordance with our diversity and inclusion policy, candidates are selected for employment, promotion, training, or any other benefit on the basis of their aptitude and ability regardless of age, gender, race, religion, sexual orientation or disability. People with disabilities are given full consideration for employment and subsequent training (including retraining, if needed, for people who have become disabled during their employment), career development and promotion on the basis of their aptitude and ability. All employees will be given help and encouragement to develop their full potential and utilise their unique talents. Therefore, the skills and resources of the Group will be fully utilised to maximise the efficiency of the whole workforce. All employees, no matter whether they are part time, full time, or temporary, will be treated fairly and with respect. This policy is adopted throughout the Group in relation to all recruitment and to succession planning, to support a diverse pipeline. To support this, implicit unconscious bias training was rolled out to the Group.

Gender balance

At the date of this report, our Board consists of two female Directors and three male Directors. There are two female executives (25%) on the Group Executive Team and 9 out of 37 (24%) of the Group Executive Team's direct reports are female.

While specific diversity targets will not be published, diversity of experience, expertise and knowledge as well as gender and ethnicity will be key considerations in future appointments.

Strategic initiatives in the period

In FY21 the flexible working policy was revised in the UK and a new Group agile working policy was introduced. A working group, tasked with considering future ways of working, will look in more detail into how the agile working policy will be implemented. This group will meet regularly during FY22 to create a strategy for the future of work post the COVID-19 pandemic and will play a pivotal role in rolling this out.

Providing more flexible and agile working practices helps us to promote diversity and inclusion internally and externally. This increases our ability to retain employees while enhancing our ability to attract talented and diverse candidates.

Ed Warner
Chair

11 May 2021

Evaluation process

Questionnaire
Completion of tailored questionnaires for the Board and each Committee

Evaluation session
Discussion of results summary in Board and Committee meetings

Action
Identification of actions or areas to address

Feedback incorporated
Feedback on policies and processes and Board agenda

Audit and Risk Committee report

Paul Dollman, Chair of the Audit and Risk Committee

I am pleased to present the Committee's report for the year ended 31 January 2021. The Committee fulfils an important oversight role on behalf of the Board by monitoring the Group's financial reporting. It also reviews the effectiveness of both the Group's systems of internal control and its risk management framework.

Role of the Audit and Risk Committee

The principal role of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to financial reporting, financial and internal controls and audit and risk.

The detailed responsibilities of the Audit and Risk Committee (ARC) include:

- monitoring the Group's financial reporting processes;
- reviewing financial statements and announcements relating to our financial performance;
- reviewing and monitoring the internal controls, internal audit programme and risk management processes of the Group;
- reviewing the status of control improvement plans, ensuring their effectiveness and that they are adequately resourced;
- considering changes to accounting standards and the appropriateness of accounting policies;
- reviewing the actions and judgements of management in relation to the interim and annual financial statements before submission to the Board;
- consideration of the appointment of the external auditors, their reports to the Committee and their independence and effectiveness;
- discussing with the external auditors the nature and scope of the external audit; and
- monitoring the main risks to which we may be exposed from time to time, and the risk management processes and mitigation actions, including via the implementation of our policies.

The Committee's terms of reference are reviewed on an annual basis and can be found on our website at www.airpartnergroup.com/investors.

Fulfilling the role of the Audit and Risk Committee

In order to fulfil its role, the Committee has:

- held four scheduled meetings in the year to coincide with key dates within the financial reporting and audit cycle;
- received presentations and reports from the Executives and the Head of Risk and Compliance throughout the year, to gain an understanding of the risks facing the Group; and
- met privately with the external auditors after Committee meetings.

The attendance of Directors at the meetings of the Committee is set out on page 74.

Audit and Risk Committee members

The Committee is made up of independent Non-executive Directors. The members of the Committee during the year were:

- Paul Dollman
- Amanda Wills
- Richard Jackson, who passed away in March 2020

Although not Committee members, the Chairman, the external auditors, the Chief Executive Officer and the Chief Financial Officer regularly attend meetings by invitation.

The Committee was therefore adequately resourced in accordance with its terms of reference.

The Board is satisfied that the Committee members have the appropriate level of expertise to fulfil the Committee's obligations as set out in its terms of reference, and competency relevant to aviation services. Where requests are made all Directors make themselves available for shareholders as well as other stakeholders.

Significant issues addressed during the year and up to signing of the accounts

The Audit and Risk Committee (ARC) has reviewed the following significant financial reporting issues and judgements made during the year and the preparation of the financial statements with management and the external auditors.

The significant areas of focus considered and the actions taken are set out below. These issues have been discussed and reviewed by the ARC during the year, notably at the review of the interim results and at the review and agreement of the audit plan for 2021.

Significant matter	Action taken
Presentation of headline profits and underlying growth	
The Committee reviews the policy, presentation and judgements relating to the separation of statutory profit before tax and underlying profit before tax for the Group. See note 7 – Exceptional and other items, in the financial statements. Consideration is given to any changes in accounting standards and guidance from the Financial Reporting Council (FRC) in respect to alternative performance measures.	The Committee considered the presentation of the Group financial statements, in particular the appropriateness of the classification and presentation of exceptional and other items and their disclosure. Approval is required by the Board to record any item as exceptional. During the year, significant restructuring activities were undertaken as a result of COVID-19. The Committee agreed that these were exceptional given the materiality and exceptional circumstances. Other items that were presented as exceptional items include the amortisation of acquired intangible assets, which is excluded from underlying operating profits as a matter of course and in line with prior years.
Goodwill and other intangibles impairment	
The Group carries material balances for goodwill and acquired intangible assets. The Group's stated strategy is to grow the business both organically and via acquisition, therefore it makes material additions to these balances periodically. Management performs tests for the impairment of goodwill balances and acquired intangibles bi-annually. Impairment tests are based on value-in-use calculations which require significant judgements in relation to the inputs used, including forecast growth rates and discount rates.	The Committee reviewed management's papers and financial models for testing goodwill and other intangibles for potential impairment and ensured appropriate sensitivity disclosure. This included challenging the key assumptions used, principally cash flow forecasts, growth rates and discount rates. It was the view of management that there were no indications of impairment of goodwill or other intangibles across the Group.
Taxation and deferred tax	
Tax provisions and amounts recognised as deferred tax assets require judgement and an estimate in relation to tax risk.	The assets and liabilities recognised in income and deferred tax, as well as treatment of tax losses in the Group, were assessed by the Committee taking into account the auditors' opinion. The Committee noted the ongoing tax audit in France and the uncertainty associated with its outcome. See Principal risks and uncertainties on pages 40 to 48.
Provision for liabilities and charges	
The Committee regularly considers the appropriateness of the level of provisions on material items to the Group and the existence of any contingent liabilities.	During the year the Committee reviewed the Group's material provisions covering such matters as legal provisions, employee benefits and deferred consideration. It was determined that the assumptions taken by management were fair and reasonable. No contingent liabilities were identified.

Other financial reporting matters

Going concern basis for the financial statements

On behalf of the Board, the Committee reviewed management's assessment of going concern and viability as presented in the Going concern and viability statement on pages 49 to 51. The Committee reviewed management papers and financial models to understand liquidity, borrowing facilities, current trading, future projections and financial and operational risk management before recommending to the Board that it adopts the going concern basis of preparation for the 2021 financial statements.

Given the impact of the pandemic and the increased level of uncertainty in the aviation industry, the Committee has supported the Board more than usual during the year by closely monitoring our financial stability, ensuring we are able to react quickly to the changing market environment.

Financial and narrative reporting

The Committee is responsible for reviewing the half yearly results announcements and the Annual Report and Accounts before recommending them to the Board for approval.

The steps taken by the Committee, or on its behalf, to provide this advice to the Board included setting up a committee of senior individuals within the Group to draft the Annual Report, with each of these individuals having responsibility for the production of certain sections of the document.

In turn, the Committee assessed the fairness, balance and understandability of the Annual Report and half yearly results by considering:

- the accuracy, integrity and consistency of the messages conveyed in the Annual Report;
- the appropriateness of the level of detail in the narrative reporting;
- the key accounting judgements and the disclosures and estimation of uncertainties; and
- the explanations of the differences between statutory and underlying reported results.

The Committee also reviewed various materials to support the statements in the Annual Report on risk management and internal controls, going concern, and the assessment of the Group's long-term viability – see pages 40 to 48 on Principal risks and uncertainties and pages 49 to 51 for the Going concern and viability statement.

Following the review, the Committee agreed that the Annual Report is representative of the year and presents a fair, balanced and understandable overview, providing the information necessary for shareholders to assess our position, performance, business model and strategy. The Committee has advised the Board accordingly.

Other areas of activity by the Committee

During the year, the Committee has continued to review the independence and effectiveness of both the Group's systems of internal control and its risk management framework and has consequently monitored the following areas:

External audit
Following their appointment in October 2018, PricewaterhouseCoopers LLP (PwC) are now in their third year with Air Partner. The audit engagement partner is Andrew Latham. As agreed in their terms of engagement, their appointment is reviewed on an annual basis.

Audit effectiveness is assessed continually using a number of measures including: reviewing the quality and scope of the proposed audit plan and progress against the plan; responsiveness to changes in the businesses; and monitoring the independence and transparency of the audit. A formal report received from PwC in respect of the audit and matters arising from the Annual Report was discussed prior to the Board's approval of the financial statements. The Committee monitors the auditors' performance, behaviour and effectiveness during the exercise of their duties, which informs the Committee's decision to recommend reappointment on an annual basis. The Independent auditors' report can be found on pages 102 to 112.

External auditors' independence and non-audit fees
The Committee is aware of the need to safeguard the objectivity and independence of the auditors and the issue is discussed annually by the Committee and periodically with the audit engagement partner from PwC. The Committee is responsible for the implementation and monitoring of the Group's non-audit services policy, which is designed to maintain the objectivity and safeguard the independence of the external auditors. This policy is reviewed annually and requires that approval of the Committee must be obtained before the external auditors are engaged to provide any permitted non-audit services. For permitted non-audit services that are clearly trivial, the Committee has pre-approved the use of the external auditors subject to set limits detailed in the policy.

To preserve objectivity, independence and effectiveness of the external auditors, they do not provide consulting services unless this is compliant with this policy. The policy complies with the European Commission's recommendation on audit independence and with the Revised Ethical Standard issued by the FRC in the UK. During the year, there were no matters that required consideration under the Group's non-audit services policy.

In addition to monitoring compliance with the policy, the Committee's review of the independence of PwC included examining written confirmation from PwC that they remain independent and objective within the context of applicable professional standards and considering the performance of the audit engagement partner. The Committee is satisfied that PwC remain independent in fulfilling their role.

Internal audit matters and commencement of the Finance Business Improvement Project
During FY21, the Committee recommended that we focused resources on a Finance Business Improvement Project. This was to capitalise on the roll-out of the new Charter CRM and booking tool, which became fully operational across the business during the year. The aim of the project is to standardise, simplify and automate our finance business processes across the Group, leading to an improved control environment and increased efficiencies.

During the year, the project plan was presented to the Audit and Risk Committee by the Chief Financial Officer, who is the overall Executive sponsor, and was subsequently approved. Regular progress updates are given at the Audit and Risk Committee meetings as well as the main Board. This is a global project with a fully designated project lead and key process owners across the Air Partner Group. The Finance Business Improvement Project lead has access to the Chair and members of the Committee and the authority to report significant findings or concerns independently to the Executives.

Other areas of activity by the Committee *continued*

Risk management, internal control and compliance

During all Committee meetings that took place during the year, our Head of Risk and Compliance reported to the Committee, independently to the Executives, the main risks which the Company faced from time to time, and the corresponding mitigating actions. This includes the review of our procedures for detecting fraud and our systems and controls for ethical behaviour and the prevention of bribery, which the Committee oversees on the Board's behalf. The main risks we faced and mitigating actions were reviewed in April 2021 by the Chair of the Audit and Risk Committee and found to be appropriate and effective.

For each risk, the reports to the Committee gave a short description of the risk, the name of the Group Executive Team member responsible for the risk management and mitigation, and details of corresponding management actions and responsibilities.

Reports to the Committee were based on a main risk matrix regularly updated by the Group Executive Team. The Group Executive Team regularly reviewed the risk calibration and the progress of mitigating actions, understanding that agility and prompt mitigating responses to the risks were particularly key in the context of the COVID-19 crisis.

During the year, to assist the Group Executive Team in their review and assessment of risks, a risk and compliance working group was formed. The working group is composed of senior employees across the Group with visibility of risks arising in their business area. They are tasked with defining and proposing to the Group Executive Team a risk management and compliance strategy, prioritising and implementing mitigation actions. Activities for this group have recently started and will be ongoing.

Our Head of Risk and Compliance also reported to the Committee the key losses and near misses which arose across the business and which are brought to the attention of our management, describing what immediate remedial actions were taken.

Our Head of Risk and Compliance summarises the main risks facing the Company to the whole Board and the details of a compliance programme being rolled out, targeted at addressing these risks. This is in line with the Board's willingness to elevate compliance matters to the whole Board, to ensure that their importance is recognised throughout the Company, is visible and dealt with at the highest level of the organisation.

At the same time, the Board is also made aware of any concerns raised by employees under the whistleblowing policy, whether they relate to any behaviour or compliance with our values or policies or any applicable legislation. As highlighted in the Corporate governance report on pages 63 to 68 the Board sees promoting a compliance culture within the Company as a key strategic pillar of its governance.

Audit Committee effectiveness

The Committee has, where necessary, taken the initiative in requesting information in order to provide the appropriate constructive challenge for it to fulfil its role. During the course of the year, the information that the Committee has received has been timely and clear and has enabled the Committee to discharge its duties effectively.

In November 2020, the Audit Committee conducted a review of its effectiveness using internal questionnaires, in parallel to the Board evaluation. The review concluded that the Audit Committee continues to perform effectively and had sufficient, reliable and timely information from management to enable it to fulfil its responsibilities.

UK Corporate Governance Code

M The Board has put in place arrangements for both the external and internal audit activities to have a direct and unfettered line of reporting into the Audit and Risk Committee. Representatives from both internal and external audit are invited to attend every Audit and Risk Committee meeting and also are able to meet with the Chair of the Committee as and when required. The Committee also meets privately with the external auditors where any concerns over the financial statements or associated narratives can be discussed and, if necessary, challenged.

N The Board is responsible for preparing fair, balanced and understandable financial information. The Strategic report is set out on pages 1 to 60 inclusive and provides information about the performance of the Group, the business model, the strategy and the risks and uncertainties relating to the Group's business.

O The Board sets out the nature and extent of any significant risks to the business and maintains sound risk management and internal control systems. Further information on risk management and internal control systems is set out in the Audit and Risk Committee report on pages 77 to 80.

Signed on behalf of the Audit and Risk Committee:

Paul Dollman
Chair of the Audit and Risk Committee

11 May 2021

Directors' remuneration report

Annual statement by the Chair of the Remuneration Committee

Amanda Wills, Chair of the Remuneration Committee

Dear Shareholder

On behalf of the Remuneration Committee (the Committee), I am pleased to present the Directors' remuneration report for the year ended 31 January 2021.

Our Directors' remuneration policy was reviewed in 2019 and was approved by shareholders at the 2019 AGM with the support of 97.45% of votes cast. We were also pleased to receive a shareholder vote of 99.97% in favour of our 2020 report and we thank our shareholders for their support.

National and local lockdowns as a result of the COVID-19 pandemic have brought challenges and opportunities for the Group. We fully acknowledge the impact that this has had on our people, customers, suppliers and the communities where we are based. In line with our values, our response to the pandemic has been focused on looking after the safety, health and wellbeing of all of our employees and customers, safeguarding jobs and protecting our business. Looking ahead, we are committed to emerging stronger from the pandemic by focusing on our employees, customers, costs and cash. It is important that we have flexibility in our remuneration framework so that we can adapt quickly in a rapidly changing world. This Directors' remuneration report focuses on providing information on remuneration and decisions taken in respect of the year ended 31 January 2021.

Our remuneration philosophy

The Group's total remuneration packages are designed to be competitive to attract, retain and motivate high quality individuals throughout the business. Our packages aim to recruit talented Executive Directors and senior Executives capable of effectively delivering on the Group's strategy and driving business outcomes through their teams, thereby enhancing long-term shareholder value.

The principles of our remuneration policy are to:

- ensure overall remuneration is market competitive to attract and retain the leadership and talent required to drive the business for the benefit of all stakeholders;
- adopt a simple, transparent and cost-effective approach to remuneration which is clear and understandable for business leaders, shareholders and the wider team;
- align compensation to performance and incorporate a balance of fixed and variable remuneration elements;
- design incentive plans which reinforce both short and long-term behaviours, promote long-term development and support the strategic plans of the business; and
- ensure remuneration packages motivate and incentivise Executive Directors, senior Executives and the broader team to deliver on stretching performance targets consistent with our risk management framework.

The Group employs people in specialised high capability roles, from brokers to consultants, aviation experts to covert testers, and management across a range of geographies. The reward structure for our people is built around a set of common reward principles on a framework altered to suit the needs of each business area. Reward packages differ, taking into account a number of factors including seniority, role, impact on the business, local practice, custom and legislation.

Our business is evolving quickly, and it is essential that we maintain both competitive and motivational remuneration. The Committee recognises the importance of the retention of the Executive Directors in achieving the Group's strategy. The aims of our remuneration policy remain valid for our business; however, we recognise that as we grow the context in which we operate and the evolving governance environment for executive remuneration in UK public listed companies will be taken into consideration. We are on the front foot in addressing these matters.

Key remuneration activities during the year

Key activities undertaken by the Committee during the year were:

- determining the Executive Directors' KPIs for FY21;
- reviewing the Executive Directors' KPIs for FY20;
- determining the level of annual bonus for the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) in respect of performance against targets in respect of FY20;
- postponing the 2020 salary review, including for the Executive Directors;
- introducing a temporary four-day working week, with associated salary reduction, across large parts of the Group (including Executive and Non-executive Directors, who took a 20% fee reduction during this period);
- utilising relevant government support including the UK Coronavirus Job Retention Scheme (furlough) and relevant international support where applicable;
- determining the extent to which the performance measures attached to the Long Term Incentive Plan awards were achieved for awards due to vest in 2020;
- setting bonus targets for FY21 following the approval of the financial budget and including objectives and KPIs for the CEO and CFO;

Key remuneration activities during the year *continued*

- determining the level and performance conditions to be attached to Long Term Incentive Plan awards made to Executive Directors and Executives during FY21;
- undertaking a performance evaluation of the Committee; and
- launching the Air Partner Sharesave (Save As You Earn) scheme.

Subsequent to the financial year end, the Committee met to review the final outcome of the FY21 annual bonus scheme and the structure and targets of the annual bonus scheme and Long Term Incentive Plan (LTIP) for FY22.

Context to the Committee decisions

The outlook at the start of the 2020/21 year was positive, supported by a strong order book in Safety & Security (c.35% coverage) coupled with good visibility and new business in the Charter division. The impact of the COVID-19 pandemic dominated the year from its outset and we responded dynamically to the challenges which the pandemic created. In March, we launched Air Partner Protect to support customers flying in extraordinary circumstances. A number of emergency repatriations were carried out for the UK Foreign and Commonwealth Office in challenging circumstances. Alongside this, we arranged transportation of emergency medical supplies including to Wuhan and, as the pandemic developed, PPE to the UK.

Towards the start of the year, our share price was severely affected, falling to a low of 17p in mid-March. This was in spite of the strong financial start to the year, generating profits well ahead of budget and the prior year. This was driven by business generated from responding to the pandemic, which outweighed a decline in Safety & Security and European private jet charter.

While the near-term trading was strong, the outlook was highly uncertain. We announced decisive steps to address the challenges and uncertainty including use of the government grants and benefits to significantly reduce the Group's cost base and every Director taking a voluntary 20% pay reduction from March to June 2020. These measures were taken to protect the business and to safeguard jobs. We determined we would not be in a position to declare a dividend until after the crisis had passed and withdrew financial market guidance.

By May 2020 the share price had returned to its pre-COVID-19 levels. In June 2020 we announced a placing of £7.5m at 75p. This was a prudent measure to enable debt repayment on the Redline acquisition and to allow us to capitalise on new opportunities. These included government and commercial work, opening of new office locations and attraction of key talent in the air charter industry.

Overall, during the first half of the year financial performance was strong due to exceptional levels of trading from COVID-19 related work, including evacuations and PPE transportation, which offset extremely difficult trading in the Private Jets and Safety & Security divisions. This demonstrated the value of the Group's broad spread of aviation activities offered across multiple markets.

In light of strong trading during the first half of the year, cost reduction measures and the placing, the Group moved from a net debt position of £6.9m at 31 January 2020 to net cash of £18m at 31 July 2020. At the time of the interim results, the Board considered it appropriate and prudent to recommence dividend payments given their importance to shareholders and an interim dividend of 0.8p was declared.

We performed exceptionally during the year with an underlying operating PBT of £11.6m, compared with £4.2m in the year to January 2020 and £5.8m in both of the years ending January 2019 and January 2018.

Remuneration decisions made and the implementation of the remuneration policy

Key decisions directly impacting our people during the year included the introduction of a four-day working week in the UK and utilisation of the UK government's Coronavirus Job Retention Scheme (CJRS) for some roles. From April to June 2020 approximately one third of UK employees were on furlough and some benefits were suspended. During this period, people were brought back as work returned and by August only approximately 4% of employees were still on full-time furlough. In July 2020, 27 roles in the Group were made redundant as part of a strategic review of the Group's shape and outlook and the annual salary review was suspended. Individuals who took a 20% pay reduction, excluding Executive and Non-executive Directors, will be repaid the amount of this reduction.

From April to October 2020, the total amount claimed through the CJRS was £828k. In November, due to the strong year-to-date performance we decided not to utilise the revised scheme.

Government support was also utilised internationally for areas of the business that were significantly impacted by COVID-19.

It is our intention to continue to review and utilise the government support available going forward, where it is appropriate and needed to protect the business and safeguard jobs.

In our 2020 Annual Report, alongside stating that no salary review would take place in 2020/21, we stated that the determination of the KPI and remuneration metrics for bonus and LTIP would be postponed and would be reviewed at the half year point. The normal maximum bonus opportunities for our CEO and CFO are 100% and 70% of salary, respectively.

In July, we reviewed the annual bonus position. At the start of the year and prior to the onset of the COVID-19 pandemic, we had envisaged a stretch underlying PBT target, covering 70% of annual bonus, at £7.15m. In light of strong year-to-date performance to July we introduced an extraordinary stretch PBT target of £11.7m, which, if achieved at maximum, would result in a proportional uplift of the bonus by 50% for the CEO and 43% for the CFO. As such, the total maximum bonus opportunity of our CEO and CFO would remain within the policy maximum to be used in exceptional circumstances of 150% of salary and 100% of salary, respectively.

Our scores for the CEO and CFO against the KPI element of their bonus (which covers 30% of annual bonus) were 75% and 75%, respectively. As such, applying the extraordinary stretch enhancement to the PBT portion of annual bonus and the KPI scoring would have resulted in annual bonus payments of 132% of salary for our CEO and 89% of salary for our CFO.

The performance of our CEO and CFO has been outstanding in exceptionally demanding circumstances. It is in this context that the Committee has determined that high level bonuses are well earned, justified and, in fact, necessary to retain and motivate our Executives. In making this decision the Committee considered our use of some government support, the experience of shareholders and the wider employee experience. The Committee consulted with some of its largest shareholders, holding 37% of the issued shares, on this matter in early 2021.

In light of the overall circumstances, the Committee has determined to exercise discretion to reduce the amounts payable reflecting extraordinary stretch performance to the normal maximum levels of 100% of salary for the CEO and 70% of salary for the CFO.

In August 2020, an award of 503,919 ordinary shares representing 150% of salary was granted to the CEO and 223,964 ordinary shares representing 100% of salary was granted to the CFO pursuant to our 2012 LTIP scheme, subject to the performance conditions detailed later in this report. These awards were not scaled back as the share price had returned to its pre-COVID-19 levels at the time of grant. In accordance with the remuneration policy, the LTIP awards made to the Executive Directors were subject to enhanced malus and clawback provisions and an additional two-year holding period. These awards are eligible for dividend equivalents to be paid in shares at the time that the award vests.

The LTIP award granted to the CEO in June 2017 under the LTIP 2012 scheme was due to vest in July 2020. This award was subject to EPS and TSR performance conditions covering the period 1 February 2017 to 31 January 2020. The performance conditions of this award were not met and the award did not vest.

Focus for FY22

The Committee will continue to monitor the effects of the COVID-19 pandemic on our business and our people and will continue to take proactive action. The use of available government support will be reviewed and utilised where it is needed to protect the business and safeguard jobs.

As the focus on executive pay continues, the Committee remains mindful of the developing remuneration landscape. The Committee will continue to consider the wider pay and employment conditions elsewhere in the Group and ensure that pay structures from Executive Directors to senior Executives are aligned with the wider workforce as appropriate. The Committee is satisfied that the remuneration policy continues to work effectively and supports the delivery of our strategy. We do not intend to make any material changes to the remuneration policy in FY22. The Committee will undertake a focused review of our Directors' remuneration policy ahead of the policy vote at the 2022 AGM. As part of the review the Committee will seek feedback from shareholders and engage with the Employee Advisory Panel to explain how executive remuneration aligns with our wider pay policy.

I hope that you find this report helpful and informative and I look forward to receiving further feedback from our investors on the information presented. On behalf of the Committee, I look forward to receiving your support at the AGM.

Amanda Wills
Chair of the Remuneration Committee

11 May 2021

The Directors' remuneration policy was approved by shareholders at the 2019 AGM on 26 June 2019 and is effective until the 2022 AGM.

The Committee works hard to ensure that the remuneration policy and practices are clear and transparent and that the level of remuneration received is reflective of the overall business performance. The Committee believes that the structure of Executive Directors' and senior Executives' reward should be aligned to the Group's strategy, purpose and values and as such a greater proportion of the package for senior leadership roles is therefore performance based pay through an annual bonus and LTIP. This ensures the remuneration of the Executive Directors and the senior Executives is aligned with the performance of the Company and therefore the interests of shareholders. The approved 2019 Directors' remuneration policy will be implemented in accordance with the policy table outlined below.

The table below summarises the main elements and performance metrics of the reward package for Executive Directors.

Purpose and link to Remuneration policy	Key features and operation	Maximum potential value	Performance metrics	Provision for clawback or withholding of payment
Base salary				
Supports the recruitment and retention of Executive Directors of the calibre required to fulfil the role without paying more than is necessary. Rewards Executives for the performance of their role. Reflects the skills, experience and role within the Group.	Paid in cash. Normally reviewed annually to take effect on 1 August but exceptionally may take place at other times of the year. In determining base salaries, the Committee considers: ‣ pay levels at companies of a similar size and complexity; ‣ external market conditions; ‣ pay and conditions elsewhere in the Group; and ‣ personal performance.	The Committee's policy is to set base salary at an appropriate level taking into account the factors outlined in this table; there is no maximum value. The Committee considers individual salaries at the appropriate Committee meeting each year.	N/A	None
Pension				
Provides funds to allow Executive Directors to save for retirement. Provides a market competitive retirement benefit. Incentivises and encourages retention.	In determining pension arrangements, the Committee takes into account relevant market practice. The scheme is defined contribution. A salary sacrifice scheme is in operation for Executive Directors. Executive Directors may elect, with the Committee's consent, to receive some or all of the Company's pension contribution as a cash alternative. Bonuses are non-pensionable.	Both the CEO and CFO receive a Company contribution of 12.0% of basic salary. Pension contributions for new Executive Directors will be in line with other scheme participants.	N/A	None
Benefits in kind				
Provides a market competitive level of benefits to Executive Directors.	Executive Directors can receive life assurance, health insurance, car allowance, income protection, critical illness cover and sports club or gym membership.	There is no maximum value.	N/A	None

Purpose and link to Remuneration policy	Key features and operation	Maximum potential value	Performance metrics	Provision for clawback or withholding of payment
Relocation/expatriate assistance				
Provides assistance to Executive Directors who are required to work away from their home location to enable us to recruit the best person for the role.	Assistance will include (but is not limited to) facilitating or meeting the costs of obtaining visas or work permits for Executive Directors and their immediate family, removal and other relocation costs, house purchase or rental costs, limited amount of travel costs and tax equalisation arrangements.	There are a number of variables affecting the amount that may be payable, but the Remuneration Committee would pay no more than it judged reasonably necessary. The maximum amount payable shall not exceed £50,000 per individual in any financial year.	N/A	None
Annual bonus				
Rewards and incentivises the achievement of annual financial objectives which are aligned with key strategic goals and supports the enhancement of shareholder value.	Paid in cash following announcement of financial year results. Bonuses are non-pensionable. May be paid in shares at the Committee's discretion. Where the bonus is paid in shares these must be held for a period of two years. The Committee has overall discretion to adjust the extent to which bonuses are paid (in line with the 2018 UK Corporate Governance Code).	Maximum opportunity to achieve: • CEO: 150% of base salary; and • CFO: 100% of base salary. Bonus accrues from threshold levels of performance. At threshold only the KPI element of the bonus is payable. Maximum opportunity to be used in exceptional circumstances.	Both CEO and CFO bonus payment is based on: • personal objectives: 30% based on performance against key performance indicators (KPIs) defined at the beginning of each financial year; and • Company performance: 70% based on financial metrics.	Bonus is usually not paid to a good leaver should they leave before the payment date of said bonus. Arrangements are in place under which amounts paid out in bonus can be clawed back from Executive Directors in defined circumstances.
Long Term Incentive Plan (LTIP)				
Incentivises Executives to achieve our long-term strategy and create sustainable shareholder value. Enhances shareholder value by motivating growth in earnings and maintenance of an efficient and sustainable level of return on capital. Aligns with shareholder interests through the delivery of shares.	Awards vest after three years based on Group financial targets. Awards are in the form of nil-cost options and must be exercised within four years of vesting. 25% of awards vest at threshold levels of performance. For performance above threshold, awards vest on a straight-line basis up to a maximum of 100%. The Committee has overall discretion to adjust the extent to which awards will vest (in line with the 2018 UK Corporate Governance Code). Awards granted from 2019 which vest after the end of the three-year performance period will be subject to an additional two-year holding period. During this period the shares cannot be sold (other than as required for tax purposes). The holding period is also applied post-employment for Executive Directors who leave after the performance period.	Maximum plan award of 150% of base salary to be used in exceptional circumstances. Usual award levels will be: • CEO: 100%–150% of base salary; and • CFO: 75%–100% of base salary. Dividend equivalent amounts may be added to performance share awards in shares at the point of vesting.	The Committee will review the appropriateness of performance measures on an annual basis and set challenging targets consistent with the business strategy. Two thirds of the award is based on an earnings per share (EPS) target and the remaining third on a total shareholder return (TSR) target. The Committee has the ability to select appropriate performance condition criteria, mix and targets each year.	As per the rules of the scheme, awards will lapse if the Executive leaves before the end of the performance period. The Remuneration Committee has discretion in certain circumstances (for example death, serious illness or redundancy) to permit an award to vest before the end of the performance period. The LTIP scheme rules contain malus and clawback provisions under which amounts paid out can be recovered back from Executive Directors in defined circumstances.

Purpose and link to Remuneration policy	Key features and operation	Maximum potential value	Performance metrics	Provision for clawback or withholding of payment
All Employee Share Plan				
Encourages all employees to make a long-term investment in the Company's shares in a tax efficient way.	The Executive Directors may participate in the Company's Sharesave (Save As You Earn) scheme, on the same terms as other eligible employees.	The maximum participation level will be aligned to HMRC limits.	N/A	None
Shareholding guideline				
Incentivises Executives to achieve our long-term strategy and create sustainable shareholder value. Aligns with shareholder interests.	Target value to be achieved over five years: ‣ CEO: 100% of salary; and ‣ CFO: 50% of salary. Until the shareholding guideline has been achieved, Executives must retain at least half of vested LTIP awards beyond those needing to be sold to pay tax.	N/A	N/A	N/A

Discretion

Annual bonus documentation and the LTIP rules contain provisions to give the Committee the ability to apply discretion to adjust the formulaic outcomes in line with the 2018 Code but always within plan limits as determined by the new policy. Any use of discretion would clearly be explained in the Directors' remuneration report.

Remuneration policy for other employees

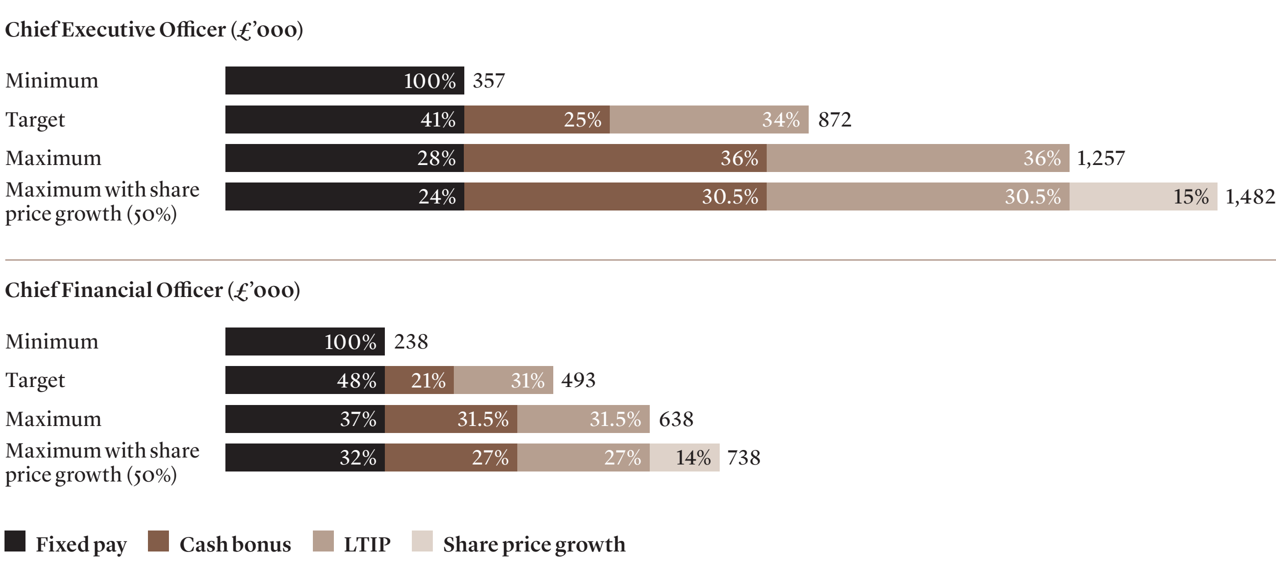
The policy described above applies specifically to the Executive Directors. In practice, the Committee also has responsibility for setting the policy for, and determining the remuneration of, the senior Executives.

In all cases, the Committee is mindful of the remuneration policy which applies to the broader workforce and seeks to ensure that the underlying principles which form the basis for decisions on Executive Directors' and senior Executives' pay are consistent with those on which pay decisions for the rest of the workforce are taken.

Illustration of the remuneration policy

Three scenarios of Executive Directors' remuneration based on differing performance: minimum (fixed pay, pension and benefits), on target (fixed remuneration plus annual performance related pay, paying out at target levels, and LTIP at 100% for CEO and 75% for CFO) and maximum (fixed remuneration plus maximum variable pay that may be awarded). A scenario is also shown which provides an indication of the maximum remuneration receivable, assuming share price appreciation of 50% on the LTIP.

A significant proportion of the potential remuneration of the Executive Directors is variable and is therefore performance related. It is also subject to deferral, additional holding periods, malus and clawback.



Remuneration policy table – Non-executive Directors' fees

The following table sets out a summary of our remuneration policy for Non-executive Directors:

Remuneration element	Purpose and link to remuneration policy	Key features and operation
Fees	Fees for Non-executive Directors are set at an appropriate level to recruit and retain Directors of a sufficient calibre without paying more than is necessary to do so. Fees are set taking into account the following factors: the time commitment required to fulfil the role, typical practice at other companies of a similar size, and salary levels of employees throughout the Group.	The Non-executive Directors fee policy is: • to pay a basic fee for membership of the Board; and • to pay additional fees for fulfilling the role of Chair of the Board and/or Chair of a Committee and for the role of Senior Independent Director, taking into account the additional responsibilities and time commitment of these roles. Fees are reviewed at appropriate intervals (normally once every year) by the Board. Our current maximum fees are as follows: • basic fee – £35,000; • additional fee for Board Chair – £45,000; • additional fee for Committee Chair – £5,000; and • additional fee for Senior Independent Director – £5,000.

Non-executive Directors' letters of appointment

The Non-executive Directors do not have service contracts but have entered into letters of appointment with the Company covering matters such as duties, time commitment, fees and other business interests. The letters of appointment do not include any provisions for the payment of pre-determined compensation upon termination of appointment and notice may be served by either party.

The Non-executive Directors are appointed for an initial three-year period which may be renewed once by mutual consent. In exceptional circumstances, a further extension may be agreed, but no Non-executive Director, with the exception of the Chair, may serve for a period of more than nine years from their date of initial appointment.

Details of the letters of appointment of the Non-executive Directors at 31 January 2021 are set out below:

Non-executive Director	Date of appointment or reappointment	Term	Unexpired term at 31 January 2021	Notice period
Ed Warner	1 April 2019	3 years	1 years, 2 months	3 months
Paul Dollman	1 May 2019	3 years	1 years, 3 months	3 months
Richard Jackson[1]	7 September 2019	3 years		
Amanda Wills	20 April 2019	3 years	1 years, 2 months	3 months

1 Richard Jackson passed away on 26 March 2020.

Remuneration Committee structure

The Committee is constituted as a formal sub-committee of the Board with its own terms of reference. Its primary role is to review and set the remuneration policy for the Executive Directors, within the context of salaries and benefits paid across the Group as a whole, and make discretionary performance related awards to the Executive Directors. The full Board agrees the remuneration of the Chair and Non-executive Directors on the principle that no individual should be able to determine their own remuneration.

Remuneration Committee membership

The members of the Committee during the year until the date of this report were:

Amanda Wills (Chair)
Paul Dollman
Richard Jackson (Richard passed away on 26 March 2020)
Ed Warner

In addition, the Chief Executive Officer, Chief Financial Officer and Chief People and Technology Officer are invited from time to time to attend meetings of the Committee. No individuals are involved in decisions relating to their own remuneration. The Committee met formally four times during the year. The terms of reference for the Committee can be viewed on our website at www.airpartnergroup.com/investors.

External advisers

The Committee received advice during the period under review from h2glenfern. h2glenfern was appointed to provide advice to the Committee following a tender process in 2015. h2glenfern voluntarily operates in accordance with the Code of Conduct of the Remuneration Consultants Group in relation to executive remuneration consulting in the United Kingdom. h2glenfern does not provide other services to the Group and has no other connection with the Company or individual Directors. The Committee has therefore satisfied itself that advice provided by h2glenfern was objective and independent. Fees of £13,500 on a time spent basis were payable to h2glenfern during the year. The advice and recommendations of the external advisers are used as a guide, but do not serve as a substitute for thorough consideration of the issues by each Committee member. Advisers attend Committee meetings occasionally, as and when required by the Committee.

The Committee may also obtain, at the Company's expense, any necessary legal or other professional advice.

Directors' remuneration for the year ended 31 January 2021 (audited)

The following table provides details of the Directors' remuneration for the year ended 31 January 2021, together with their remuneration for the year ended 31 January 2020:

	Salary		Taxable benefits		Bonus		LTIP[3]		Pension		Total fixed remuneration		Total variable remuneration		Total	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Executive Directors																
Mark Briffa	**288**	283	**21**	20	**300**	—	**—**	335	**35**	36	**344**	339	**300**	335	**644**	674
Joanne Estell[1]	**192**	196	**14**	13	**140**	—	**—**	—	**23**	22	**229**	231	**140**	—	**369**	231
Non-executive Directors																
Ed Warner	**81**	71	**—**	—	**—**	—	**—**	—	**—**	—	**81**	71	**—**	—	**81**	71
Paul Dollman	**35**	30	**—**	—	**—**	—	**—**	—	**—**	—	**35**	30	**—**	—	**35**	30
Richard Jackson[2]	**7**	43	**—**	—	**—**	—	**—**	—	**—**	—	**7**	43	**—**	—	**7**	43
Amanda Wills	**38**	39	**—**	—	**—**	—	**—**	—	**—**	—	**38**	39	**—**	—	**38**	39
Total	**641**	662	**35**	33	**440**	—	**—**	335	**58**	58	**734**	753	**440**	335	**1,174**	1,088

1 Due to an administrative error, Joanne Estell was overpaid £3,479 in pension contributions in FY20. The full amount of £3,479 was paid back in FY21.

2 Richard Jackson passed away on 26 March 2020.

3 No value was attributable to share price appreciation.

As a response to the COVID-19 pandemic, we did not hold an annual salary review during FY21.

Pension

The existing Executive Directors' pension arrangements are ahead of the rate which is given to the majority of our workforce. The pension contribution for the CEO and CFO is 12% of salary. The Committee will review the pension arrangements of Executive Directors when it considers its remuneration policy to be put to shareholders at its 2022 AGM.

None of the Executive Directors have a prospective right to a defined benefits pension with the Company.

Benefits in kind (audited)

Executive Directors receive a benefits package including a car allowance, health insurance, life assurance, critical illness cover and home telephone and internet facility.

Annual bonus (audited)

The bonus payment for the Executive Directors is based on the following weighting: 70% relating to the Group's underlying profit before tax result above threshold and 30% attributable to achievement against personal objectives. For reference, the underlying profit before tax threshold for the financial year ended 31 January 2021 was £11.6m.

In light of strong year-to-date performance to July we introduced an extraordinary stretch PBT target of £11.7m, which, if achieved at maximum, would result in a proportional uplift of the bonus by 50% for the CEO and 43% for the CFO.

Applying the extraordinary stretch enhancement to the PBT portion of annual bonus and the KPI scoring would have resulted in annual bonus payments of 132% of salary for our CEO and 89% of salary for our CFO.

In light of the overall circumstances, the Committee has determined to exercise discretion to reduce the amounts payable reflecting extraordinary stretch performance to the normal maximum levels of 100% of salary for the CEO and 70% of salary for the CFO.

	Underlying profit before tax (70%)						
	Threshold £m	Target £m	Stretch £m	Extraordinary stretch £m	Actual	KPI (30%)	% payable
Mark Briffa	5.85	6.50	7.15	11.7	11.6	See table below	100%
Joanne Estell	5.85	6.50	7.15	11.7	11.6	See table below	70%

Profit is before income tax, exceptional and other items.

Below is a summary of the personal objectives and achievements for the CEO:

Strategic pillar	Weighting	Measures	Achievement
Profitable growth	70%	Deliver a budgeted underlying PBT of at least £6.5m	Achieved
Transformational success	30%	Recommence the integration plan for Safety & Security	All relevant key milestones in integration plan achieved
		Embed the CRM and booking tool into the Charter business	CRM rolled out and fully embedded
		Develop and launch an ESG policy for the Group along with a carbon neutral programme for customers	ESG policy/framework in place. Carbon offset scheme soft launch

Annual bonus (audited) *continued*

Below is a summary of the personal objectives and achievements for the CFO:

Strategic pillar	Weighting	Measures	Achievement
		Deliver a budgeted underlying PBT of at least £6.5m	Achieved
		Achieve cash conversion – target 85%. Measured by cash generated from operations less investment activities (excluding acquisitions) divided by operating profit	Achieved
		Reduce the Group's debt from £11.5m to at least £5m	Achieved
Broadening our offering	10%	Oversee the finance integration plan for Safety & Security	Year 1 finance integration milestones achieved
People	10%	Deliver on the FY21 objectives as set out in the finance strategy	Key roles have been recruited. Finance Business Improvement project in progress
Growing organically: strengthening our core business	10%	Demonstrate prior year investments in new office openings and people are paying back	Prior year investments are paying back in c.18 months and there is a clear sight to profitability
		Provide insightful analysis to support the business in the pursuit of profitable organic growth initiatives	Achieved

Payments to former Directors (audited)

There were no payments to former Directors made in the year.

Payments for loss of office (audited)

There were no payments for loss of office to Directors or former Directors made in the year.

Long Term Incentive Plan (LTIP) (audited)

Details of unvested share awards outstanding at the financial year end are shown in the following tables:

		Number of options											
Name	Date of grant	31 January 2020	Granted	Exercised	Expired	Lapsed	**31 January 2021**	Size (% salary)	Face value	Closing share price on the day before grant	Exercise price	Earliest date of exercise	Expiry date
Mark Briffa	10 July 2017[1]	173,611	—	—	—	173,611	**—**	75	187,500	108.0p	0.0p	10 July 2020	10 July 2027
	11 July 2019	335,696	—	—	—	—	**335,696**	100	265,200	79.0p	0.0p	11 July 2022	11 July 2029
	10 August 2020	—	503,919	—	—	—	**503,919**	150	450,000	89.3p	0.0p	11 August 2023	11 August 2030
Total		509,307	503,919	—	—	173,611	**839,615**						

1 The performance conditions of this award were not met. The outcome from the performance conditions was EPS growth of 6.7% and TSR of 1.5%.

Long Term Incentive Plan (LTIP) (audited) *continued*

Name	Date of grant	Number of options: 31 January 2020	Granted	Exercised	Expired	Lapsed	31 January 2021	Size (% salary)	Face value	Closing share price on the day before grant	Exercise price	Earliest date of exercise	Expiry date
Joanne Estell	10 July 2019	182,278	—	—	—	—	**182,278**	75	144,000	79.0p	0.0p	11 July 2022	11 July 2029
	11 August 2020	—	223,964	—	—	—	**223,964**	100	200,000	89.3p	0.0p	11 August 2023	11 August 2030
Total		182,278	223,964	—	—	—	**406,242**						

The following performance conditions are attached to the LTIP awards:

Performance measure	Weighting	Performance	Vesting rate	2017	2019	2020
EPS	2/3rds	Threshold	25%	CPI +7.5%	6%	9.75p
		Stretch	100%	CPI +12.5%	12%	10.70p
TSR	1/3rd	Threshold	25%	9% pa	9% pa	9% pa
		Stretch	100%	16% pa	16% pa	16% pa

For intermediate performance between threshold and stretch, vesting will occur on a straight-line basis. There is no vesting for any performance measure where the outcome is below threshold.

Awards granted from 2019 which vest after the end of the three-year performance period will be subject to an additional two-year holding period. During this period the shares cannot be sold (other than as required for tax purposes). The holding period is also applied post-employment for Executive Directors who leave after the performance period.

Awards made in 2020 were not scaled back as the share price at grant had returned to pre-COVID-19 levels.

No LTIP performance targets were amended in the year.

Share options

None of the Executive Directors hold any unexpired share options.

Directors' beneficial interests in shares (audited)

The Directors who held office during the year had the following beneficial interests in ordinary shares of 1p each in the Company, fully paid up, at the beginning of the year and end of the year:

	31 January 2021	31 January 2020
Mark Briffa[1]	**822,130**	822,130
Joanne Estell[2]	**38,030**	11,363
Ed Warner	**200,000**	125,000
Paul Dollman	**80,000**	44,000
Amanda Wills	**5,265**	5,265

1 Mark Briffa's holding is above the 100% of salary shareholding target based on the share price on 31 January 2021.

2 Joanne Estell joined the Board on 10 September 2018. Joanne's target holding is 50% of salary over a five-year period.

CEO pay history

The table below sets out the details for the Director undertaking the role of Chief Executive Officer:

Year ending	CEO single figure of total remuneration £'000	Annual bonus pay-out against maximum opportunity %	Vesting rates against maximum opportunity %
2021	644	66.7	—
2020	674	—	84.0
2019	805	—	100.0
2018	691	42.9	65.5
2017	652	50.1	—
2016	570	73.9	—
2015	271	—	66.7
2014 – 18 months	656	92.8	—
2012	249	16.8	—
2011	369	100.0	—

Percentage change in Directors' remuneration

The table below shows the percentage change in remuneration of each of the Directors and the Group's UK employees as a whole between the year ended 31 January 2020, on an annualised basis, and 31 January 2021.

UK Air Partner employees employed by the Group in both January 2020 and January 2021 were chosen as the most appropriate comparator group as this includes senior Executives and excludes international employees who are on different pay structures.

%	Salary[1]	Benefits[2]	Annual bonus[3]
Mark Briffa	1.8	5.0	n/a
Joanne Estell	(2.0)	7.7	n/a
Ed Warner	—	—	—
Paul Dollman	—	—	—
Richard Jackson	—	—	—
Amanda Wills	—	—	—
Average pay based on all of the Group's UK employees	2.7	4.6	n/a

1 The Executive and Non-executive Directors had a 20% pay decrease from March–June 2020. The increase in Mark Briffa's salary is a result of his pay increase made in August 2019 and the full year impact of this was seen in FY21.

2 There has been no significant change in the benefits offered in FY21. In a relatively small population, people opting in or out of benefits can have a significant impact on the overall spend.

3 There was no bonus paid in respect of FY20.

Pay ratios

The government recently introduced legislation requiring all quoted companies with more than 250 UK employees to publish the ratio of the Chief Executive Officer's single figure to the actual total remuneration of full-time equivalent employees. The tables below set out the ratio of the Chief Executive Officer's pay as per the single figure of remuneration table to the 25th percentile, median and 75th percentile total remuneration of the Group's UK full-time equivalent employees as at 31 January 2021. The Committee has opted to use Option A for calculating the pay ratio, in line with best practice guidance.

		FY21			FY20		
	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Salary	A	**14:1**	**10:1**	**6:1**	14:1	9:1	7:1
Total remuneration	A	**28:1**	**19:1**	**12:1**	31:1	21:1	13:1

Pay ratios *continued*

	Salary £	Total remuneration £
CEO	288,355	644,310
25th percentile employee	21,242	22,897
50th percentile employee	30,086	33,259
75th percentile employee	44,859	55,096

The decrease in the ratios on a total remuneration basis is a result of the payment of higher levels of variable pay for eligible employees in FY21 due to the strong financial performance. Employees are our greatest asset and we ensure that they are fairly remunerated for their contribution to the success of the Group. The Committee will monitor the ratios on an annual basis.

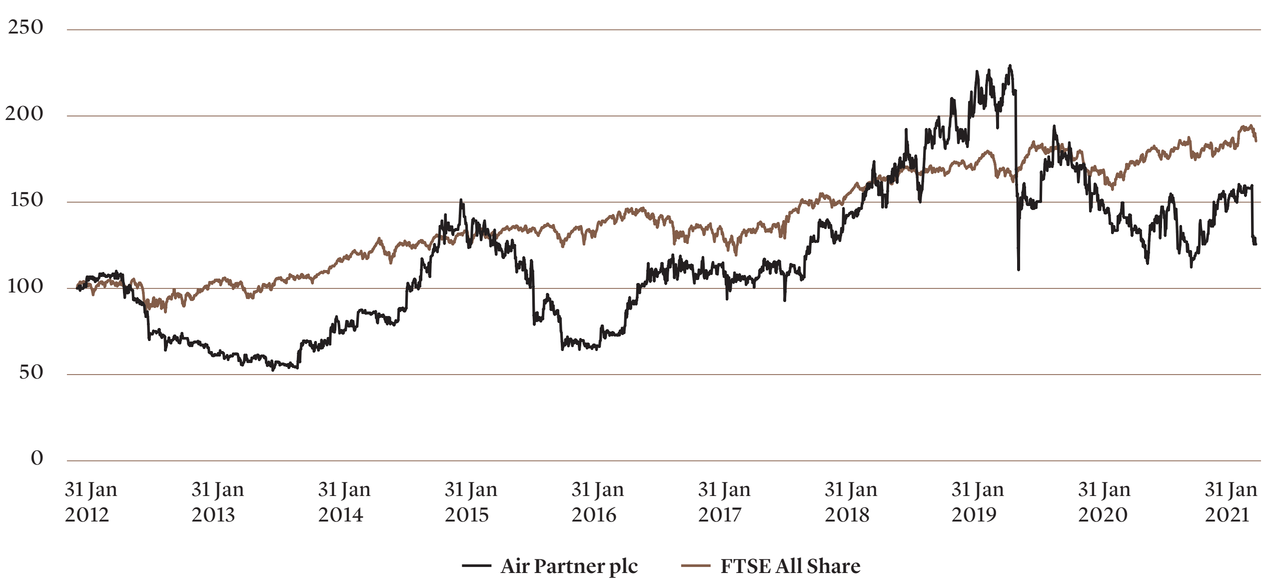
Relative importance of spend on pay

	2021	2020	% variance
Total employee pay compared to prior period (£'000)	**27,319**	23,030	19%
Profit before tax (£'000)	**8,379**	936	795%
Total dividends paid and declared (pence)	**2.40**	1.80	33%

Profit before tax as per the audited accounts has been used as a comparison as it is a key financial metric which the Board considers when assessing our performance.

Performance graph

To help investors to measure our comparative performance, the graph below shows the change in the total shareholder return of the Company for each of the past 10 financial years compared with the FTSE All Share Index.



We are not currently a constituent member of the FTSE All Share Index, but the Index has been selected as an appropriate comparator because it is easily accessible by investors and covers the performance of a broad range of companies, including aviation, transport and luxury retail businesses.

Shareholder voting

At the 2019 AGM, the results of the votes on the Directors' remuneration policy were:

	Number of votes	% of votes cast
For (including discretionary)	12,566,645	97.45
Against	329,352	2.55
Votes withheld	28,139	—

At the 2020 AGM, the results of the votes on the Directors' remuneration report were:

	Number of votes	% of votes cast
For (including discretionary)	24,304,556	99.97
Against	7,516	0.03
Votes withheld	20,835	—

We consulted with major shareholders on the proposed remuneration policy changes in April 2019 and reflected comments made in the policy proposed.

Remuneration in 2021/22

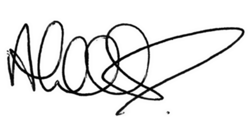
COVID-19 has created unprecedented challenges across the world with the travel and aviation sectors being particularly hard hit. We have taken significant and appropriate steps on executive remuneration in light of these circumstances and broader actions taken. The Remuneration Committee will continue to monitor the situation and take necessary action.

The Remuneration Committee has set stretching targets for both Group financial performance and personal objectives under the annual bonus plan. Detail on the targets is considered commercially sensitive and for this reason is not disclosed during the current financial year. As in previous years, the performance measures and weightings for both the CEO and CFO are underlying profit before tax (70%) and personal objectives (30%). Retrospective disclosure will be made in next year's Annual Report.

We will determine the performance conditions to be applied to the 2021 LTIP awards at the point of award and disclose them in the announcement at that point and in next year's Annual Report.

As mentioned earlier in the report, the Sharesave scheme was launched in FY21, with the first grant taking place in February 2021.

The Directors' remuneration report was approved by the Board on 11 May 2021 and is signed on its behalf by:



Amanda Wills
Chair of the Remuneration Committee

11 May 2021

Examples of how the Committee has addressed Provision 40 of the Code

Clarity	The Committee is committed to transparency and has high levels of disclosure as laid out in our Directors' remuneration report which now includes this table addressing Provisions 40 and 41 of the Code.
Simplicity	The structure of the remuneration policy is as is commonly used by premium listed companies.
Risk	The Committee recognises the risk of target based plans and addresses this through careful consideration of targets and their weighting, having adopted a two-year holding period for LTIPs after vesting and enhanced malus and clawback provisions.
Predictability	A range of possible outcomes for Executive Director remuneration is set out set out on pages 81 to 83.
Proportionality	There is a clear link between individual awards and the delivery of strategy, particularly through the financial and non-financial objectives of the bonus scheme which are disclosed retrospectively in the Annual Report on Remuneration. The link of remuneration outcomes to long-term performance is primarily through the LTIP which has stretching targets based on EPS and absolute share price performance as well as vesting values being directly linked with share price performance.
Alignment to culture	The remuneration policy is aligned to our core values, having been designed to ensure that successful long-term partnership with shareholders delivers good rewards to the Executive Directors, the senior leadership team and the workforce as a whole.

UK Corporate Governance Code

P The Committee believes that the structure of the reward for Executive Directors and senior Executives should be aligned to the Group's strategy, purpose and values and as such a greater proportion of the package for senior leadership roles is based on performance based pay through the annual bonus and LTIP. This ensures the remuneration of the Executive Directors and the senior Executives is aligned with the performance of the Company and therefore the interests of shareholders. The Committee believes the remuneration policy operated as intended in respect of FY21 in terms of company performance and quantum. In early 2021, the Committee engaged with major shareholders in respect of decisions in relation to the FY21 annual bonus. During FY21 the Company engaged with employees and ran workshops on the People strategy which included remuneration and the reward roadmap.

Q The Committee is constituted as a formal sub-committee of the Board with its own terms of reference. Its primary role is to review and set the remuneration policy for the Executive Directors, within the context of salaries and benefits paid across the Group as a whole, and to make discretionary performance related awards to the Executive Directors. The full Board agrees the remuneration of the Chair and Non-executive Directors on the principle that no individual should be able to determine their own remuneration.

R Annual bonus documentation and the LTIP scheme rules contain provisions to give the Committee the ability to apply discretion to adjust formulaic outcomes in line with the Code but always within the limits as determined by the new policy. Any use of discretion would be explained clearly in the Directors' remuneration report.

Directors' report

The Directors present their Annual Report on the affairs of Air Partner plc, together with the financial statements and Independent auditors' report for the year ended 31 January 2021.

The Strategic report is a requirement of the Companies Act 2006 and can be found on pages 1 to 60. We have chosen to include certain matters in the Strategic report that would otherwise be disclosed in this Directors' report. The Strategic report and the Directors' report form the management report as required by Rule 4.1.5R of the Disclosure Guidance and Transparency Rules. Other information that is relevant to the Directors' report, and is incorporated by reference, can be found as follows:

Disclosure	Location
General information	Page 121
Likely future developments and post-balance sheet events	Strategic report on pages 1 to 60
Directors' dividend recommendation	Chair's statement on pages 6 and 7
Employment of disabled persons	Page 76
Employee engagement	Corporate governance report on pages 61 to 67
Stakeholder engagement	Corporate governance report on pages 61 to 67
Corporate Governance Statement	Corporate governance report on page 62
Directors during year ended 31 January 2021	Corporate governance report on pages 70 and 71
Directors' Responsibilities Statement	Statement of Directors' responsibilities on page 100
Disclosure of information to auditors	Statement of Directors' responsibilities on page 100
Financial instruments	Page 154
Share capital disclosures	Share capital note in the financial statements on page 164

Listing Rules disclosure

Information required by the Financial Conduct Authority's Listing Rules can be found as set out below:

Listing Rule	Location
9.8.6(5)(6) UK Corporate Governance Code compliance	Corporate governance report on page 62
9.8.6(7) Unexpired term of service contract	Directors' remuneration report on page 88

Directors and Directors' interests

The names of the Company Directors including biographical details of the Directors and changes to directorships during the reporting period are shown on page 71. Details of Directors' interests in the shares of the Company are shown on page 92.

Information on those Directors who will be offering themselves for election by shareholders at the 2021 AGM is included in the Notice of Meeting on pages 170 to 181 and in the biographical details on page 71. This information is incorporated into this report by reference.

Conflicts of interest

The Directors completed an annual review of their conflicts of interests. No Director had, during the year, any beneficial interest in any contract significant to the Company's business, other than a contract of employment. We have procedures in place for managing conflicts of interest. Should Directors become aware that they, or their connected parties, have an interest in an existing or proposed transaction with the Company, they are required to notify the Board in writing or at the next Board meeting.

Directors' indemnities and insurance

During the financial year we made qualifying third-party indemnity provisions for the benefit of our Directors that remain in force at the date of approval of the financial statements. In certain circumstances, the Company can indemnify Directors, in accordance with its Articles of Association, against costs incurred in the defence of legal proceedings brought against them by virtue of their office. Directors' and Officers' liability insurance cover remains in place to protect all Directors and senior managers.

Articles of Association
Any amendment to the Company's Articles of Association may only be made by passing a special resolution of the shareholders of the Company. The Company's Articles of Association are available online at www.airpartnergroup.com.

Substantial shareholdings
As at 11 May 2021, we were aware of substantial interests in the Company's shares or had been notified of interests in voting rights under Chapter 5 of the Disclosure and Transparency Rules, as follows:

Shareholder	Number of shares	% holding	Nature of holding
Hargreaves Lansdown	7,433,286	11.69	Indirect
Schroders Investment Management	7,134,919	11.23	Indirect
Amati Global Investors	6,344,309	9.98	Indirect

The interests shown may include shares held under discretionary management agreements for which the manager may not exercise voting rights.

Share capital structure, buying back and shareholder rights
A resolution to revoke the restriction on the authorised share capital of the Company was passed at the 2020 AGM. The Company has one class of ordinary shares which have equal rights to dividends and capital and to vote at general meetings of the Company, as set out in the Company's Articles of Association. The number of ordinary shares of 1p each issued and fully paid at 31 January 2021 was 63,562,601. 10,037,308 new shares were issued during the year. No shares were bought back during the year.

Options outstanding under all employee share schemes amounted to 4.2% of the Company's issued share capital as at 31 January 2021. This includes options granted which have not yet vested. The nominal value of shares in respect of which awards are granted on any date shall not exceed 10% of the nominal amount of the Company's equity share capital on the date of the award. Resolutions to renew the authorities given to Directors to allot shares, to disapply certain pre-emption rights and to make market purchases of the Company's own shares, all subject to appropriate limits, will be put to the 2021 AGM to replace the authorities granted in 2020.

An Employee Benefit Trust (the 'Trust') holds ordinary shares in the Company in order to satisfy options under the Group's share option schemes. At 31 January 2021, the number of ordinary shares held by the Trust was 47,502. Shares in which the Trust holds the beneficial interest may not be voted upon and the entitlement to receive dividends is waived.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation.

The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

No individual or corporate entity has the right to appoint a Director. The appointment and replacement of Directors is governed by the Articles of Association, the UK Corporate Governance Code, the Companies Act 2006 and related legislation.

Change of control – significant contracts
There are a number of commercial agreements that take effect, alter or terminate upon a change of control of the Company; none is considered to be significant in terms of its potential impact on the business of the Group as a whole.

The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share schemes and plans may cause options and awards granted to employees under such schemes and plans to vest on a takeover.

Branches
The Company and its subsidiaries have established branches in Austria, France and Singapore.

Political contributions
There were no political contributions during the year (2020: £nil).

Directors' statements
As required under the Companies Act 2006, the Code and the Disclosure and Transparency Rules (DTRs), various statements have been made by the Board as set out on pages 61 to 96 and are incorporated into this report by reference.

PricewaterhouseCoopers LLP have conducted the audit of the Group's financial statements for the financial year to 31 January 2021.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. In accordance with Section 489 of the Companies Act 2006, a resolution to reappoint PricewaterhouseCoopers LLP as the statutory auditors will be proposed at the 2021 AGM.

Annual General Meeting

The 2021 AGM will be held at 12:30 on Thursday 8 July 2021 at 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA. The Notice of AGM to shareholders can be found on pages 170 to 181 and is being delivered by provision of the Annual Report at least 21 clear days before the meeting, either by post, to those shareholders who prefer a paper copy, or by email, to those shareholders who have agreed that we can communicate with them electronically.

The Notice of AGM will be available to download from the Investors section on our website, www.airpartnergroup.com/investors. Proxy cards for the 2021 AGM will not be sent to shareholders unless specifically requested.

All shareholders are entitled to vote on the resolutions put to the AGM and all votes cast are counted, whether in person or by proxy, by means of a poll on every resolution in the Notice of AGM.

Corporate governance

The Company's Statement on Corporate Governance can be found in the Corporate governance report on page 62 of these financial statements. The Corporate governance report forms part of this Directors' report and is incorporated into it by cross-reference.

The Directors' report was approved by the Board on 11 May 2021 and is signed by order of the Board by:

Judith Banks
General Counsel and
Company Secretary

11 May 2021

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the directors to prepare the Group financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed for the Group financial statements and international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed on pages 70 and 71, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Directors' report, or where otherwise indicated the Strategic report or other parts of the Annual Report, includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Mark Briffa
Chief Executive Officer

Joanne Estell
Chief Financial Officer

11 May 2021

Financial statements and shareholder information

Financial statements

Shareholder information

Independent auditors' report
to the members of Air Partner plc

Report on the audit of the financial statements

Opinion

In our opinion, Air Partner plc's Group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the company's affairs as at 31 January 2021 and of the Group's profit and the Group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the consolidated and company statements of financial position as at 31 January 2021; the consolidated income statement and consolidated statement of comprehensive income, the consolidated and company statements of cash flows, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Separate opinion in relation to International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 2a to the financial statements, the Group, in addition to applying international accounting standards in conformity with the requirements of the Companies Act 2006, has also applied International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 6, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Report on the audit of the financial statements *continued*

Our audit approach

Overview

Audit scope

- We performed full scope audit procedures on two trading entities.
- We then extended our testing in relation to the French tax investigation, which is referred to in note 2w to the financial statements, within Air Partner International S.A.S; the leased Italian plane within Air Partner Srl, included within the IFRS 16 right of use asset disclosure in note 15; and certain material balances in other entities, as required to ensure we achieved our required levels of audit coverage.
- Overall, these audit procedures provided coverage of 70% of consolidated revenue, 76% of consolidated profit before income tax and exceptional and other items on absolute basis, and 78% of consolidated profit before income tax on absolute basis.
- All work was performed by the Group UK engagement team.

Key audit matters

- Consideration of the impact of COVID-19 (Group and company)
- French tax investigation (Group)
- Impairment of goodwill, intangible and right of use assets (Group and company)
- Classification of exceptional and other items (Group)

Materiality

- Overall Group materiality: £500,000 (2020: £215,000) based on a careful consideration of the level at which a change in reported profitability could materially change the views of users, this equated to approximately 4.3% of profit before income tax and exceptional and other items (2020: 5% of profit before income tax and exceptional and other items).
- Overall company materiality: £400,000 (2020: £190,000) based on 1% of total assets of the Company capped at an allocation of the overall Group materiality which enables us to obtain sufficient audit coverage over the profitability of the Group (2020: 5% of profit before income tax and exceptional and other items).
- Performance materiality: £375,000 (Group) and £300,000 (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Accounting for the acquisition of Redline Worldwide Limited, which was a key audit matter last year, is no longer included because of the acquisition occurring in the prior year and hence this is not applicable for the current year. Otherwise, the key audit matters below are consistent with last year.

Independent auditors' report *continued*

to the members of Air Partner plc

Report on the audit of the financial statements *continued*

Our audit approach *continued*

Key audit matters *continued*

Key audit matter	How our audit addressed the key audit matter
Consideration of the impact of COVID-19 (Group and company) The COVID-19 pandemic is considered to have a potential impact on certain aspects of the financial statements. The areas which might be expected to be impacted by COVID-19 are as set out below: ‣ Recoverability of accounts receivable ‣ Impairment of goodwill and other intangibles ‣ Going concern ‣ Receipt of Government support ‣ Disclosure of the impact on the business We have also had regard to the guidance for auditors issued by the FRC in March 2020 and updated in December 2020 regarding COVID-19 and applied this where appropriate. We note the pandemic has resulted in the audit having to take place largely remotely. An assessment of the Directors' consideration of the impact of the pandemic on the business is set out in various places in the Strategic and Directors' reports, alongside disclosure of the impact on management's going concern assessment in note 2c, restructuring costs classified as exceptional in note 7, and the impact of government support received across the Group in notes 8 and 35.	We have considered the impact of COVID-19 on various areas of the Annual Report and performed procedures to address the assessed risk potentially arising from the impact of COVID-19, most notably in the assessment of going concern and viability, potential impairment of assets and disclosures in relation to government support received. We have set out our responses to the risk in respective areas of the financial statements as below: ‣ Recoverability of accounts receivable: We have considered the adequacy of provisions for impairment of accounts receivable, testing the IFRS expected credit loss provisions, and considering the history of collections of accounts receivable since the start of pandemic restrictions and any identified concerns regarding the creditworthiness of debtors. We consider the IFRS 9 provision booked by management to be appropriate. ‣ Impairment of goodwill and other intangibles: We have considered the various scenarios surrounding the potential impact of COVID-19 on future cash flows supporting the carrying value of goodwill, intangibles and right of use assets, as detailed in our key audit matter below. ‣ Going concern: We have obtained management's latest cash flow forecasts, which cover the period to 31 July 2022, and the Directors' going concern assessment. We have had regard to the Group's strong trading performance over the last year and the strengthening of the Group's statement of financial position. Our detailed procedures on going concern are set out below in "Conclusions relating to going concern". ‣ Receipt of government support: We have tested government support received back to supporting evidence, and challenged management on the Group's eligibility for the support received. ‣ Disclosure of impact in the financial statements: We have evaluated the disclosures provided in the financial statements and assessed the reasonableness of such disclosures, in line with relevant accounting standards and guidance from the FRC. In particular we ensured that disclosures surrounding government support received were accurate and suitably transparent. As a result of the procedures performed, we consider that the disclosures are reasonable and appropriate. Whilst we have undertaken much of our audit work remotely, we did not encounter any significant difficulties in performing our audit testing or in obtaining the required evidence to support our audit conclusions. Overall, we consider management's assessment of the impact of COVID-19 on the financial statements to be reasonable and appropriately accounted for and reflected within disclosures in the Annual Report.

Report on the audit of the financial statements *continued*

Our audit approach *continued*

Key audit matters *continued*

Key audit matter	How our audit addressed the key audit matter
French tax investigation (Group) During the previous year, Air Partner International S.A.S., a wholly owned subsidiary of the Group, was subject to a tax reassessment in relation to indirect and corporate taxes covering returns and transactions from 1 February 2015 to 31 January 2018, extended to 31 September 2018 for VAT. This resulted in the French Tax Administration challenging the treatment of various items from a tax perspective by the company, and issuing a demand for additional payment and fines in respect of the tax treatment of these items in the above stated period. Evaluating the financial impact of matters of this nature is inherently uncertain and as such management have applied significant judgement in determining the likely outcome of the investigation and estimating the associated provision for any future payments that may be due. Management have received external advice from their own experts in responding to the reassessment and in evaluating the financial impact the assessment could have on the French business and Group financial statements. Having regard to this advice the Directors established a provision of £283,000 (€337,000) in the prior year which remains unchanged, other than the impact of foreign exchange movements, resulting in a provision of £298,000 (€337,000) in the current year, reflecting management's best estimate of the potential impact of matters identified by the French Tax Administration. Having regard to the quantum of the gross reassessment, which is material in the context of the Group financial statements, and the fact that there is a high degree of judgement around any final determination this was a key audit focus area for us. Further information is set out in notes 2w and 7.	We obtained and read the tax reassessment issued by the French Tax Administration in the prior year, the company's response it issued to the French Tax Administration, and all other relevant correspondence between the company, the French Tax Administration and the company's external experts in the previous year. We held discussions with management, their external experts and our UK tax specialists to challenge management's evaluation of the assessment during the current year. We note that no further correspondence from the French VAT authorities occurred during the year, something we validated from discussions with management, review of Board minutes and confirmation from the Group's external legal advisers acting on their behalf in France. From our detailed testing performed in the current and prior year, the confirmation from management's experts and other related correspondence, there was no evidence to suggest a change in the level of provision booked in the prior year was warranted. In addition to the above we read, and considered the disclosures made in the financial statements in respect of the tax reassessment and found these were reasonable.

Report on the audit of the financial statements *continued*

Our audit approach *continued*

Key audit matters *continued*

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill, intangibles and right of use assets (Group and company) As set out in notes 13, 14 and 15, the Group's consolidated statement of financial position as at 31 January 2021 includes goodwill of £8,692k, other intangible assets relating to various acquisitions made in previous years of £8,715k, and a right of use asset in relation to a leased Italian plane of £3,705k. Management are required to assess whether the carrying value of goodwill, other intangible assets and right of use assets are supported by the present value of future discounted cash flows generated by the related business and if there they are not impair the balances to a level that is supported by the cash flows. The cash flow forecasts which support the impairment review performed by the Group include a number of significant estimates including future revenue growth, profit margins, the terminal growth rate, and the discount rate. During the year, after consideration of management's impairment testing, no impairment was noted. Given the materiality of the amounts involved and the importance of the estimation process in determining whether any impairment is required this was an area of focus for us.	We tested all material components of goodwill, intangibles and right of use assets. Certain constituent parts required greater focus given the materiality of the amounts involved and the relative levels of headroom in the impairment assessments, notably the associated balances relating to SafeSkys Limited (goodwill: £1,167k; intangible assets: £411k), Air Partner International S.A.S. (goodwill: £987k), Redline Aviation Security Ltd (goodwill: £3,644k; intangible assets: £5,090k) and the leased Italian plane (right of use asset: £3,705k). We obtained management's impairment model for each related balance and performed the following procedures: i) evaluated the reasonableness of key assumptions in the model, including future forecast changes in revenues, costs and associated cash flows as well as terminal growth rates and the discount rates applied. Our work was supported by our valuations experts to assess the discount rate used by management in the impairment workings; ii) challenged management to substantiate key assumptions, including a 'look-back' analysis to compare management's assumptions in prior year budgets with current year actuals performance; iii) tested the mathematical accuracy of management's impairment model and supporting calculations; iv) obtained and reviewed a copy of the updated Italian plane agreement which delayed contractual terms and payment obligations until 2022; and v) obtained and evaluated management's sensitivity analyses to evaluate the financial impact of reasonable changes in key assumptions. As a result of our work performed, we have determined that the carrying value of goodwill, intangibles and right of use assets is appropriately supported and as such no impairment is required. We read the disclosures made in note 13, in relation to the more significant components of goodwill with tighter levels of headroom, including the sensitivity analysis and the associated sources of estimation uncertainty disclosed within note 2, and found these disclosures to be appropriate.

Report on the audit of the financial statements *continued*

Our audit approach *continued*

Key audit matters *continued*

Key audit matter	How our audit addressed the key audit matter
Classification of exceptional and other items (Group) As described in note 2v the Directors believe that underlying profit before tax and earnings per share measures provide additional useful information for shareholders on the underlying performance of the business. These alternative performance measures are disclosed prominently in various sections of the Annual Report. The Directors define underlying profit as profit before income tax and exceptional and other items, which are set out in note 7 to the financial statements. There is a risk that costs incurred by the Group are inappropriately classified as exceptional and other items in order to inappropriately enhance the perceived performance of the Group, or that items of income or other gains received in the year which should be classified as exceptional and other items are excluded and reported within underlying profit. During the year, the Directors classified £3,179k as exceptional and other items before taxation.	We obtained management's detailed analysis of exceptional and other items and performed the following procedures: i) tested a sample of items classified as exceptional and other items back to supporting documents to ensure that these were accurately recorded; ii) evaluated the nature of the items tested to ensure that these were appropriately classified as exceptional and other items by reference to management's definition of underlying profit, as set out in note 2v, and established regulatory guidance on the reporting of alternative performance measures; and iii) we evaluated the nature of items of income and other gains received in the year that had not been reported within exceptional and other items to assess whether any of these should not be included within underlying profit. We read the disclosures in notes 2 and 7 to the financial statements to ensure these provided clear and sufficient guidance to enable the user of the financial statements to understand the nature and magnitude of the items included within exceptional and other items, and why management have excluded these items from underlying profit. We found these to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the company, the accounting processes and controls, and the industry in which they operate.

The Group consists of sixteen trading companies, of which two are considered to be significant components of the Group. These are Air Partner plc in the UK and Air Partner Inc. in the USA. We have performed full-scope audits for both of these 100% owned subsidiaries of the Group. These audits were performed by the UK Group engagement team. We then extended our testing in relation to the French tax investigation within Air Partner International S.A.S.; the leased Italian plane within Air Partner Srl; and certain material balances in other entities, as required to ensure we achieved required levels of audit coverage.

Report on the audit of the financial statements *continued*

Our audit approach *continued*

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – company
Overall materiality	£500,000 (2020: £215,000).	£400,000 (2020: £190,000).
How we determined it	Based on a careful consideration of the level at which a change in reported profitability could materially change the views of users, this equated to approximately 4.3% of profit before income tax and exceptional and other items (2020: 5% of profit before income tax and exceptional and other items).	Based on 1% of total assets of the Company capped at an allocation of the overall Group materiality which enables us to obtain sufficient audit coverage over the profitability of the Group (2020: 5% of profit before income tax and exceptional and other items and gross profit).
Rationale for benchmark applied	Within the Group there is a focus on business performance driven by gross profit. At the same time, the business remains focused on achieving an acceptable profit before income tax and exceptional and other items. Having regard to both the size of the business and its profitability, the various users of the financial statements and our views as to what they would perceive as material items, particularly in the context of income statement adjustments, £500,000 was viewed as an appropriate level to set materiality at.	Within the company there is a focus on business performance driven by gross profit. At the same time, the business remains focused on achieving an acceptable profit before income tax and exceptional and other items, and maintaining a robust balance sheet. Having regard to both the size of the business and its profitability, £400,000 was viewed as an appropriate level to set materiality at.

For each component in the scope of our Group audit, we allocated a materiality that was less than our overall Group materiality. The range of materiality allocated across components was £400,000 to £450,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £375,000 for the Group financial statements and £300,000 for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £25,000 (Group audit) (2020: £10,750) and £20,000 (company audit) (2020: £9,500) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Report on the audit of the financial statements *continued*

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's latest cash flow forecasts, which cover the period to 31 July 2022, and the Directors going concern assessment;
- testing the mathematical accuracy of the cash flow forecast model;
- assessing the reasonableness of key assumptions supporting the cash flow forecasts including revenue and cost projections, mitigating cost actions identified by the Directors, and other assumptions over government support schemes in the Group's key territories;
- evaluating forecast revenues by reference to current, post pandemic and historical performance, sensitised to reflect a variety of different downside scenarios to reflect the consequence of the potential ongoing impact of COVID-19 on the Group's different markets;
- assessing the impact of financial obligations arising from existing contractual relationships to ensure that these were appropriately reflected in the cash flow forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent auditors' report *continued*

to the members of Air Partner plc

Report on the audit of the financial statements *continued*

Reporting on other information *continued*

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 January 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- the disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- the Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- the Directors' explanation as to their assessment of the Group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- the Directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and company's position, performance, business model and strategy;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- the section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Report on the audit of the financial statements *continued*

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to government grants (specifically CJRS), the listing rules of the Financial Conduct Authority (FCA) and tax regulations, competition law, employment regulation, health and safety legislation and Civil Aviation Authority (CAA) regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates including valuation of deferred consideration and other liabilities. Audit procedures performed by the engagement team included:

In respect of the principal risks of non-compliance with laws and regulations:

- Testing government support received back to supporting evidence, as set out in our Consideration of the impact of COVID-19 key audit matter.
- Reading key correspondence with regulatory authorities, such as the CAA and the French VAT authorities.

In respect of the principal risks of fraudulent manipulation of the financial statements (including the risk of override of controls):

- Challenging assumptions made by management in their significant accounting judgements and estimates in particular in relation to items classified as Exceptional and other items, Goodwill and Intangible impairment assumptions, and deferred consideration.
- Evaluating and testing journal entries which may be indicative of fraud, for example any journal entries posted with unusual account combinations, journals posted by senior management, and unexpected consolidation journals.
- Review of disclosures included in the financial statements to ensure key judgements and estimates are presented in a way that is fair, balanced and understandable.

Independent auditors' report *continued*

to the members of Air Partner plc

Report on the audit of the financial statements *continued*

Responsibilities for the financial statements and the audit *continued*

Auditors' responsibilities for the audit of the financial statements *continued*

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Independent auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 22 November 2018 to audit the financial statements for the year ended 31 January 2019 and subsequent financial periods. The period of total uninterrupted engagement is three years, covering the years ended 31 January 2019 to 31 January 2021.

Andrew Latham

Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Crawley

11 May 2021

Consolidated income statement
for the year ended 31 January 2021

Continuing operations	Note	Year ended 31 January 2021 £'000	Year ended 31 January 2020 £'000
Gross transaction value (GTV)	2	**274,785**	236,816
Revenue	3	**71,173**	66,664
Gross profit	4	**44,870**	34,158
Administrative expenses before exceptional and other items		**(32,071)**	(29,180)
Other operating income		**43**	–
Exceptional and other items	7	**(3,179)**	(3,296)
Total administrative expenses		**(35,207)**	(32,476)
Net impairment losses on financial assets		**(810)**	(205)
Operating profit	5	**8,853**	1,477
Operating profit before exceptional and other items		**12,032**	4,773
Finance income	9	**29**	71
Finance costs	9	**(503)**	(612)
Finance costs – net		**(474)**	(541)
Profit before income tax		**8,379**	936
Profit before income tax and exceptional and other items		**11,558**	4,232
Income tax expense	10	**(2,747)**	(633)
Profit for the year		**5,632**	303
Attributable to:			
Owners of the parent company		**5,632**	303
Earnings per share:			
Continuing operations			
Basic	12	**9.4p**	0.6p
Diluted	12	**9.3p**	0.6p

Consolidated statement of comprehensive income
for the year ended 31 January 2021

	Note	Year ended 31 January 2021 £'000	Year ended 31 January 2020 £'000
Profit for the year		**5,632**	303
Other comprehensive expense – items that may subsequently be reclassified to profit or loss:			
Adoption of IFRS 16		**–**	(167)
Exchange differences on translation of foreign operations		**(743)**	(403)
Total other comprehensive expense		**(743)**	(570)
Total comprehensive income/(expense) for the year		**4,889**	(267)
Attributable to:			
Owners of the parent company		**4,889**	(267)

The above consolidated income statement and consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 31 January 2021

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Own shares reserve £'000	Translation reserve £'000	Retained earnings £'000	**Total equity £'000**
Opening equity as at 1 February 2019	522	4,814	295	(326)	1,064	5,312	**11,681**
Adoption of IFRS 16	—	—	—	—	—	(167)	**(167)**
Profit for the year	—	—	—	—	—	303	**303**
Exchange differences on translation of foreign operations	—	—	—	—	(403)	—	**(403)**
Total comprehensive expense for the year	—	—	—	—	(403)	136	**(267)**
Transactions with owners of the Company:							
Issue of shares	13	1,081	—	—	—	(435)	**659**
Share option charge for the year	—	—	—	—	—	59	**59**
Share options exercised during the year	—	—	—	168	—	(146)	**22**
Dividends paid (note 11)	—	—	—	—	—	(2,961)	**(2,961)**
Transactions with owners of the Company	13	1,081	—	168	—	(3,483)	**(2,221)**
Closing equity as at 31 January 2020	535	5,895	295	(158)	661	1,965	**9,193**

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Own shares reserve £'000	Translation reserve £'000	Retained earnings £'000	**Total equity £'000**
Opening equity as at 1 February 2020	535	5,895	295	(158)	661	1,965	**9,193**
Profit for the year	—	—	—	—	—	5,632	**5,632**
Exchange differences on translation of foreign operations	—	—	—	—	(743)	—	**(743)**
Total comprehensive income for the year	—	—	—	—	(743)	5,632	**4,889**
Transactions with owners of the Company:							
Issue of shares (note 28)	101	56	6,895	—	—	—	**7,052**
Redemption of shares (note 28)	—	—	(6,895)	—	—	6,895	**—**
Share option charge for the year	—	—	—	—	—	451	**451**
Share options exercised during the year	—	—	—	91	—	(86)	**5**
Dividends paid (note 11)	—	—	—	—	—	(508)	**(508)**
Transactions with owners of the Company	101	56	—	91	—	6,752	**7,000**
Closing equity as at 31 January 2021	636	5,951	295	(67)	(82)	14,349	**21,082**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Company statement of changes in equity

for the year ended 31 January 2021

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Own shares reserve £'000	Retained earnings £'000	**Total equity £'000**
Opening equity as at 1 February 2019	522	4,814	295	(326)	6,917	**12,222**
Adoption of IFRS 16	—	—	—	—	(51)	**(51)**
Profit for the year	—	—	—	—	1,974	**1,974**
Total comprehensive income for the year	—	—	—	—	1,923	**1,923**
Transactions with owners of the Company:						
Issue of shares	13	1,081	—	—	(435)	**659**
Share option charge for the year	—	—	—	—	59	**59**
Share options exercised during the year	—	—	—	168	(146)	**22**
Dividends paid (note 11)	—	—	—	—	(2,961)	**(2,961)**
Transactions with owners of the Company	13	1,081	—	168	(3,483)	**(2,221)**
Closing equity as at 31 January 2020	535	5,895	295	(158)	5,357	**11,924**

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Own shares reserve £'000	Retained earnings £'000	**Total equity £'000**
Opening equity as at 1 February 2020	535	5,895	295	(158)	5,357	**11,924**
Profit for the year	—	—	—	—	8,093	**8,093**
Total comprehensive income for the year	—	—	—	—	8,093	**8,093**
Transactions with owners of the Company:						
Issue of shares (note 28)	101	56	6,895	—	—	**7,052**
Redemption of shares (note 28)	—	—	(6,895)	—	6,895	**—**
Share option charge for the year	—	—	—	—	451	**451**
Share options exercised during the year	—	—	—	91	(86)	**5**
Dividends paid (note 11)	—	—	—	—	(508)	**(508)**
Transactions with owners of the Company	101	56	—	91	6,752	**7,000**
Closing equity as at 31 January 2021	636	5,951	295	(67)	20,202	**27,017**

The above Company statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 31 January 2021

	Note	31 January 2021 £'000	31 January 2020 £'000
ASSETS			
Non-current assets			
Goodwill	13	**8,692**	8,641
Other intangible assets	14	**9,260**	11,872
Property, plant and equipment	15	**6,047**	7,698
Deferred tax assets	26	**700**	284
Total non-current assets		**24,699**	28,495
Current assets			
Trade and other receivables	17	**9,908**	18,801
Current tax assets		**816**	318
JetCard bank balances		**17,805**	16,742
Other cash and cash equivalents		**9,916**	4,633
Total cash and cash equivalents	18	**27,721**	21,375
Total current assets		**38,445**	40,494
Total assets		**63,144**	68,989
LIABILITIES			
Current liabilities			
Trade and other payables	19	**(4,287)**	(5,669)
Current tax liabilities		**(175)**	(627)
Other liabilities	20	**(6,903)**	(5,014)
Deferred income and JetCard deposits		**(21,423)**	(24,658)
Derivative financial instruments	24	**—**	(39)
Lease liabilities	21	**(4,809)**	(5,448)
Deferred consideration	22	**—**	(1,318)
Provisions	23	**(735)**	(469)
Total current liabilities		**(38,332)**	(43,242)
Net current assets/(liabilities)		**113**	(2,748)
Non-current liabilities			
Borrowings	18	**—**	(11,500)
Lease liabilities	21	**(1,060)**	(1,860)
Deferred consideration	22	**(991)**	(982)
Deferred tax liability	26	**(1,511)**	(1,819)
Provisions	23	**(168)**	(393)
Total non-current liabilities		**(3,730)**	(16,554)
Total liabilities		**(42,062)**	(59,796)
Net assets		**21,082**	9,193

Consolidated statement of financial position *continued*

	Note	31 January 2021 £'000	31 January 2020 £'000
EQUITY			
Share capital	28	**636**	535
Share premium account	29	**5,951**	5,895
Merger reserve	30	**295**	295
Own shares reserve	31	**(67)**	(158)
Translation reserve		**(82)**	661
Retained earnings		**14,349**	1,965
Total equity		**21,082**	9,193

These financial statements on pages 113 to 169 were approved and authorised for issue by the Board of Directors on 11 May 2021 and were signed on its behalf by:

M A Briffa
Director

J E Estell
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Company statement of financial position

as at 31 January 2021

	Note	31 January 2021 £'000	31 January 2020 £'000
ASSETS			
Non-current assets			
Intangible assets	14	**878**	1,095
Property, plant and equipment	15	**767**	1,452
Investments	16	**22,327**	22,215
Deferred tax assets	26	**42**	—
Total non-current assets		**24,014**	24,762
Current assets			
Trade and other receivables	17	**10,321**	12,505
JetCard bank balances		**11,611**	11,717
Other cash and cash equivalents		**5,751**	411
Total cash and cash equivalents	18	**17,362**	12,128
Total current assets		**27,683**	24,633
Total assets		**51,697**	49,395
LIABILITIES			
Current liabilities			
Trade and other payables	19	**(1,300)**	(1,899)
Current tax liabilities		**(15)**	(290)
Other liabilities	20	**(8,853)**	(6,572)
Deferred income and JetCard deposits		**(12,643)**	(13,338)
Derivative financial instruments	24	**—**	(39)
Lease liabilities	21	**(346)**	(627)
Deferred consideration	22	**—**	(1,318)
Provisions	23	**(223)**	(24)
Total current liabilities		**(23,380)**	(24,107)
Net current assets		**4,303**	526
Non-current liabilities			
Borrowings	18	**—**	(11,500)
Lease liabilities	21	**(309)**	(644)
Deferred consideration	22	**(991)**	(982)
Deferred tax liability	26	**—**	(38)
Provisions	23	**—**	(200)
Total non-current liabilities		**(1,300)**	(13,364)
Total liabilities		**(24,680)**	(37,471)
Net assets		**27,017**	11,924

Company statement of financial position *continued*

	Note	31 January 2021 £'000	31 January 2020 £'000
EQUITY			
Share capital	28	**636**	535
Share premium account	29	**5,951**	5,895
Merger reserve	30	**295**	295
Own shares reserve	31	**(67)**	(158)
Retained earnings		**20,202**	5,357
Total equity		**27,017**	11,924

The parent company profit after tax for the financial year was £8,093,000 (2020: £1,974,000).

These financial statements on pages 113 to 169 were approved and authorised for issue by the Board of Directors on 11 May 2021 and were signed on its behalf by:

M A Briffa
Director

J E Estell
Director

Air Partner plc Registered no. 00980675

The above Company statement of financial position should be read in conjunction with the accompanying notes.

Consolidated and Company statement of cash flows

for the year ended 31 January 2021

		Group		Company	
	Note	**Year ended 31 January 2021 £'000**	Year ended 31 January 2020 £'000	**Year ended 31 January 2021 £'000**	Year ended 31 January 2020 £'000
Cash generated from operations	33	**19,416**	9,109	**13,394**	4,529
– Interest received		**29**	71	**2**	3
– Interest paid		**(512)**	(578)	**(309)**	(328)
Income tax paid		**(4,653)**	(898)	**(1,323)**	(434)
Net cash inflow from operating activities		**14,280**	7,704	**11,764**	3,770
Investing activities					
– Purchases of property, plant and equipment	15	**(337)**	(549)	**(9)**	(143)
– Purchases of intangible assets	14	**(231)**	(376)	**(177)**	(354)
– Proceeds on disposal of PPE		**21**	—	**21**	—
– Acquisition of subsidiaries	32	**(1,278)**	(7,446)	**(1,278)**	(8,868)
Net cash used in investing activities		**(1,825)**	(8,371)	**(1,443)**	(9,365)
Financing activities					
– Dividends paid to the Company's shareholders		**(508)**	(2,961)	**(508)**	(2,961)
– Proceeds on issue of new shares		**7,052**	—	**7,052**	—
– Proceeds on exercise of share options		**5**	22	**5**	22
– Repayment of finance lease liabilities		**(1,617)**	(5,414)	**(691)**	(667)
– (Decrease)/increase in borrowings		**(11,500)**	6,000	**(11,500)**	6,000
Net cash (used in)/generated from financing activities		**(6,568)**	(2,353)	**(5,642)**	2,394
Net increase/(decrease) in cash and cash equivalents		**5,887**	(3,020)	**4,679**	(3,201)
Opening cash and cash equivalents		**21,375**	25,154	**12,128**	15,736
Effect of changes in foreign exchange rates		**459**	(759)	**555**	(407)
Closing cash and cash equivalents		**27,721**	21,375	**17,362**	12,128

JetCard cash

The closing cash and cash equivalents balance can be further analysed into 'JetCard cash' and 'non-JetCard cash' as follows:

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
JetCard cash (see explanation below)	**17,805**	16,742	**11,611**	11,717
Non-JetCard cash	**9,916**	4,633	**5,751**	411
Cash and cash equivalents	**27,721**	21,375	**17,362**	12,128

JetCard cash is included in the cash flow as it does not meet the IFRS definition of restricted cash. JetCard cash is cash received from customers participating in the JetCard programme in advance of bookings being made. It is managed through segregated bank accounts set aside for these purposes and is not used for Air Partner's working capital needs.

The above consolidated and Company statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements
for the year ended 31 January 2021

1 General information

Air Partner plc (the 'Company') is a public listed company limited by shares which is listed on the London Stock Exchange and incorporated and domiciled in the UK (England) under registration number 00980675. The address of the registered office is 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA. The nature of the Group's operations and its principal activities are set out in the Strategic report on pages 1 to 60.

2 Accounting policies

a) Basis of preparation of financial statements

The accounting policies adopted are consistent with those of the previous financial year, except as described in the following sections.

The consolidated financial statements and Company financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (International Financial Reporting Standards – 'IFRS') and the applicable legal requirements of the Companies Act 2006. In addition to complying with international accounting standards in conformity with the requirements of the Companies Act 2006 as applicable to companies using IFRS, the consolidated financial statements also comply with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments which are stated at fair value, and are presented in Sterling, being the currency of the primary economic environment in which the Group operates. Unless otherwise stated, figures are rounded to the nearest thousand.

The Company's UK subsidiaries listed below are exempt from the requirements to audit their accounts under section 479A of the Companies Act 2006:

- Air Partner Aviation Services Limited, company number 03874833
- Air Partner CHS Limited, company number 06671502
- Air Partner Consulting Limited, company number 02070950
- Air Partner Travel Management Company Limited, company number 03767092
- Clockwork Research Limited, company number 05477740
- Redline Worldwide Limited, company number 09510974

Under section 479A of the Companies Act 2006, Air Partner plc, being the parent undertaking of these entities, has given a statutory guarantee of all the outstanding liabilities to which the companies are subject to as at 31 January 2021.

UK-adopted international accounting standards

On 31 December 2020 EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. The consolidated financial statements will transition to UK-adopted international accounting standards for financial periods beginning 1 January 2021.

Adoption of new and revised standards

The following new and revised standards and interpretations have been adopted in the current year.

- IAS 1 Presentation of Financial Statements
- IAS 8 Accounting Policies
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- References to the Conceptual Framework in IFRS Standards

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 Accounting policies *continued*

a) Basis of preparation of financial statements *continued*

New standards, amendments and interpretations in issue but not yet effective

The IASB and IFRS Interpretations Committee have issued the following standards and interpretations with an effective date of implementation for accounting periods beginning after the date on which the Group's financial statements for the current year commenced.

Effective after 31 January 2021	Effective for accounting periods beginning on or after
New standards	
IFRS 17 Insurance Contracts	1 January 2021

	Effective for accounting periods beginning on or after
Amendments	
Annual Improvements to IFRS Standards 2018–2020 Cycle	1 January 2022
COVID-19-Related Rent Concessions – amendments to IFRS 16	1 June 2020

IFRS 17 is not applicable to the Group, as it does not issue insurance or investment contracts.

There are no standards and interpretations in issue but not yet adopted which, in the opinion of the Directors, will have a material effect on the reported income or net assets of the Group or Company.

The Directors are satisfied that climate change does not have a material impact on either individual assets or cash-generating units in the financial statements.

b) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control.

The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

c) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report on pages 1 to 60. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic report on pages 1 to 60. In addition, note 24 – Financial instruments in the financial statements includes the Group's objectives, policies and processes for managing its capital risk; details of its financial instruments and hedging activities; and its exposures to interest rate risk, credit risk, liquidity risk and foreign currency risk.

COVID-19 has increased uncertainty surrounding the future trading environment for the Group. Accordingly, the Directors have undertaken a thorough assessment in evaluating Going concern as detailed in the Going Concern and viability statement on pages 49 and 50.

The Directors took steps during the year to equip the Group to deal with the economic impact of the COVID-19 pandemic. These included reviewing credit terms, cost cutting measures and utilising government support for staff costs where appropriate. The Directors believe the steps detailed above and the strong cash position at the end of April 2021 mean the Group is well placed to manage its business and meet its liabilities as they fall due. In reaching this conclusion, the Directors have taken into account the risks identified in the Principal risks and uncertainties on pages 40 to 48.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2 Accounting policies *continued*

d) Foreign currency

i) Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in GB Pounds (£), which is Air Partner plc's functional and presentation currency.

ii) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of the entity at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

iii) Translation of foreign operations in Group consolidated financial statements

The assets and liabilities of foreign operations are translated at exchange rates prevailing at the reporting date. Income and expenses are translated at the average rate for the period. Exchange differences arising are classified as equity and transferred to the Group's translation reserve.

e) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill denominated in currencies other than Sterling is revalued at the rate of exchange ruling at the statement of financial position date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the income statement as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment annually, or more frequently when there is an indication that the unit may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

f) Intangible assets

Internally generated assets

Internally generated intangible assets developed by the Group are recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- management intends to complete the asset and use or sell it;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Amortisation is charged to the income statement so as to write off the cost of assets less their residual values over their estimated useful lives. The carrying value of intangible assets with a finite life is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

2 Accounting policies *continued*

f) Intangible assets *continued*

Other intangible assets

Intangible assets arising on acquisition are stated at fair value less accumulated amortisation and any impairment losses. Amortisation of the carrying value of intangible assets arising on acquisition is charged to the income statement over the estimated useful life, which is as follows:

Brands	10%–50% per annum on a straight-line basis
Mandates/order book	over the life of the mandate
Customer contracts	over the life of the contract
Customer relationships	5%–33.3% per annum on a straight-line basis
Training materials	10% per annum on a straight-line basis
Software asset	20%–33.3% per annum on a straight-line basis
Right of use assets	over the life of the lease

The carrying value of intangible assets with a finite life is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Similarly, the remaining useful life of intangible assets are reviewed and if any of those need to be shortened due to events or changes in circumstances then the amortisation charge is correspondingly increased to reflect the shorter life.

g) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is charged to the income statement so as to write off the cost of assets less their residual values over their estimated useful lives, as follows:

Short leasehold property	over the life of the lease on a straight-line basis
Leasehold improvements	over the life of the lease on a straight-line basis
Fixtures and equipment	10%–33% per annum on a straight-line basis
Motor vehicles	25% reducing balance and 20%–33% per annum on a straight-line basis
Right of use assets	over the life of the lease

h) Impairment of tangible and intangible assets excluding goodwill

At each statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets 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). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and 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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2 Accounting policies *continued*

i) Financial instruments

Financial assets
The Group classifies its financial assets in the following categories: at fair value through profit or loss, or at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs, except for financial assets held at fair value through profit or loss, which are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as fair value through profit and loss unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise, they are classified as non-current. Financial assets at fair value through profit or loss are initially recognised at fair value at the date the contract is entered into, and subsequently gains or losses arising from changes in their fair value are presented in the income statement within administrative expenses in the period in which they arise. The Group's financial assets at fair value through profit or loss comprise derivative financial instruments.

Derivative financial instruments
From time to time the Group enters into derivative financial instruments, including foreign exchange forward contracts, to manage its exposure to foreign exchange rate risk. Derivatives not designated into an effective hedge relationship are classified as a financial asset or a financial liability. The Group has not designated any derivatives as hedging items and therefore does not apply hedge accounting.

Trade and other receivables and accrued income
Trade and other receivables and accrued income are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months at the end of the reporting period. These are classified as non-current assets. Trade and other receivables and accrued income are subsequently carried at amortised cost using the effective interest method.

Trade receivables
Trade receivables are amounts due from customers and suppliers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Provision for impairment of trade receivables has been made using an expected credit loss model in addition to any further specific provisions which are assessed on an individual receivable basis. Please refer to note 17 – Trade and other receivables for further details.

Other receivables
Other receivables are other amounts contractually due from third parties, for example deposits receivable for leased assets.

Accrued income
Accrued income is revenue that has been contracted and recognised in accordance with the Group's accounting policies, but not yet invoiced.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

The Group holds cash deposits as part of its JetCard programme. These deposits can be utilised by the customer at any time. The full policy for the treatment of these balances is set out in note 2t – JetCard programme.

2 Accounting policies *continued*

i) Financial instruments *continued*

Financial liabilities
The Group classifies its financial liabilities in the following categories: at fair value through profit or loss and at amortised cost. The classification depends on the purpose for which the financial liabilities were acquired. Management determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised when the Group becomes a party to the contractual agreement of the instrument.

Financial liabilities at fair value through profit or loss
A financial liability is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as fair value through profit and loss unless they are designated as hedges. Liabilities in this category are classified as current liabilities if they are expected to be settled within 12 months; otherwise, they are classified as non-current. Financial liabilities at fair value through profit or loss are initially recognised at fair value at the date the contract is entered into, and subsequently gains or losses arising from changes in their fair value are presented in the income statement within administrative expenses in the period in which they arise. The Group's financial liabilities at fair value through profit or loss comprise derivative financial instruments.

Financial liabilities at amortised cost
The Group's financial liabilities at amortised cost comprise trade payables, other payables, accrued costs and borrowings. They are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. JetCard deposits are included within financial liabilities as they are contractually repayable upon demand.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and customers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Other payables
Other payables that are financial liabilities at amortised cost are certain customer deposits which are contractually refundable to customers on demand.

Accrued costs
Accrued costs are costs that have been contracted and recognised in accordance with the Group's accounting policies, but for which invoices have not yet been received or payments made, as applicable.

Borrowings
Borrowings consist of an interest-bearing bank facility, which is recorded at amortised cost. Issue costs are amortised over the life of the loan.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity instruments issued by the Group
An equity instrument is a contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group's equity instruments comprise share capital in the statement of financial position.

j) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

2 Accounting policies *continued*

k) Revenue

Revenues are derived from aircraft chartering services, aircraft remarketing services, aircraft inspection services and the provision of aviation-related training and safety and security consulting services. In line with IFRS 15 Revenue from Contracts with Customers, where a contract has been determined as principal, the full amount of the invoice is recognised as revenue. Where Air Partner is not acting as principal, revenue is recognised on an agency basis and only gross profit, being the difference between the amount invoiced to the customer and the third-party costs incurred, is reported as revenue. Revenue is measured as the transaction price receivable for the provision of goods and services to third-party customers and is stated exclusive of value added tax and is only recognised when control has passed to the customer.

The different revenue streams are listed below and the segments the revenue will be included in as shown in note 4 – Segmental analysis.

Aircraft chartering services – Group Charter, Private Jets and Freight

Amounts receivable in respect of aircraft chartering services are recognised as revenue when the economic benefits are deemed to have passed to the customer, which is generally the flight date. This applies equally whether or not the customer is in the JetCard programme. In instances where the Group is acting as agent, the net amount receivable by the Group is recognised as revenue. The determination as to whether Air Partner is considered principal or agent in a contract depends on whether or not Air Partner is contractually obliged under the terms of the contract to provide the particular service.

Aircraft remarketing services – Group Charter

Air Partner Remarketing's (formerly Cabot Aviation Services Limited) principal activity is that of an aircraft remarketing broker. Fees earned in respect of these services are either recognised when legal title to the aircraft has passed to the customer or for termination of contract fees that the Group has a reasonable expectation to recover, based on work completed to date and the progress of the sale.

Aircraft inspection services – Safety & Security

Aircraft registered with the Isle of Man Aircraft Registry, which is managed by Baines Simmons Limited, require an annual inspection. Amounts receivable in respect of such inspections are recognised as revenue once the aircraft has been inspected.

Provision of aviation-related training and safety consulting services – Safety & Security

Baines Simmons Limited, Redline Aviation Security Limited, Clockwork Research Limited, SafeSkys Limited and Air Partner CHS Limited provide various aviation-related specialist training and consultancy services. Revenue is recognised by reference to the delivery of the services. Amounts in respect of unbilled services provided to customers are recognised as revenue at the statement of financial position date.

l) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grant income has been offset against the relevant expenditure where permitted.

Further information on the grants received during the year is provided in note 35 – Government grants.

m) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, which is responsible for resource allocation and assessing performance of the operating segments, is considered to be the Board. The nature of the operating segments is set out in note 4 – Segmental analysis.

2 Accounting policies *continued*

n) Share based payments

From time to time the Group will grant options to employees to subscribe for ordinary shares in the Company. The fair value of options granted is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to:

- the fair value of the option and grant date using an appropriate valuation model method;
- management's estimate of the likelihood that the non-market performance conditions will be achieved; and
- the impact of any non-vesting conditions (e.g. an employee leaving before the vesting period is finished).

The total expense is recognised over the vesting period in the income statement, which is the period over which all of the specified vesting conditions are to be satisfied. A credit is recorded within equity which corresponds to the income statement charge in each period. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

o) Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense in the period in which the employees render service. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Air Partner International S.A.S. operates a defined benefit pension scheme and the liability of the scheme is recognised in the statement of financial position at the present value of the obligation at the statement of financial position date. The obligation is calculated annually by independent actuaries and actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised in full in the period in which they occur.

p) Taxation

The tax expense represents current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to the tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are enacted or substantively enacted at the reporting date.

q) Leasing

Payments associated with short-term leases and low value assets are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low value leases are those where the underlying asset value, when new, is £5,000 or less. See note 34 – Short-term and low value lease commitments.

For all other leases where the Group is the lessee, at the lease's inception a right of use asset at the fair value of the leased asset or, if lower, the present value of the minimum lease payments is recognised. The corresponding liability, net of finance charges, is included in other short-term and long-term payables. The liability includes the net present value of the following:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- amounts expected to be payable by the Group under residual value guarantees.

2 Accounting policies *continued*

q) Leasing *continued*
Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset acquired is depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Judgements made in calculating the lease liability include assessing whether arrangements contain a lease and determining the lease term. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Property leases will often include an early termination or extension option to the lease term. Extension and termination options have been considered when determining the lease term, along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. Extension periods (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease payments are discounted using an incremental borrowing rate. Calculating the discount rate is an estimate made in calculating the lease liability. The rate used is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group uses the average borrowing cost available for the Group at the date of addition.

r) Dividends
Final dividends on ordinary shares are recognised as a liability in the period in which the dividends are approved by the Company's shareholders. Dividends are recognised as a liability in the period in which they are approved.

s) Deferred income
Deferred income is comprised of amounts received or receivable from customers in respect of which services are yet to be provided or flights that are yet to occur.

For contracts where the Group is the principal, the full amount of deferred revenue will be recognised within revenue upon performance of services. For contracts where the Group is acting as agent, the amount of future revenue to be recognised will be purely the Group's agency commission element of these amounts.

In the charter business the Group generally invoices its customers in advance of the flight date. The value of these invoices is taken to deferred income and is only released to the income statement when the revenue is recognised at the time of the flight date on an invoice by invoice basis.

However, IFRS 15 requires, in cases where trade receivables are matched by deferred consideration, i.e. the flight has not yet taken place and the payment is not yet contractually due, that neither of those amounts is recognised in the statement of financial position. Therefore deferred income under IFRS 15 relates only to contracts where the Group has raised an invoice(s) to the customer and been paid for the same by the date of the statement of financial position.

t) JetCard programme
The JetCard programme is one where the customer purchases a JetCard in advance for their future flight requirements. The JetCard balance changes over time as the customer uses that balance for flights or replenishes it. The Group manages its JetCard cash balances through segregated bank accounts and it only uses this cash to satisfy JetCard orders not for its own working capital purposes, and for this reason JetCard cash is separately disclosed in the statement of financial position. The JetCard cash balances are assets of the Company, are included in the financial statements and are matched by equal JetCard deposit liabilities so the impact on net assets is nil.

Periodic reviews of the JetCard cash balances are performed to identify dormant or unutilised customer balances. A customer balance that has not had any activity within the last four years, be this usage (flights), cash top-up or refund, is followed up with the customer to understand the reason for the lack of activity. This follow-up would include seeking permission to return the funds and if this approval is not received after several attempts, and is fully evidenced and approved by the Head of Private Jets, the balance will then be recognised in the consolidated income statement. Full records of the historical balances are maintained and reconciled on a monthly basis.

The timing of revenue recognition is the same for flights chartered through the JetCard programme as that for other flights.

2 Accounting policies *continued*

u) Gross profit
In the charter business segments, the gross profit relating to a flight is calculated as being its charter price less all the direct costs associated with its fulfilment. It does not include the cost of Air Partner staff nor overheads.

In the Safety & Security business segment, gross profit is calculated as being the price of a contract less all the direct costs associated with delivering that contract including the costs of staff and contractors directly engaged in delivering the contracted service. It does not include the cost of other general Air Partner staff nor overheads.

v) Other non-GAAP measures
Gross transaction value (GTV) represents the total value invoiced to the customer and is stated exclusive of value added tax.

Operating profit before exceptional and other items and profit before tax before exceptional and other items are disclosed in order to present what the Directors consider the underlying performance of the Group.

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

- significant restructuring costs;
- significant and one-off impairment charges, non-recurring income and movements in provisions that distort underlying trading;
- costs relating to strategy changes that are not considered normal operating costs of the underlying business;
- acquisition related items, including acquisition costs and subsequent adjustments to deferred or contingent considerations recognised in the income statement;
- amortisation of intangible assets recognised on acquisition; and
- acquisition consideration classified as an employee cost under IFRS 3 Business Combinations.

w) Critical accounting judgements and sources of estimation uncertainty
The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ from these estimates. These underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if these are also affected. Management also needs to exercise judgement in applying the Group's accounting policies.

Critical judgements in applying the Group's accounting policies
The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Revenue recognition
One of the key judgements in relation to revenue recognition is the judgement of whether the Group is acting as principal or agent in transactions with customers in its charter business. In making its judgement, management considers the detailed terms of sales transactions with customers in order to determine whether the Group is performing as the principal obligor. This assessment determines how revenue is recognised as either principal or agent in accordance with IFRS 15. Note 4 – Segmental analysis, gives a comparison of gross transaction value and revenue by revenue stream.

Exceptional item classification
Operating profit before exceptional and other items and profit before tax before exceptional and other items are disclosed in order to present what the Directors consider the underlying performance of the Group. The Directors exercise judgement over which costs are considered to be exceptional or other items and these are detailed in note 7 – Exceptional and other items. The Directors review all items included within this note to ensure they are in line with the policy set out in note 2v – Other non-GAAP measures. If these costs were not considered to be exceptional they would have a material impact and distort the underlying results of the Group.

2 Accounting policies *continued*

w) Critical accounting judgements and sources of estimation uncertainty *continued*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as noted below.

Weighted average cost of capital calculation

The Group's weighted average cost of capital (WACC) is used as the discount rate in calculating the present value of expected future cash flows in models for valuing intangible assets acquired on acquisition and impairment testing. WACC is reassessed at the end of each financial year.

The WACC is calculated as weighted average of the cost of equity and the cost of debt. The weighting is based on the market value of debt and equity at the balance sheet date. The cost of debt is based on the average rate on the Group's bank borrowing throughout the year. The cost of equity is based on market information supplied by the Group's brokers to assess expected risk and compared to similar listed companies on the market.

The Group has used a WACC of 8.65% (2020: 8.65%) for the current year. The potential impact of an increase in WACC is shown as part of the impairment assessment of goodwill (note 13).

Acquisition accounting – Redline customer relationships and deferred consideration

Details of the acquisition of Redline Worldwide Limited (Redline) are included in note 32 – Prior year acquisition of subsidiaries. The values were impacted by the WACC discount figure used in determining the net present value of the cash flows relating to the intangible used. Assumptions, including WACC, relating to the consideration payable on acquisition are detailed in the acquisition note and are not considered to be material.

Customer relationships relied on additional assumptions to determine the forecast return. Management has not identified any material change to the assumptions used in the prior year accounts, indication of impairment of assets acquired on acquisition or any previously unidentified liabilities. As a result there has been no restatement of the acquisition accounting.

The acquisition consideration included £2.0m of deferred consideration. £1.0m of unconditional deferred consideration was paid on the first anniversary of the acquisition while the remaining £1.0m is conditional based on a number of performance conditions. Management has undertaken an assessment of the likelihood of the second tranche crystallising and at this junction has retained the provision at the full £1.0m. The judgement reflects the level of uncertainty in the aviation market as a result of COVID-19. The range of outcomes is dependent on the FY22 performance of Redline but will not exceed the £1.0m liability held in the accounts.

Impairment

Impairment calculations for goodwill and investments compare the values held at year end for each cash-generating unit (CGU) to the present value of discounted future cash flow. Cash flows are discounted at WACC (see above).

The cash flow includes assumptions for future performance. The models are driven by gross profit. Operating expenses and tax are based on historical information; gross profit is considered to be the only material source of uncertainty. The forecast revenue is based on historical performance, the forecast for the subsequent fiscal year and the underlying strategy for that CGU. Forecasts beyond the subsequent fiscal year are conservative and assume a growth rate in line with long-term economic forecasts.

No goodwill impairments have been booked during the year. Sensitivity analysis for the key assumptions is set out in note 13 – Goodwill.

2 Accounting policies *continued*

w) Critical accounting judgements and sources of estimation uncertainty *continued*

Provision for outflows resulting from French tax investigation

Air Partner International S.A.S. has undergone a historical tax reassessment principally in relation to indirect taxes following which the French Tax Administration has raised a challenge on some treatments and has issued a demand for additional payment and fines. Air Partner International S.A.S. challenged a number of these demands and is currently in communication with the French Tax Administration.

A provision of £283,000 was made in the previous financial year based on the most recent communication with the French Tax Administration and external legal advice. The provision has been reassessed at year end and determined only to require adjusting to reflect changes in foreign exchange rates to £298,000. Air Partner International S.A.S. has provided a comprehensive response to the French Tax Administration and is awaiting further communication.

The provision remains management's best estimate of the reassessment liability based on a thorough examination of the points raised in the review and expert legal advice of tax matters in France. While the absolute range of outcomes could be materially different from the provision, management believes the chance of a material variance is negligible based on the most recent assessment.

Prior to the advent of COVID-19 it was expected the next stage of the inspection would be completed in summer 2020; however, this has been delayed and final resolution of this matter is not expected for some time.

3 Revenue

An analysis of the Group's revenue is as follows:

	2021 £'000	2020 £'000
Sales of goods and services	71,173	66,664

No customer contributed more than 10% to the Group's revenue in 2021 or 2020.

We have taken the practical expedient not to disclose the transaction price allocated to the remaining performance obligations because either the expected duration is one year or less or the timing is at the customers' discretion.

Revenue recognised that was included in the contract liability balance at the beginning of the year was £8,288,000 (2020: £11,997,000).

4 Segmental analysis

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

The Group has two divisions: Charter and Safety & Security. The Safety & Security division is viewed as one segment by management. The Charter division's products and services and reviewed by management in three segments: Group Charter, Private Jets and Freight. Air Partner Remarketing's (formerly Cabot Aviation Services Limited) results are aggregated into Group Charter. Overheads with the exception of corporate costs are allocated to the Group's segments in relation to operating activities.

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

4 Segmental analysis *continued*

The Board does not review assets and liabilities at segmental level; therefore these items are not disclosed. The segmental information, as provided to the Board on a monthly basis, is as follows:

Year ended 31 January 2021 **Continuing operations**	Group Charter £'000	Private Jets £'000	Freight £'000	Safety & Security £'000	Corporate costs £'000	**Total £'000**
Gross transaction value	77,801	58,337	126,244	12,403	—	**274,785**
Revenue	27,332	18,570	12,868	12,403	—	**71,173**
Segmental gross profit	17,817	9,296	11,941	5,816	—	**44,870**
Administrative expenses, other operating income and net impairment losses on financial assets	(11,437)	(7,883)	(5,274)	(5,830)	(2,414)	**(32,838)**
Depreciation and amortisation of non-acquired assets (included within administrative expenses)[1]	(859)	(390)	(312)	(363)	—	**(1,924)**
Operating profit before exceptional and other items	6,380	1,413	6,667	(14)	(2,414)	**12,032**
Exceptional and other items (see note 7)	(332)	(249)	—	(2,629)	31	**(3,179)**
Segment profit/(loss)	6,048	1,164	6,667	(2,643)	(2,383)	**8,853**
Finance income						**29**
Finance expense						**(503)**
Profit before income tax						**8,379**
Income tax expense						**(2,747)**
Profit for the year						**5,632**

1 Depreciation of £0.5m relating to right of use assets and £0.1m relating to motor vehicles is included within gross profit.

Year ended 31 January 2020 **Continuing operations**	Group Charter £'000	Private Jets £'000	Freight £'000	Safety & Security £'000	Corporate costs £'000	Total £'000
Gross transaction value	136,979	69,808	19,813	10,216	—	236,816
Revenue	26,434	25,233	4,781	10,216	—	66,664
Segmental gross profit	14,724	11,672	3,158	4,604	—	34,158
Administrative expenses, other operating income and net impairment losses on financial assets	(11,598)	(9,104)	(2,921)	(3,703)	(2,059)	(29,385)
Depreciation and amortisation of non-acquired assets (included within administrative expenses)[1]	(1,168)	(253)	(68)	(137)	—	(1,626)
Operating profit before exceptional and other items	3,126	2,568	237	901	(2,059)	4,773
Exceptional and other items (see note 7)	(87)	34	—	(2,541)	(702)	(3,296)
Segment profit/(loss)	3,039	2,602	237	(1,640)	(2,761)	1,477
Finance income						71
Finance expense						(612)
Profit before income tax						936
Income tax expense						(633)
Profit for the year						303

1 Depreciation of £4.6m relating to right of use assets is included within gross profit.

The Company is domiciled in the UK but, due to the nature of the Group's operations, a significant amount of gross profit is derived from overseas countries. The Group reviews gross profit based upon the location of the business operations used to generate that gross profit. Apart from the UK, no single country is deemed to have material non-current asset levels other than there is goodwill in relation to the French operation of £987,000 (2020: £936,000) and right of use assets in Italy of £3,705,000 (2020: £4,042,000).

Notes to the financial statements *continued*

for the year ended 31 January 2021

4 Segmental analysis *continued*

The Board also reviews information on a geographical basis based on parts of the world in which it has business operations. As a result the following additional information is provided showing a geographical split of the UK, Europe, the USA and the Rest of the world based upon the location of the relevant business operation which contracts the business.

Continuing operations	UK £'000	Europe £'000	USA £'000	Rest of the world £'000	Total £'000
Year ended 31 January 2021					
Gross transactional value	85,861	32,282	150,527	6,115	**274,785**
Revenue	40,189	8,188	21,310	1,486	**71,173**
Gross profit	20,198	5,341	17,845	1,486	**44,870**
Non-current assets (excluding deferred tax assets)	18,834	4,975	171	19	**23,999**
Year ended 31 January 2020					
Gross transactional value	89,322	97,534	49,197	763	**236,816**
Revenue	34,880	18,837	12,774	173	**66,664**
Gross profit	17,427	8,732	7,826	173	**34,158**
Non-current assets (excluding deferred tax assets)	22,185	5,698	304	24	**28,211**

Europe can be further analysed as:

Continuing operations	France £'000	Germany £'000	Italy £'000	Other £'000	Total £'000
Year ended 31 January 2021					
Gross transactional value	1,634	20,973	7,047	2,628	**32,282**
Revenue	249	4,108	3,245	586	**8,188**
Gross profit	108	3,986	670	577	**5,341**
Year ended 31 January 2020					
Gross transactional value	26,206	24,599	23,489	23,240	**97,534**
Revenue	2,123	9,192	4,330	3,192	**18,837**
Gross profit	1,994	4,091	1,416	1,231	**8,732**

5 Operating profit

Operating profit for the year has been arrived at after charging/(crediting) the following:

Continuing operations	2021 £'000	2020 £'000
Net foreign exchange loss	**150**	238
Change in the fair value of derivative financial instruments	**(39)**	31
Depreciation of property, plant and equipment	**2,072**	5,840
Impairment of property, plant and equipment	**81**	—
Profit on disposal of property, plant and equipment	**(26)**	—
Amortisation of intangible fixed assets – acquired	**2,420**	656
Amortisation of intangible fixed assets – other	**421**	334
Impairment of trade receivables	**810**	205
Operating lease rentals – land and buildings	**61**	213
Operating lease rentals – other	**3**	13
Staff costs (see note 8)[1]	**29,381**	23,030
Government grants relating to staff costs (see note 8 and note 35)[1]	**(1,703)**	—
Other operating income (see note 35)[1]	**(43)**	—

1 The Group received £1,746,000 of government grants during the year from schemes launched in response to the COVID-19 pandemic. See note 35 – Government grants for more information.

5 Operating profit *continued*

Amortisation of intangible fixed assets – acquired, is included with exceptional and other items. Amortisation of intangible fixed assets – other, is included within administrative expenses before exceptional and other items.

Other operating income is comprised of the following:

Continuing operations	2021 £'000	2020 £'000
Government grants (see note 35)	43	—

6 Auditors' remuneration

	2021 £'000	2020 £'000
The analysis of auditors' remuneration is as follows:		
Fees payable to the Company's auditors and their associates for the audit of the parent company and consolidated annual financial statements	218	209
Fees payable to the Company's auditors and their associates for the audit of subsidiaries pursuant to legislation (including that of countries and territories outside the UK)	72	95
Fees payable relating to overruns in previous years[1]	14	—
Total audit fees	304	304

	2021 £'000	2020 £'000
Fees payable to the auditors and their associates for other services to the Group:		
Audit related assurance services	45	40
Total non-audit fees	45	40

1 Overruns in previous years include additional fees of £30,000 for the audit of the parent company agreed after signing of the financial statements for extra work required in relation to COVID-19, offset by savings of £16,000 resulting from the decision following signing of the financial statements to not have the Company's auditors audit one of the UK subsidiaries.

7 Exceptional and other items

The Group has identified a number of items which are material due to the significance of their nature and/or amount. They are listed separately here to provide a better understanding of the financial performance of the Group.

	2021 £'000	2020 £'000
Changes in Board and operating board composition[1]	—	(195)
Restructuring costs[2]	(783)	—
Amortisation of purchased intangibles[3]	(2,420)	(656)
Acquisition costs[4]	18	(604)
Disposal of subsidiary[5]	24	(4)
Costs incurred and provision for outflows resulting from French tax investigation[6]	—	(657)
Impairment of goodwill[7]	—	(1,885)
Settlement of historical legal disputes[8]	—	389
Adjustments to deferred consideration[9]	(18)	316
	(3,179)	(3,296)
Tax effect of other items[10]	331	233
Exceptional and other items after taxation	(2,848)	(3,063)

1 Following the accounting review in FY19 the Directors undertook an internal review of the Group operating board and determined that several roles were excess to requirements. The employees in these roles left during prior years and have not been replaced. The level of Board changes and associated costs in these years were considered highly unusual and are not expected to recur in future periods.

7 Exceptional and other items *continued*

2 As a result of the negative impact of the COVID-19 pandemic on certain areas of the business the Directors undertook a review of the business and identified savings through reductions in headcount where revenue was not forecast to recover for the foreseeable future. Exceptional costs are comprised of the amounts paid, or due to be paid at year end, to employees as part of the redundancies, including statutory redundancy, payment in lieu of notice and employer's National Insurance on these amounts and costs associated with the closure of offices.

3 Please see note 14 – Other intangible assets for further detail regarding the amortisation of purchased intangibles.

4 The acquisition costs incurred in the prior year were in respect of the acquisition of Redline Worldwide Limited. The credit in the current year reflects the release of a provision for expected costs related to deferred consideration on the acquisition. Please see note 32 – Acquisition of subsidiaries for further details.

5 The Group disposed of Air Partner (Switzerland) AG during the current year and Air Partner Nordic during the prior year.

6 A provision of £283,000 was made in the prior year in respect of indirect tax charges for a tax reassessment in France. The provision is based on management's best estimate of the reassessment liability after taking expert legal advice. Legal fees and expense directly attributable to the tax investigation of £374,000 were incurred in the prior year in connection with this matter. There have been no further developments following the end of the prior financial year and it is unclear when the matter is likely to be resolved.

7 The impairment of goodwill in the prior year is in relation to SafeSkys Limited. Please see note 13 – Goodwill for further details.

8 The Group successfully closed two historical legal disputes in the prior year resulting in the receipt of cash settlements in both cases. The income recognised is net of associated legal expenses.

9 The adjustment to deferred consideration in the current year relates to the fair valuing of the deferred consideration relating to Redline Worldwide Limited. The prior year is in relation to SafeSkys Limited, where a settlement was reached for less than the amount provided for in the prior year's financial statements.

10 A tax credit has been included in the current year in respect of the restructuring costs incurred in the UK and amortisation of purchased intangibles. The tax credit on the purchased intangibles is offset by the change in tax rate used to calculate the deferred tax liability for these assets from 17.0% to 19.0%. At 31 January 2020, a reduction in the UK corporation tax rate on 1 April 2020 to 17.0% as a result of legislation enacted on 16 October 2016 was in effect. The Spring Budget 2020 announced that the corporation tax rate would remain at 19.0%.

8 Staff costs

Group

The monthly average number of people employed by the Group (including Directors) during the year, analysed by category, was as follows:

Continuing operations	2021 Number	2020 Number
Operations	**342**	293
Administration	**103**	86
	445	379

The aggregate payroll costs comprised:

Continuing operations	2021 £'000	2020 £'000
Wages and salaries	**25,174**	19,722
Social security costs	**3,094**	2,519
Other pension costs	**662**	730
Share based payments	**451**	59
	29,381	23,030

8 Staff costs *continued*

Group *continued*

Throughout the year the Group received £1,703,000 (FY20: £nil) in government support from schemes designed to encourage staff retention throughout the pandemic (see note 35 – Government grants). The grant income has been offset against the expenditure as permitted, meaning staff costs are stated net of the government support. An analysis of the government support received during the year is as follows:

Continuing operations	Gross staff costs 2021 £'000	Government support 2021 £'000	Net staff costs 2021 £'000
Wages and salaries	**25,174**	**(1,532)**	**23,642**
Social security costs	**3,094**	**(163)**	**2,931**
Other pension costs	**662**	**(8)**	**654**
Share based payments	**451**	**—**	**451**
	29,381	**(1,703)**	**27,678**

Company

The monthly average number of people employed by the Company (including Directors) during the year, analysed by category, was as follows:

Continuing operations	2021 Number	2020 Number
Operations	**63**	72
Administration	**37**	43
	100	115

The aggregate payroll costs comprised:

Continuing operations	2021 £'000	2020 £'000
Wages and salaries	**7,102**	6,542
Social security costs	**893**	728
Other pension costs	**284**	328
Share based payments	**339**	59
	8,618	7,657

Throughout the year the Company received £209,000 (FY20: £nil) in government support from schemes designed to encourage staff retention throughout the pandemic. The grant income has been offset against the expenditure as permitted, meaning staff costs are stated net of the government support. An analysis of the government support received during the year is as follows:

Continuing operations	Gross staff costs 2021 £'000	Government support 2021 £'000	Net staff costs 2021 £'000
Wages and salaries	**7,102**	**(191)**	**6,911**
Social security costs	**893**	**(15)**	**878**
Other pension costs	**284**	**(3)**	**281**
Share based payments	**339**	**—**	**339**
	8,618	**(209)**	**8,409**

The Group contributes to personal pension plans of certain employees and this cost is charged to the income statement in the period in which it is incurred.

Full disclosure of Directors' emoluments, share options and pension entitlements, which form part of their remuneration packages, and their interests in the Company's share capital are disclosed in the Directors' remuneration report for the year ended 31 January 2021.

Notes to the financial statements *continued*

for the year ended 31 January 2021

9 Finance income and expense

Continuing operations	2021 £'000	2020 £'000
Finance income		
Interest on bank deposits	**29**	71

Continuing operations	2021 £'000	2020 £'000
Finance expense		
Interest on loans and bank overdrafts	**289**	311
IFRS 16 discounting	**214**	301
Total	**503**	612

10 Income tax expense

Continuing operations	2021 £'000	2020 £'000
Current tax:		
UK corporation tax	**778**	620
Foreign tax	**2,580**	408
Current tax adjustments in respect of prior years (UK)	**(108)**	(200)
Current tax adjustments in respect of prior years (overseas)	**235**	(208)
	3,485	620
Deferred tax (see note 26)	**(738)**	13
Total tax	**2,747**	633
Of which:		
Tax on underlying profit	**3,078**	866
Tax on other items (see note 7)	**(331)**	(233)
	2,747	633

Corporation tax in the UK was calculated at 19.0% (2020: 19.0%) of the estimated assessable profit for the year. Taxation for other jurisdictions was calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the profit per the consolidated income statement as follows:

	2021 £'000	2020 £'000
Profit from continuing operations before income tax expense	**8,379**	936
Income tax at the UK corporation tax rate of 19.0% (2020: 19.0%)	**1,592**	178
Effect of changes in tax rates	**206**	—
Tax effect of items that are not recognised in determining taxable profit	**(316)**	407
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	**426**	(158)
Current tax adjustments in respect of prior years	**127**	(408)
Deferred tax not recognised[1]	**620**	603
Options deductions	**92**	11
Total income tax expense	**2,747**	633

1 Deferred tax not recognised in the current year relates to tax losses carried forward in France and Italy that have not been recognised as deferred tax assets. Management has opted not to recognise these assets based on the expected economic impact of COVID-19 and therefore does not expect the losses to be usable in the foreseeable future. The assumption will be reassessed each year.

10 Income tax expense *continued*

At the previous balance sheet date, a reduction to the UK corporation tax to 17.0% on 1 April 2020 had been substantively enacted on 16 October 2016. Prior year deferred tax balances were stated at this rate (see note 26 – Deferred tax). In the Spring Budget 2020, the government announced that from 1 April 2020 the corporation tax rate would remain at 19.0% (rather than reducing to 17.0%, as previously enacted). This new law was substantively enacted on 17 March 2020.

In the Spring Budget 2021, the government announced that from 1 April 2023 the corporation tax rate will increase to 25.0%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

11 Dividends

	2021 £'000	2020 £'000
Amounts recognised as distributions to owners of the parent company		
Final dividend for the year ended 31 January 2019 of 3.85 pence per share	—	2,011
Interim dividend for the year ended 31 January 2021 of 0.80 pence per share	508	—
Interim dividend for the year ended 31 January 2020 of 1.80 pence per share	—	950
	508	2,961

The Directors propose a final dividend for the year ended 31 January 2021 of 1.60 pence per share, subject to shareholder approval at the Annual General Meeting to be held on 8 July 2021.

The Air Partner Employee Benefit Trust, which held 47,502 ordinary shares of 1 pence each at 31 January 2021 (2020: 69,928 ordinary shares of 1 pence each) representing 0.07% (2020: 0.13%) of the Company's issued share capital, is not entitled to receive dividends. At 31 January 2020 a further 90,910 ordinary shares of 1 pence each were held by the Trust in a nominee capacity for one beneficiary of the Trust but dividends were received in respect of those shares. No further shares relating to this beneficiary were held at 31 January 2021.

12 Earnings per share

Earnings per share	2021 Pence	2020 Pence
Continuing operations		
Basic	9.4	0.6
Diluted	9.3	0.6

Earnings per share	2021 Pence	2020 Pence
Excluding exceptional and other items		
Basic	14.2	6.4
Diluted	14.0	6.3

From continuing operations	2021 £'000	2020 £'000
Earnings		
Profit attributable to owners of the parent company	5,632	303
Adjustment to exclude exceptional and other items[1]	2,848	3,063
Underlying earnings for the calculation of basic and diluted earnings per share	8,480	3,366

1 The calculation of underlying earnings per share (before exceptional and other items) is included as the Directors believe it provides a better understanding of the underlying performance of the Group. Exceptional and other items are disclosed in note 7 – Exceptional and other items.

12 Earnings per share *continued*

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

Weighted average number of ordinary shares	2021 Number	2020 Number
Issued and fully paid	**59,970,013**	52,756,188
Less those held by the Air Partner Employee Benefit Trust	**(51,898)**	(85,952)
Number for the calculation of basic earnings per share	**59,918,115**	52,670,236
Effect of dilutive potential ordinary shares: share options	**697,851**	844,022
Number for the calculation of diluted earnings per share	**60,615,966**	53,514,258

13 Goodwill

Group	£'000
Cost	
At 1 February 2019	**6,750**
Additions	**3,814**
Foreign currency adjustments	**(38)**
At 31 January 2020	**10,526**
Additions	**—**
Foreign currency adjustments	**51**
At 31 January 2021	**10,577**
Provision for impairment	
At 1 February 2019	**—**
Charge for the year	**(1,885)**
At 31 January 2020	**(1,885)**
Charge for the year	**—**
At 31 January 2021	**(1,885)**
Net book value	
At 31 January 2021	**8,692**
At 31 January 2020	**8,641**
At 1 February 2019	**6,750**

The additions in the prior year related to the acquisition of Redline Worldwide Limited (see note 32 – Prior year acquisition of subsidiaries) for £3,644,000. An adjustment of £170,000 for SafeSkys Limited was made during the prior year following finalising the settlement of the amount payable on acquisition.

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

	2021 £'000	2020 £'000
Air Partner International S.A.S.[1]	**987**	936
Baines Simmons Limited	**1,711**	1,711
Cabot Aviation Services Limited	**787**	787
Clockwork Research Limited	**396**	396
Redline Worldwide Limited	**3,644**	3,644
SafeSkys Limited	**1,167**	1,167
	8,692	8,641

1 The goodwill held in respect of Air Partner International S.A.S. arose in the local currency of Euros and therefore the amount expressed in Sterling varies depending on exchange rates.

13 Goodwill *continued*

Impairment testing
Goodwill and other intangibles are tested for impairment at least annually or when there is an indication that the carrying value may not be recoverable. Value in use is calculated as the net present value of the projected risk-adjusted cash flows of the CGU. These forecast cash flows are based on the 2022 budget and the five-year strategic plan. The impairment models do include sensitivity testing to ascertain whether a reasonable change in the underlying assumptions could indicate an impairment.

Management reviewed the status of the following CGUs and found no indication of impairments:

- Air Partner International S.A.S.;
- Baines Simmons Limited;
- Cabot Aviation Services Limited;
- Clockwork Research Limited; and
- Redline Worldwide Limited.

As an impairment was recorded against SafeSkys Limited in the prior year, any further adverse change in assumptions would give rise to a further impairment in value. Sensitivity analysis is provided below. There is no reasonably foreseeable change in assumptions that would give rise to an impairment in value of the other goodwill balances.

Impairment testing assumptions
Based on the impairment testing of SafeSkys Limited, management identified a potential impairment as at 31 January 2020. The key assumptions used in the value in use calculation for SafeSkys Limited and all other CGUs were:

- sales: projected sales are built up in line with the strategic business plan;
- margins: reflect the anticipated margins within the strategic business plan;
- discount rate: an exercise has been undertaken to review the discount rate resulting in a post-tax discount rate of 8.65%; and
- long-term growth rates: growth rates for the period after the detailed forecasts are based on the long-term GDP projections, which is 2%.

The assumptions used in the impairment testing model were as follows:

Basis of valuation	Value in use
Discount rate	8.65%
Period covered by management projections	5 years
Long-term growth rates	2.0%

Sensitivity 1
A further reduction on forecasted operating profit of 10% each year to account for non-renewal or cost creep in existing contracts.

Sensitivity 2
The discount rate has been increased by 4.0%. This adjustment is deemed to capture all changes to the trading environment and reflect a tougher trading environment compared to the base case.

The following sensitivities have been provided in relation to SafeSkys Limited, being the only CGU where the Directors believe a reasonable change in assumptions could give rise to a further impairment in value.

Scenario	PV £'000	Goodwill and other intangible assets £'000	Headroom £'000
Base case	2,029	1,815	214
Sensitivity 1	1,826	1,815	11
Sensitivity 2	1,274	1,815	(541)

There have been no key changes to the assumptions in the current year's strategic plan compared to the previous year. The increase in headroom from the prior year reflects that SafeSkys Limited has settled the costs associated with the exit from the Air Traffic Control contracts.

13 Goodwill *continued*

Impairment testing assumptions *continued*

Redline Worldwide Limited sensitivity is shown below. The assumptions are in line with those used for SafeSkys. Although COVID-19 reduced the expected revenue for FY21 it still made a net contribution to the Group. The Directors expect to see a strong recovery over FY22 and FY23 resulting in significant headroom on the base case scenario.

Scenario	PV £'000	Goodwill and other intangible assets £'000	Other non-current assets and liabilities £'000	Headroom £'000
Base case	16,203	8,734	152	7,317
Sensitivity 1	14,582	8,734	152	5,696
Sensitivity 2	10,017	8,734	152	1,131

Based on the impairment testing performed, the Directors believe that there are no reasonable possible changes to the key assumptions that would result in a material impairment of goodwill.

14 Other intangible assets

Group	Brands £'000	Other mandates £'000	Customer relationships and customer contracts £'000	Training materials £'000	Software £'000	IFRS 16 right of use asset £'000	**Total £'000**
Cost							
At 1 February 2019	172	171	4,336	414	2,806	—	**7,899**
Transition to IFRS 16	—	—	—	—	—	104	**104**
Additions	1	—	—	—	375	—	**376**
Arising on acquisition	—	—	6,100	—	1,400	—	**7,500**
Foreign currency adjustments	—	—	—	—	(1)	—	**(1)**
At 31 January 2020	173	171	10,436	414	4,580	104	**15,878**
Additions	—	—	—	—	231	—	**231**
Disposals	—	—	—	—	(1,716)	—	**(1,716)**
Foreign currency adjustments	—	—	—	—	(4)	—	**(4)**
At 31 January 2021	173	171	10,436	414	3,091	104	**14,389**
Accumulated amortisation and impairment							
At 1 February 2019	63	171	821	145	1,817	—	**3,017**
Charge for the year	21	—	533	41	373	22	**990**
Foreign currency adjustments	—	—	—	—	(1)	—	**(1)**
At 31 January 2020	84	171	1,354	186	2,189	22	**4,006**
Charge for the year	16	—	1,896	41	867	21	**2,841**
Disposals	—	—	—	—	(1,716)	—	**(1,716)**
Foreign currency adjustments	—	—	—	—	(2)	—	**(2)**
At 31 January 2021	100	171	3,250	227	1,338	43	**5,129**
Net book value							
At 31 January 2021	73	—	7,186	187	1,753	61	**9,260**
At 31 January 2020	89	—	9,082	228	2,391	82	**11,872**
At 1 February 2019	109	—	3,515	269	989	—	**4,882**

Customer relationships have a remaining amortisation period of between 0.0 years and 15.5 years.

14 Other intangible assets *continued*

Company	Software £'000	IFRS 16 right of use asset £'000	Total £'000
Cost			
At 1 February 2019	2,745	—	**2,745**
Transition to IFRS 16	—	104	**104**
Additions	354	—	**354**
At 31 January 2020	3,099	104	**3,203**
Additions	177	—	**177**
Disposals	(1,700)	—	**(1,700)**
At 31 January 2021	1,576	104	**1,680**
Accumulated amortisation and impairment			
At 1 February 2019	1,789	—	**1,789**
Charge for the year	297	22	**319**
At 31 January 2020	2,086	22	**2,108**
Charge for the year	373	21	**394**
Disposals	(1,700)	—	**(1,700)**
At 31 January 2021	759	43	**802**
Net book value			
At 31 January 2021	817	61	**878**
At 31 January 2020	1,013	82	**1,095**
At 1 February 2019	956	—	**956**

Other intangible assets comprise software and assets acquired on acquisitions including training materials, customer relationships, mandates to remarket aircraft and brands.

Notes to the financial statements *continued*

for the year ended 31 January 2021

15 Property, plant and equipment

Group	Short leasehold property and leasehold improvements £'000	Fixtures and equipment £'000	Motor vehicles £'000	IFRS 16 right of use asset £'000	**Total £'000**
Cost					
At 1 February 2019	1,167	2,948	170	—	**4,285**
Transition to IFRS 16	—	—	—	11,375	**11,375**
Additions	15	328	206	188	**737**
Arising on acquisition	54	53	—	804	**911**
Disposals	(43)	—	—	—	**(43)**
Foreign currency adjustments	(6)	(27)	—	(379)	**(412)**
At 31 January 2020	1,187	3,302	376	11,988	**16,853**
Additions	—	284	53	320	**657**
Disposals	(156)	(889)	(82)	(658)	**(1,785)**
Foreign currency adjustments	8	16	—	467	**491**
At 31 January 2021	1,039	2,713	347	12,117	**16,216**
Accumulated depreciation and impairment					
At 1 February 2019	769	2,610	51	—	**3,430**
Charge for the year	136	229	62	5,413	**5,840**
Foreign currency adjustments	(4)	(18)	—	(93)	**(115)**
At 31 January 2020	901	2,821	113	5,320	**9,155**
Charge for the year	133	170	81	1,688	**2,072**
Impairment	—	—	—	81	**81**
Disposals	(146)	(863)	(62)	(318)	**(1,389)**
Foreign currency adjustments	5	13	—	232	**250**
At 31 January 2021	893	2,141	132	7,003	**10,169**
Net book value					
At 31 January 2021	146	572	215	5,114	**6,047**
At 31 January 2020	286	481	263	6,668	**7,698**
At 1 February 2019	398	338	119	—	**855**

15 Property, plant and equipment *continued*

Company	Short leasehold property and leasehold improvements £'000	Fixtures and equipment £'000	Motor vehicles £'000	IFRS 16 right of use asset £'000	Total £'000
Cost					
At 1 February 2019	868	1,691	56	—	**2,615**
Transition to IFRS 16	—	—	—	1,660	**1,660**
Additions	13	130	—	—	**143**
At 31 January 2020	881	1,821	56	1,660	**4,418**
Additions	—	9	—	75	**84**
Disposals	—	—	(56)	—	**(56)**
At 31 January 2021	881	1,830	—	1,735	**4,446**
Accumulated depreciation					
At 1 February 2019	575	1,560	30	—	**2,165**
Charge for the year	101	116	6	578	**801**
At 31 January 2020	676	1,676	36	578	**2,966**
Charge for the year	112	57	3	580	**752**
Disposals	—	—	(39)	—	**(39)**
At 31 January 2021	788	1,733	—	1,158	**3,679**
Net book value					
At 31 January 2021	93	97	—	577	**767**
At 31 January 2020	205	145	20	1,082	**1,452**
At 1 February 2019	293	131	26	—	**450**

The recognised IFRS 16 right of use assets of the policy relate to the following types of assets:

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Short leasehold property and leasehold investments	**822**	1,546	**26**	206
Fixtures and equipment	**566**	996	**551**	876
Motor vehicles	**21**	84	**—**	—
Aircraft	**3,705**	4,042	**—**	—
	5,114	6,668	**577**	1,082

Notes to the financial statements *continued*

for the year ended 31 January 2021

16 Investments

Company	Investments in shares of subsidiaries £'000	Capital contributions to subsidiaries £'000	Total £'000
Cost			
At 1 February 2019	2,485	10,424	**12,909**
Additions	11,290	—	**11,290**
Disposal of subsidiaries	(41)	(627)	**(668)**
Decrease in deferred consideration[1]	—	(198)	**(198)**
At 31 January 2020	13,734	9,599	**23,333**
Additions	—	112	**112**
Disposal of subsidiaries	(37)	(8)	**(45)**
At 31 January 2021	13,697	9,703	**23,400**
Amounts provided			
At 1 February 2019	101	635	**736**
Charge for the year	—	1,050	**1,050**
Dissolution of subsidiaries[2]	(41)	(627)	**(668)**
At 31 January 2020	60	1,058	**1,118**
Charge for the year	—	—	**—**
Dissolution of subsidiaries[2]	(37)	(8)	**(45)**
At 31 January 2021	23	1,050	**1,073**
Net book value			
At 31 January 2021	13,674	8,653	**22,327**
At 31 January 2020	13,674	8,541	**22,215**
At 1 February 2019	2,384	9,789	**12,173**

1 The decrease in deferred consideration in the prior year was in respect of SafeSkys Limited, where the final deferred consideration paid was less than the amount previously provided.

2 Air Partner (Switzerland) AG was dissolved within the current year and Air Partner Nordic was dissolved within the prior financial year.

The Company tests its investments for impairment if there are indications that the investments may be impaired. The Directors have assessed investments and consider there to be no impairment triggers. See the assumptions detailed in note 13 – Goodwill, for further information.

16 Investments *continued*

The following is a list of the subsidiaries of which Air Partner plc, incorporated in England and Wales, is the beneficial owner:

Name	Principal activity	Country of incorporation	Company number	Company address
Air Partner International S.A.S.	Air charter broking	France	B398335489	A
Air Partner International GmbH	Air charter broking	Germany	HRB 28279	B
Air Partner Srl	Air charter broking	Italy	3935230262	C
Air Partner Havacilik ve Tasimacilik Limited Sirketi	Air charter broking	Turkey	720099	D
Air Partner Middle East DMCC	Air charter broking	United Arab Emirates	DMCC179270	E
Air Partner, Inc.	Air charter broking	US	65-0770487	F
Air Partner Aviation Services Limited (previously Cabot Aviation Services Limited)	Air charter broking	England and Wales	03874833	G
Air Partner Travel Management Company Limited	Travel agency	England and Wales	03767092	G
Aviation Compliance Limited	Aviation safety consultants	England and Wales	06545827	G
Baines Simmons Limited	Aviation safety consultants	England and Wales	04295495	G
Clockwork Research Limited	Aviation safety consultants	England and Wales	05477740	G
SafeSkys Limited	Aviation safety consultants	England and Wales	02833067	G
Air Partner CHS Limited (previously Air Partner Enclave Limited)	Security training	England and Wales	06671502	G
Redline Aviation Security Limited	Security training	England and Wales	05915087	G
Air Partner Consulting Limited	Holding company	England and Wales	02070950	G
Redline Worldwide Limited	Holding company	England and Wales	09510974	G
Redline Assured Security Limited	Dormant	England and Wales	09802270	G
Redline Assured Security SARL	Dormant	France	878435114	H
Air Partner Group Limited	Dormant	England and Wales	03685545	G
Air Partner Investments Limited	Dormant	England and Wales	06727735	G
Business Jets Limited	Dormant	England and Wales	04146214	G

All of the above are 100% owned by Air Partner plc, except for Air Partner Havacilik ve Tasimacilik Limited Sirketi, where 40% is held by a subsidiary undertaking. Air Partner plc's holdings are in the ordinary share capital of all the subsidiaries.

Additions in the current year all relate to share options in the Company granted to employees of subsidiaries.

During the prior year the Group renamed Air Partner Enclave Limited to Air Partner CHS Limited. The company ceased to be dormant, purchased the trade and assets of CHS Engineering Services Limited for a nominal amount and began trading.

Redline Worldwide Limited has a 100% holding in Redline Aviation Security Limited for £11,278,000. Details of the breakdown of acquisition are included in note 32 – Acquisition of subsidiaries. Redline Aviation Security Limited has a 100% holding in Redline Assured Security Limited and Redline Assured Security SARL.

Air Partner (Switzerland) AG was dissolved during the financial year.

16 Investments *continued*

The registered company addresses are as follows:

A	89/91 Rue du Faubourg Saint-Honoré, 75008 Paris, France
B	Im Mediapark 5b, 50670 Köln, Germany
C	Via Valtellina 67, 20159 Milano, Italy
D	Halil Rıfatpaşa Mh Yüzer Havuz Sk No.1 Perpa Ticaret Merkezi ABlok Kat.12 No.1773, Istanbul, Turkey
E	Cluster X, Building X3, Office 606, Jumeirah Lake Towers, Dubai, UAE
F	1100 Lee Wagener Blvd, Suite 328, Fort Lauderdale, FL 33315, US
G	2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA, UK
H	27 Boulevard Saint-Martin, 75003 Paris, France

In the opinion of the Directors the recoverable amount of the Company's subsidiary undertakings is considered to be in excess of the carrying value.

17 Trade and other receivables

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Gross trade receivables	**6,731**	9,623	**1,661**	3,117
Loss allowance	**(1,114)**	(854)	**(29)**	—
Trade receivables	**5,617**	8,769	**1,632**	3,117
Amounts owed by Group undertakings	**—**	—	**7,278**	5,756
Social security and other taxes	**593**	1,215	**185**	338
Other receivables	**422**	407	**126**	122
Prepayments and accrued income[1]	**3,276**	8,410	**1,100**	3,172
	9,908	18,801	**10,321**	12,505

1 Prepayments and accrued income are relatively high compared to trade receivables due to the impact of IFRS 15 and cash flow implications. The Group will often need to make payments in advance of the service performed to enable it to secure the resources required. However, the customer will not pay until nearer or after the flight date. As a result under IFRS 15 the trade debtor and matching deferred revenue are not recognised but the cash outflow and prepayment are.

Amounts owed by Group undertakings are interest free, unsecured and repayable on demand.

Prepayments and accrued income include £1,551,000 of operator prepayments (2020: £5,692,000) and accrued income of £647,000 (2020: £1,973,000). All accrued income is in relation to known invoices not issued at the year end. All accrued income will be converted within the 12 months. The remainder of the prepayments and accrued income is for prepayments relating to overheads.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days of becoming due.

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

17 Trade and other receivables *continued*

Classification as trade receivables *continued*

All trade and other receivables have been reviewed for indicators of impairment. The movement in impaired receivables in the year is shown below:

	Group £'000	Company £'000
At 1 February 2019	698	1
Charge for the year	205	—
Receivables written off during the year	(27)	(1)
Foreign currency adjustments	(22)	—
At 31 January 2020	854	—
Charge for the year	810	90
Receivables written off during the year	(571)	(58)
Foreign currency adjustments	21	(3)
At 31 January 2021	**1,114**	**29**

Of the amounts impaired during the year, £153,000 (2020: £123,000) was for an amount past due by less than one year with the remainder being all overdue by more than one year.

An analysis of these financial assets at the statement of financial position date for 2021 is as follows:

Group	Gross trade receivables 2021 £'000	Allowance for bad and doubtful debts 2021 £'000	Trade receivables 2021 £'000
Current	**2,081**	**—**	**2,081**
Aged:			
– By not more than three months	**3,268**	**—**	**3,268**
– By more than three months but not more than six months	**399**	**(131)**	**268**
– By more than six months but not more than one year	**37**	**(37)**	**—**
– By more than one year	**946**	**(946)**	**—**
	6,731	**(1,114)**	**5,617**

Group	Gross trade receivables 2020 £'000	Allowance for bad and doubtful debts 2020 £'000	Trade receivables 2020 £'000
Current	3,066	—	3,066
Aged:			
– By not more than three months	4,635	(2)	4,633
– By more than three months but not more than six months	767	(231)	536
– By more than six months but not more than one year	465	(21)	444
– By more than one year	690	(600)	90
	9,623	(854)	8,769

Notes to the financial statements *continued*

for the year ended 31 January 2021

17 Trade and other receivables *continued*

Classification as trade receivables *continued*

Company	Gross trade receivables 2021 £'000	Allowance for bad and doubtful debts 2021 £'000	Trade receivables 2021 £'000
Current	**534**	**—**	**534**
Aged:			
– By not more than three months	**1,001**	**—**	**1,001**
– By more than three months but not more than six months	**81**	**—**	**81**
– By more than six months but not more than one year	**10**	**—**	**10**
– By more than one year	**35**	**(29)**	**6**
	1,661	**(29)**	**1,632**

Company	Gross trade receivables 2020 £'000	Allowance for bad and doubtful debts 2020 £'000	Trade receivables 2020 £'000
Current	1,087	—	1,087
Aged:			
– By not more than three months	1,987	—	1,987
– By more than three months but not more than six months	10	—	10
– By more than six months but not more than one year	32	—	32
– By more than one year	1	—	1
	3,117	—	3,117

18 Cash, borrowings and net cash

	Group		Company	
Cash	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
JetCard cash	**17,805**	16,742	**11,611**	11,717
Non-JetCard cash	**9,916**	4,633	**5,751**	411
Cash and cash equivalents	**27,721**	21,375	**17,362**	12,128

	Group		Company	
Borrowings	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Secured bank loans	**—**	11,500	**—**	11,500

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Amount due for settlement within 12 months	**—**	—	**—**	—
Amount due for settlement after 12 months	**—**	11,500	**—**	11,500
	—	11,500	**—**	11,500

18 Cash, borrowings and net cash *continued*

Net cash	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Cash	**27,721**	21,375	**17,362**	12,128
Borrowings	**—**	(11,500)	**—**	(11,500)
Net cash	**27,721**	9,875	**17,362**	628

Net cash/(debt) excluding JetCard cash	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Non-JetCard cash	**9,916**	4,633	**5,751**	411
Borrowings	**—**	(11,500)	**—**	(11,500)
Net cash/(debt) excluding JetCard cash	**9,916**	(6,867)	**5,751**	(11,089)

All borrowings are in Sterling.

The Group has no borrowings outstanding at 31 January 2021 (2020: £11.5m comprised of a bank loan from the Group's banker).

The Group has access to a revolving credit facility of £13.0m with an interest rate of 2.6% above LIBOR, expiring in February 2023. The loan is secured by a floating charge over the Company's assets.

19 Trade and other payables

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade payables	**2,713**	3,421	**1,061**	1,664
Other taxation and social security payable	**1,574**	2,248	**239**	235
	4,287	5,669	**1,300**	1,899

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

20 Other liabilities

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Accruals	**6,536**	4,880	**2,847**	2,827
Other liabilities	**367**	134	**123**	—
Amounts owed to Group undertakings	**—**	—	**5,883**	3,745
	6,903	5,014	**8,853**	6,572

Amounts owed to Group undertakings are interest free, unsecured and repayable on demand.

The Directors consider that the carrying amount of other liabilities approximates to their fair value.

21 Lease liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

All leases recognised are as a result of the adoption of IFRS 16.

	Group		Company	
Gross lease liability – minimum lease payments	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
No later than one year	**4,916**	5,607	**362**	659
Later than one year and no later than five years	**1,111**	1,835	**316**	667
Later than five years	**—**	96	**—**	—
	6,027	7,538	**678**	1,326
Future finance charges on lease liabilities	**(158)**	(230)	**(23)**	(55)
	5,869	7,308	**655**	1,271

Present value of lease liabilities	**£'000**	£'000	**£'000**	£'000
No later than one year	**4,809**	5,448	**346**	627
Later than one year and no later than five years	**1,060**	1,765	**309**	644
Later than five years	**—**	95	**—**	—
	5,869	7,308	**655**	1,271

22 Deferred consideration

	Group		Company	
Within current liabilities	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Deferred consideration in respect of Redline Worldwide Limited (note 32)	**—**	1,268	**—**	1,268
Provision for costs for raising of funds for Redline Worldwide Limited	**—**	50	**—**	50
	—	1,318	**—**	1,318

	Group		Company	
Within non-current liabilities	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Deferred consideration in respect of Redline Worldwide Limited (note 32)	**991**	982	**991**	982
	991	982	**991**	982

23 Provisions

	Group		Company	
Within current liabilities	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Onerous contracts[1]	**—**	98	**—**	—
Prior year indirect tax charges[2]	**298**	283	**—**	—
Dilapidations[3]	**200**	—	**200**	—
Other	**237**	88	**23**	24
	735	469	**223**	24

1 The onerous contracts provision in the prior year was in relation to two loss-making contracts identified in the SafeSkys Limited business as part of the fair value exercise on acquisition. Both contracts were exited during the year.

2 The provision for prior year indirect tax charges is in respect of indirect tax charges for a prior year tax reassessment in France. The figure represents the best estimate of the liability after taking expert legal advice. Final resolution of the matter is expected during the coming financial year.

3 The dilapidation provision is in relation to the potential costs of making good any dilapidations which may occur during the course of the lease of property.

23 Provisions *continued*

Within non-current liabilities	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Dilapidation costs[1]	**149**	349	**—**	200
Other	**19**	44	**—**	—
	168	393	**—**	200

1 The dilapidation provision is in relation to the potential costs of making good any dilapidations which may occur during the course of the lease of property.

For the provisions no discounting has been included as it would be immaterial.

The range of potential outcomes is not materially different to the amounts included with the exception of the provision for prior year indirect tax charges. The Directors consider the probability of a materially different outcome as remote. The provision represents a best estimate of the probable outflow and a material difference is considered a remote possibility. See note 2w – Critical accounting judgements and sources of estimation uncertainty.

Movement in each class of provision for the Group during the financial year is set out below:

	Onerous contracts £'000	Dilapidation costs £'000	Prior year indirect tax charges £'000	Other £'000	Total £'000
Carrying amount at 1 February 2020	98	349	283	132	862
Charged to profit or loss:					
– Additional provisions recognised	—	—	—	150	150
Amounts used during the year	(98)	—	—	(28)	(126)
Foreign exchange	—	—	15	2	17
Carrying amount at 31 January 2021	**—**	**349**	**298**	**256**	**903**

Movement in each class of provision for the Company during the financial year is set out below:

	Dilapidation costs £'000	Other £'000	Total £'000
Carrying amount at 1 February 2020	200	24	224
Charged to profit or loss:			
– Additional provisions recognised	—	—	—
Amounts used during the year	—	—	—
Foreign exchange	—	(1)	(1)
Carrying amount at 31 January 2021	**200**	**23**	**223**

24 Financial instruments

The objectives of the Group's treasury activities are to manage financial risk, minimise the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities and ensure that the working capital requirements fit the needs of the ongoing business.

The Group has various financial instruments such as cash, trade receivables, trade payables and borrowings that arise directly from its operations, along with forward currency contracts undertaken to minimise risk on future business.

a) Interest rate risk

The Group's policy is to manage interest rate risk and to maximise its return from its cash balances. The Group's main interest rate risk is related to variable rates on cash held at the bank and borrowings. Certain cash balances are deposits on fixed interest terms, but are never lodged for more than three months to ensure that the Group does not suffer unduly from the risk of interest rate variation.

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Cash held at year end without interest rates	**24,157**	16,742	**17,027**	11,423
Cash held at year end on variable interest rates	**3,564**	4,633	**335**	705
	27,721	21,375	**17,362**	12,128

The following table illustrates the sensitivity of cash held on variable interest rates on profit before tax for the year to a reasonably possible change in interest rates, with effect from the beginning of the year. There was no additional impact on shareholders' equity. These changes are considered to be reasonably possible based on observation of current market conditions. The rate range on which interest was receivable during the year was 0.00% to 1.32% (2020: 0.00% to 1.55%).

	Effect on profit before tax			
	100 basis points increase		100 basis points decrease	
Group	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Cash held at year end on variable interest rates	**36**	46	**(36)**	(46)

	Effect on profit before tax			
	100 basis points increase		100 basis points decrease	
Company	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Cash held at year end on variable interest rates	**3**	7	**(3)**	(7)

The Group historically had been further exposed to interest rate risk due to variable interest owed on its borrowings (2020: £11,500,000), linked to LIBOR, but repaid the balance during the year.

The following table illustrates the sensitivity of borrowings on variable interest rates on profit before tax for the year to a reasonably possible change in interest rates, with effect from the beginning of the year. There was no additional impact on shareholders' equity. These changes are considered to be reasonably possible based on observation of current market conditions. The rate at which interest was payable during the year was 3.02% (2020: 3.18%).

	Effect on profit before tax			
	100 basis points increase		100 basis points decrease	
Group and Company	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Borrowings on variable interest rates	**—**	(115)	**—**	115

24 Financial instruments *continued*

b) Credit risk

The carrying amount of financial assets recognised at the reporting date, as summarised below, represents the Group's maximum exposure to credit risk:

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Cash and cash equivalents	**27,721**	21,375	**17,362**	12,128
Trade and other receivables	**6,686**	11,149	**1,909**	9,680
	34,407	32,524	**19,271**	21,808

The Group constantly monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. It is the Group's policy that all counterparties which wish to trade on credit terms are subject to an external credit verification process.

The Directors consider that all of the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has no significant concentration of credit risk to commercial customers, as credit risk is predominantly government based.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Refer to note 17 – Trade and other receivables, for details of impairment losses for financial instruments.

c) Liquidity risk

The Group faces liquidity risks in paying operators before a flight occurs or before payment is received from the customer. The Group aims to mitigate liquidity risk by, where possible, making payments to operators only once payment from the customer has been received.

The Group manages cash within its operations and ensures that cash collection is efficiently managed. Any excess cash is placed on low risk, short-term interest-bearing deposits or distributed to shareholders through dividends, although the Group retains enough working capital in the business to ensure that the business operations can run smoothly.

As at 31 January 2021, the Group and Company's financial liabilities had contractual maturities which are summarised below:

	Current				Non-current			
	Within 6 months		6 to 12 months		1 to 5 years		More than 5 years	
Group	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Trade and other payables	**27,421**	25,041	**—**	—	**—**	—	**—**	—
Bank loans	**—**	—	**—**	—	**—**	11,500	**—**	—
Lease liabilities	**3,439**	2,972	**1,477**	2,635	**1,111**	1,835	**—**	96
Derivative financial instruments	**—**	39	**—**	—	**—**	—	**—**	—
	30,860	28,052	**1,477**	2,635	**1,111**	13,335	**—**	96

	Current				Non-current			
	Within 6 months		6 to 12 months		1 to 5 years		More than 5 years	
Company	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Trade and other payables	**21,525**	19,953	**—**	—	**—**	—	**—**	—
Bank loans	**—**	—	**—**	—	**—**	11,500	**—**	—
Lease liabilities	**203**	336	**159**	323	**316**	667	**—**	—
Derivative financial instruments	**—**	39	**—**	—	**—**	—	**—**	—
	21,728	20,328	**159**	323	**316**	12,167	**—**	—

24 Financial instruments *continued*

c) Liquidity risk *continued*

Trade and other payables in the table above includes £17,805,000 of JetCard deposits (2020: £16,742,000). JetCard deposits can be used at any time by the customer and are therefore treated as maturing within six months. Other deferred income of £3,618,000 (2020: £7,916,000) which relates to services that have been invoiced but not yet completed has not been included in the credit risk table. All other deferred income is expected to be converted within the next 12 months.

d) Foreign currency risk

The Group has invested in foreign operations outside the UK and also buys and sells goods and services denominated in currencies other than Sterling. As a result the value of the Group's non-Sterling revenue, purchases, financial assets and liabilities and cash flows can be affected by movements in exchange rates in general and in US Dollar and Euro rates in particular. The Group's policy on foreign currency risk is not to enter into forward contracts until a firm contract has been signed.

The Group considers using derivatives where appropriate to hedge its exposure to fluctuations in foreign exchange rates. The purpose is to manage the currency risks arising from the Group operations. It is the Group's policy that no trading in financial instruments will be undertaken.

Foreign currency denominated financial assets and liabilities, translated into Sterling at the closing rate, are as follows:

	2021				2020			
Group	**Eur €**	**US $**	**GBP £**	**Other**	Eur €	US $	GBP £	Other
Financial assets	**18,684**	**8,175**	**7,492**	**56**	17,812	6,608	7,907	199
Financial liabilities	**(19,158)**	**(7,129)**	**(5,880)**	**(171)**	(19,078)	(5,830)	(5,559)	(61)
Short-term exposure	**(474)**	**1,046**	**1,612**	**(115)**	(1,266)	778	2,348	138
Financial assets	**–**	**–**	**–**	**–**	–	–	–	–
Financial liabilities	**(103)**	**–**	**(1,008)**	**–**	(293)	(85)	(12,981)	–
Long-term exposure	**(103)**	**–**	**(1,008)**	**–**	(293)	(85)	(12,981)	–
	(577)	**1,046**	**604**	**(115)**	(1,559)	693	(10,633)	138

	2021				2020			
Company	**Eur €**	**US $**	**GBP £**	**Other**	Eur €	US $	GBP £	Other
Financial assets	**17,406**	**1,355**	**7,423**	**364**	13,600	1,302	6,706	200
Financial liabilities	**(12,285)**	**(3,351)**	**(6,153)**	**(100)**	(12,713)	(1,484)	(6,370)	(83)
Short-term exposure	**5,121**	**(1,996)**	**1,270**	**264**	887	(182)	336	117
Financial assets	**–**	**–**	**–**	**–**	–	–	–	–
Financial liabilities	**–**	**–**	**(316)**	**–**	–	–	(12,167)	–
Long-term exposure	**–**	**–**	**(316)**	**–**	–	–	(12,167)	–
	5,121	**(1,996)**	**954**	**264**	887	(182)	(11,831)	117

The following table demonstrates the sensitivity of financial instruments to a reasonably possible change in the Euro and US Dollar exchange rates, with all other variables held constant, on profit before tax and equity. It assumes a 10% change of the Sterling/Euro exchange rate for the year ended 31 January 2021 (2020: 10%). A 10% change is also assumed for the Sterling/US Dollar exchange rate (2020: 10%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

24 Financial instruments *continued*

d) Foreign currency risk *continued*

If Sterling had strengthened against the Euro and US Dollar by 10% (2020: 10%) and 10% (2020: 10%) respectively, the impact would have been as follows:

	2021			2020		
Group	**Eur €**	**US $**	**Total**	Eur €	US $	Total
Financial assets	**(1,868)**	**(818)**	**(2,686)**	(1,781)	(661)	(2,442)
Financial liabilities	**1,926**	**713**	**2,639**	1,937	592	2,529
Effect on profit before tax/equity	**58**	**(105)**	**(47)**	156	(69)	87

	2021			2020		
Company	**Eur €**	**US $**	**Total**	Eur €	US $	Total
Financial assets	**(1,741)**	**(136)**	**(1,877)**	(1,360)	(130)	(1,490)
Financial liabilities	**1,228**	**335**	**1,563**	1,271	148	1,419
Effect on profit before tax/equity	**(513)**	**199**	**(314)**	(89)	18	(71)

If Sterling had weakened against the Euro and US Dollar by 10% (2020: 10%) and 10% (2020: 10%) respectively, the impact would have been as follows:

	2021			2020		
Group	**Eur €**	**US $**	**Total**	Eur €	US $	Total
Financial assets	**1,868**	**818**	**2,686**	1,781	661	2,442
Financial liabilities	**(1,926)**	**(713)**	**(2,639)**	(1,937)	(592)	(2,529)
Effect on profit before tax/equity	**(58)**	**105**	**47**	(156)	69	(87)

	2021			2020		
Company	**Eur €**	**US $**	**Total**	Eur €	US $	Total
Financial assets	**1,741**	**136**	**1,877**	1,360	130	1,490
Financial liabilities	**(1,228)**	**(335)**	**(1,563)**	(1,271)	(148)	(1,419)
Effect on profit before tax/equity	**513**	**(199)**	**314**	89	(18)	71

e) Forward contracts

These derivative financial instruments are not traded in active markets. Their fair value has been determined by using valuation techniques which maximise the use of observable market data, namely the contract exchange rate and the bank's forward rate. The derivatives are therefore categorised as level 2 using the fair value hierarchy.

The Group utilises currency derivatives to hedge significant future transactions and cash flows. The Group is a party to foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

Derivatives that do not qualify for hedge accounting are accounted for as trading instruments and any change in their fair value determined as the mark-to-market value at the statement of financial position date is recognised in the income statement. No derivatives qualified for hedge accounting during the year (2020: none).

At the reporting date, the total notional amount of outstanding forward foreign exchange contracts that the Group had committed is as below and their related fair value was as follows (terms not exceeding three months from 31 January 2020):

Group	**2021 £'000**	2020 £'000
Forward foreign exchange contracts – notional amount	**—**	454
Financial liability	**—**	(39)

24 Financial instruments *continued*

e) Forward contracts *continued*

Company	2021 £'000	2020 £'000
Forward foreign exchange contracts – notional amount	–	454
Financial liability	–	(39)

Changes in the fair value of derivative financial instruments amounting to £39,000 have been credited to the Group income statement in the year (2020: charge of £31,000).

Changes in the fair value of derivative financial instruments amounting to £39,000 have been credited to the Company income statement in the year (2020: charge of £31,000).

f) Capital risk management

The Group's (and by implication the Company's) objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. This will guide the Group's decisions in relation to dividends and whether to raise additional funds required through debt or equity. There is no formal policy nor target regarding the gearing ratio.

The Group's primary tool in managing risk is cash flow analysis. In addition to strategic cash flow management the Group performs frequent cash flow modelling.

The schedule of matters reserved for Board decision includes approval of any financial instruments or bank borrowings in excess of £2,000,000.

The capital structure of the Group consists of net debt (borrowings and other long-term liabilities disclosed in note 18 – Cash, borrowing and net cash, after deducting non-JetCard cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings disclosed in notes 28 to 31).

The Group is not subject to any externally imposed capital requirements. The Group is subject to covenant testing in relation to its borrowing. The Group is compliant with these at the year end and they are factored into any assessment of going concern.

Excluding JetCard cash the Group's gearing ratio at year end is as follows:

	2021 £'000	2020 £'000
Debt	–	(11,500)
Cash and cash equivalents	9,916	4,633
Net cash/(net debt)	9,916	(6,867)
Equity	21,082	9,193
Net cash/(net debt) to equity ratio	47.04%	(74.70%)

Debt is defined as long and short-term borrowings and other long-term liabilities as detailed in note 18 – Cash, borrowing and net cash.

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

g) Financial assets by category

Group	2021 £'000	2020 £'000
Cash and bank balances	27,721	21,375
Trade and other receivables and accrued income	7,502	11,467
Current assets which are not financial assets	3,222	7,652
Total current assets	38,445	40,494

24 Financial instruments *continued*

g) Financial assets by category *continued*

Company	2021 £'000	2020 £'000
Cash and bank balances	**17,362**	12,128
Trade and other receivables and accrued income	**9,186**	9,680
Current assets which are not financial assets	**1,135**	2,825
Total current assets	**27,683**	24,633

h) Financial liabilities by category

Group	2021 £'000	2020 £'000
Financial liabilities held at fair value through profit or loss	**–**	(39)
Financial liabilities measured at amortised cost	**(32,230)**	(30,648)
Current liabilities which are not financial liabilities	**(6,102)**	(12,555)
Total current liabilities	**(38,332)**	(43,242)

Company	2021 £'000	2020 £'000
Financial liabilities held at fair value through profit or loss	**–**	(39)
Financial liabilities measured at amortised cost	**(21,179)**	(20,612)
Current liabilities which are not financial liabilities	**(2,201)**	(3,456)
Total current liabilities	**(23,380)**	(24,107)

Group	2021 £'000	2020 £'000
Financial liabilities measured at amortised cost	**(2,051)**	(14,342)
Long-term liabilities which are not financial liabilities	**(168)**	(393)
Total non-current liabilities[1]	**(2,219)**	(14,735)

Company	2021 £'000	2020 £'000
Financial liabilities measured at amortised cost	**(1,300)**	(13,126)
Long-term liabilities which are not financial liabilities	**–**	(200)
Total non-current liabilities[1]	**(1,300)**	(13,326)

1 Total non-current liabilities does not include deferred tax liability.

The Directors consider that the carrying amount of the financial assets and liabilities approximates to their fair value.

25 Share based payments

The Company operates a share option scheme under which options may be granted to certain staff of the Group to subscribe for ordinary shares in the Company. The scheme rules cover grants under an approved and an unapproved section of the scheme. The vesting period is three years. With certain exceptions, options are forfeited if an employee leaves the Group and outstanding options expire if they remain unexercised after a period of 4 to 10 years from the date of grant.

25 Share based payments *continued*

Details of the share options outstanding during the year are as follows:

	2021		2020	
	Number of share options	Weighted average exercise price (pence)	Number of share options	Weighted average exercise price (pence)
Outstanding as at start of year	**1,336,759**	**7.2**	1,731,678	6.1
Granted during the year	**1,700,636**	**—**	870,475	—
Forfeited/lapsed during the year	**(265,448)**	**16.3**	(525,577)	17.7
Exercised during the year	**(113,336)**	**4.2**	(739,817)	3.0
Outstanding at year end	**2,658,611**	**1.8**	1,336,759	7.2
Exercisable at year end	**87,500**	**55.5**	254,410	37.9

The weighted average remaining contractual life of share options outstanding at the year end was 2.13 years (2020: 1.81 years).

The exercise prices of share options outstanding at year end ranged from nil pence to 55.5 pence (2020: nil pence to 63.4 pence). The total charge for the year relating to employee share based payment plans was £451,000 (2020: £59,000).

The following table shows the number of shares within ranges of exercise price:

	2021		2020	
	Number of share options	Cash which may be received upon exercise £'000	Number of share options	Cash which may be received upon exercise £'000
Nil pence	**2,571,111**	**—**	1,173,259	—
From 55.0 pence to 65.0 pence	**87,500**	**49**	163,500	96
Total	**2,658,611**	**49**	1,336,759	96

In the current year, options were granted on 11 August 2020. The estimated fair value of the options granted on those dates is £1,196,293. In the prior year, options were granted on 11 July 2019. The estimated fair value of the options granted on those dates is £565,809. Inputs into the Monte Carlo model were as follows:

	2020 options	2019 options
Weighted average share price	0.89p	0.80p
Weighted average exercise price	0.00p	0.00p
Expected volatility	77.00%	45.00%
Expected life	3 years	3 years
Risk-free rate	0.04%	0.55%
Discount for lack of marketability[1]	24.00%	n/a
Expected dividend yields	n/a	n/a

1 Discount for lack of marketability is in relation to a mandatory holding period for any share received from the exercise of options. The discount is only applicable for options for the Directors.

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years.

26 Deferred tax

Deferred tax has been calculated at 19% (2020: 17%) in respect of UK companies and at the prevailing tax rates for the overseas subsidiaries. The following are the major deferred tax liabilities and assets recognised by the Group and the Company with movements thereon during the current and prior reporting periods.

26 Deferred tax *continued*

Group	IFRS 3 intangibles £'000	Net accelerated tax depreciation £'000	Share based payment £'000	Other temporary differences £'000	Total £'000
At 31 January 2019	(685)	(87)	126	311	(335)
Arising on acquisition	(1,275)	44	—	19	(1,212)
Transition to IFRS 16	—	28	—	—	28
Credit/(charge) to the income statement	134	(47)	(80)	(20)	(13)
Exchange differences	—	—	—	(3)	(3)
At 31 January 2020	(1,826)	(62)	46	307	(1,535)
IFRS 16 adjustment[1]	—	—	—	5	5
Credit/(charge) to the income statement	257	(79)	51	509	738
Exchange differences	—	—	—	(19)	(19)
At 31 January 2021	**(1,569)**	**(141)**	**97**	**802**	**(811)**

1 Adjustment to reflect movement on finalisation of adjustments in UK subsidiaries.

Company	Net accelerated tax depreciation £'000	Share based payment £'000	Other temporary differences £'000	Total £'000
At 1 February 2019	(90)	150	—	60
Recognised on conversion to IFRS 16	10	—	—	10
(Credit)/charge to the income statement	(62)	(104)	58	(108)
At 31 January 2020	(142)	46	58	(38)
Credit to the income statement	26	44	10	80
At 31 January 2021	**(116)**	**90**	**68**	**42**

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances for financial reporting purposes:

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Deferred tax liabilities	**(1,511)**	(1,819)	**—**	(38)
Deferred tax assets	**700**	284	**42**	—
	(811)	(1,535)	**42**	(38)

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Deferred tax assets to be recovered after more than 12 months	**128**	165	**90**	88
Deferred tax assets to be recovered within 12 months	**804**	292	**68**	16
	932	457	**158**	104
Deferred tax liabilities to be recovered after more than 12 months	**(1,232)**	(1,455)	**(116)**	(142)
Deferred tax liabilities to be recovered within 12 months	**(511)**	(537)	**—**	—
	(1,743)	(1,992)	**(116)**	(142)
Deferred tax liability net	**(811)**	(1,535)	**42**	(38)

The ageing analysis grosses up deferred tax balances within entities to reflect the expected timing of recognition and therefore the Group has not offset assets and liabilities where the Group has a legally enforceable right to do so.

At the statement of financial position date the Group had undistributed earnings in respect of overseas subsidiaries that would be subject to overseas withholding taxes on remission to the UK. No liability has been recognised in respect of these earnings because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

26 Deferred tax *continued*

At the statement of financial position date the Group had unused tax losses of £4.4m (2020: £2.7m) resulting in a potential deferred tax asset of £1,394,000 (2020: £769,000). The Group has not recognised £1,394,000 (2020: £761,000) of this asset as it is not expected that the losses will be used in the foreseeable future.

In the Spring Budget 2021, the government announced that from 1 April 2023 the corporation tax rate will increase to 25.0%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

27 Employee benefits

In the UK, the Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held in individual personal pension schemes which are fully transferable if the employee leaves the Company.

Similar schemes operate across the rest of the Group depending on local regulations and individual social contribution levels. The amount of expense related to such pension contributions is disclosed in note 8.

In other subsidiaries, the employees are members of state-managed retirement funds operated by respective governments, with contributions payable being a specified percentage of payroll costs. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions. The total cost charged of £662,000 (2020: £730,000) represents contributions payable to these various schemes by the Group. As at the statement of financial position date the Group owed £149,000 (2020: £93,000) to pension schemes.

Air Partner International S.A.S. operates a defined benefit pension scheme. The French pension system is operated on a 'pay as you go' basis. Each employee is entitled to receive a basic complementary pension through monthly payroll social security deductions from the defined contribution schemes ARRCO and AGIRC (AGIRC being solely for management) as well as a complementary pension through AG2R La Mondiale. When the employee retires, the company will have no further liability to the employee.

All permanent employees are covered by this scheme. The official retirement age in France is 62; however, the full pension benefit may not be available at this age. Benefit rights do not vest before the normal retirement age.

Before 70 years of age, the employer may request the employee to retire but cannot in any way oblige them to do so. On the other hand, when the employee has reached the age of 70, the employer can unilaterally decide to retire them. Retirement in this case is then considered initiated by the employer.

If it is deemed that the employee’s retirement is not the employee’s choice, then a lump sum retirement allowance must by law be paid by the employer when the employee retires.

In this case, the lump sum allowances to be paid on retirement are calculated as follows:

- 25% of the base salary by years of seniority until 10 years; and
- 33% of the base salary by years of seniority from the 11th year.

If it is deemed that the employee’s retirement is the employee’s decision, the lump sum allowance must by law be paid by the employer when employee retires:

- 50% of 1 month's salary after 10 years of seniority;
- 1 month's salary after 15 years;
- 1.5 months' salary after 20 years; and
- 2 months' salary after 30 years.

The salary to be considered to calculate the compensation is according to the formulas below; the most advantageous result for the employee is to be applied:

- 1/12th of the gross remuneration of the last 12 months preceding your retirement; or
- 1/3rd of the last 3 months (in this case, any bonus or other element of annual or exceptional salary paid to the employee during this period is recalculated over 3 months).

27 Employee benefits *continued*

The Group recognises a provision for retirement assuming voluntary retirement by the employee with additional calculation assumptions as per below:

Defined benefit pension

The risks of the scheme are as follows:

a) Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities.

b) Life expectancy

The external scheme's obligation is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities and the company's payments required on retirement. The risk is limited due to the low number of people remaining in the scheme.

c) Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities.

A comprehensive actuarial valuation of the company pension scheme, using the projected unit basis, was carried out at 31 January 2018 by an independent consulting actuary. In the absence of the 31 January 2020 actuarial report, pension liability has been based on the assumptions below and updated for the movements in employees during the year. The valuations at these dates are based on the following assumptions:

	2021	2020
Expected rate of salary increases	**2.0%**	2.0%
Discount rate	**0.40%**	0.77%
Rate of inflation	**1.50%**	1.50%
Retirement age – management	**65–67**	65–67
Retirement age – others	**65–67**	65–67

Annual staff turnover rates in both years are as follows:

	2021	2020
All ages	**10.32%**	4.76%

Reconciliation of scheme liabilities:

	2021 £'000	2020 £'000
At 1 February	**44**	127
Current service credit	**(25)**	(83)
At 31 January	**19**	44

The sensitivity of the defined benefit obligation to changes in the principal assumption is:

Impact on defined benefit obligation

2021	**Increase in assumption**	**Decrease in assumption**
More leavers than new joiners	**Yes**	**—**

2020	Increase in assumption	Decrease in assumption
More leavers than new joiners	—	Yes

Notes to the financial statements *continued*

for the year ended 31 January 2021

27 Employee benefits *continued*

Defined benefit pension *continued*

c) Inflation risk *continued*

Impact on defined benefit obligation *continued*

Total cost recognised as an expense:

	2021 £'000	2020 £'000
Current service credit – within administrative expenses	**25**	83

28 Share capital

	2021 £'000	2020 £'000
Authorised		
Unlimited ordinary shares of 1 pence each[1]	**—**	—
Issued and fully paid		
63,562,601 ordinary shares of 1 pence each	**636**	—
53,525,293 ordinary shares of 1 pence each	**—**	535

1 At the AGM on 26 June 2019, the Company's shareholders approved that the restriction on authorised share capital be revoked and deleted.

The Company has one class of ordinary shares which carries no right to fixed income and entitles holders to one vote per share at general meetings of the Company.

In June 2020, the Group completed a cash box placing for 10,037,308 new ordinary shares of 1 pence each in the capital of Air Partner plc, the Company. The cash box placing allowed the Group to quickly issue shares by bypassing the pre-emption requirements required for the issue of shares, provided they are issued for a non-cash consideration. This was achieved through the use of shares in a subsidiary company created specifically for the cash box placing. The placing price was 75p per share. The placing raised gross funds of £7,527,981 incurring fees of £475,789, resulting in a net increase in equity of £7,052,192.

In accordance with section 612 of the Companies Act 2006, merger relief has been applied resulting in an increase to retained earnings of £6,895,576. The remainder of the increase in equity comes from:

- share capital of £100,373; and
- share premium of £56,243, which relates to an offer through PrimaryBid as part of the placing. Share issued through this offer did not qualify for merger relief.

29 Share premium account

	Group and Company £'000
Balance at 1 February 2019	4,814
Issue of shares	593
Exercise of share options	488
Balance at 31 January 2020	5,895
Issue of shares (see note 28)	56
Balance at 31 January 2021	**5,951**

30 Merger reserve

	Group and Company £'000
Balance at 1 February 2020	295
Issue of shares	6,895
Redemption of shares	(6,895)
Balance at 31 January 2021	**295**

The opening and closing merger reserve represents the fair value of the consideration given in excess of the nominal value of the ordinary shares issued as part of the acquisition consideration for Cabot Aviation Services Limited.

Movements within the reserve during the year relate to the cash box placing for 10,037,308 shares. See note 28 – Share capital for further detail.

31 Own shares reserve

	Group and Company £'000
Balance at 1 February 2019	(326)
Disposed on exercise of options	168
Balance at 31 January 2020	(158)
Disposed on exercise of options	91
Balance at 31 January 2021	**(67)**

The own shares reserve represents the cost of shares in Air Partner plc purchased in the market and held by the Air Partner Employee Benefit Trust, which was established to satisfy the future exercise of options under the Group's share option schemes (see note 25 – Share based payments). The number of ordinary shares held by the Air Partner Employee Benefit Trust at 31 January 2021 was 47,502 ordinary shares of 1 pence each (2020: 69,928 ordinary shares of 1 pence each). At 31 January 2020 a further 90,910 ordinary shares of 1 pence each were held by the Trust in a nominee capacity for one beneficiary of the Trust. No further shares were held at 31 January 2021. The cost of the shares in the own share reserve represents the total cost of both the ordinary shares held by the Air Partner Employee Benefit Trust and those held by the Trust in a nominee capacity.

32 Prior year acquisition of subsidiaries

On 12 December 2019, Air Partner plc acquired 100% of the issued share capital of Redline Worldwide Limited ('Redline'), obtaining control of the company and its subsidiaries (Redline Aviation Security Limited, Redline Assured Security Limited and Redline Assured Security SARL) on that date.

The headline price was £10.0m, on a debt free, cash free basis, with an initial consideration of £8.0m, comprised of cash of £7.4m and shares of £600,000, payable on completion and additional consideration of up to £2.0m payable over two years post completion. £1.0m of the deferred consideration was paid during the current year. The remaining balance is conditional. The Group holds a liability for the full £1.0m as of 31 January 2021.

No revisions have been made to the fair value of net assets acquired during the year.

Established in 2006, Redline is a global leader in the delivery of government-standard security training and solutions to international airports, airlines and aviation sector related companies, critical national infrastructure, stadia and event managers, and corporates. The products and services provided include: training – academy and e-Learning; quality assurance – covert testing and audits; compliance management – embedded Security Management Systems (SeMS) and security health monitoring software; and security consulting – design and development of security systems, processes and protocols.

The acquisition of Redline adds specialist consulting expertise and knowledge to Air Partner as well as offering significant growth opportunities and furthering the Group's relationships with airports, airlines, governments and corporates around the world.

32 Prior year acquisition of subsidiaries *continued*

The net assets of Redline, including intangible assets recognised on acquisition, were £7,634,000. The total consideration including adjustments for working capital and net cash was £11,728,000, resulting in goodwill of £3,644,000, attributable to the value of the assembled workforce and the ability of the senior staff to generate future business. No goodwill is deductible for tax purposes.

Redline contributed revenue of £5,859,000 and profit before tax of £298,000 during the current year (FY20: revenue of £978,000 and profit before tax of £195,000, being the results between the date of acquisition and 31 January 2020).

If the acquisition of Redline had been completed on the first day of the previous financial year, it would have contributed £7,530,000 to Group revenue and £830,000 to Group profit before tax.

Acquisition-related costs (included in other items in the previous year) amounted to £604,000 covering adviser fees, legal fees and external financial and tax due diligence.

33a Net cash inflow from operating activities

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Profit for the year				
Continuing operations	**5,632**	303	**8,093**	1,974
Adjustments for:				
Finance income	**(29)**	(71)	**(2)**	(3)
Finance expense	**522**	613	**317**	362
Income tax	**2,747**	633	**943**	751
Depreciation, amortisation and profit/loss on disposal	**4,888**	6,830	**1,142**	1,119
Impairments	**81**	1,885	**—**	1,050
Fair value movement on derivative financial instruments	**(39)**	31	**(39)**	31
Share option cost for year	**451**	59	**339**	59
Share based payments	**—**	58	**—**	58
Increase/(decrease) in provisions	**42**	(643)	**(1)**	(173)
Foreign exchange differences	**(1,388)**	88	**(555)**	407
Operating cash flows before movements in working capital	**12,907**	9,786	**10,237**	5,635
Change in receivables	**9,945**	1,582	**2,210**	4,388
Change in payables	**(3,436)**	(2,259)	**947**	(5,494)
Cash generated from operations	**19,416**	9,109	**13,394**	4,529

Cash generated from operations is stated net of a cash outflow at the Group level of £625,000 (FY20: £734,000) relating to exceptional items.

Cash generated from operations is stated net of a cash outflow at the Company level of £251,000 (FY20: £705,000) relating to exceptional items.

33b Net cash/(debt) reconciliation

This section sets out an analysis of net cash/(debt) and the movements in net cash/(debt) for each of the periods presented.

Group

	At 1 February 2020 £'000	Additions £'000	Disposals £'000	Cash flow movements £'000	Interest £'000	Foreign exchange £'000	**At 31 January 2021 £'000**
Cash	21,375	—	—	5,887	—	459	**27,721**
Debt	(11,500)	—	—	11,500	—	—	**—**
Lease liabilities	(7,308)	(277)	357	1,831	(214)	(258)	**(5,869)**
Net cash	2,567	(277)	357	19,218	(214)	201	**21,852**

	At 1 February 2019 £'000	Adoption of IFRS 16 £'000	Acquired on acquisition £'000	Additions £'000	Cash flow movements £'000	Interest £'000	Foreign exchange £'000	At 31 January 2020 £'000
Cash	25,154	—	—	—	(3,020)	—	(759)	21,375
Debt	(5,500)	—	—	—	(6,000)	—	—	(11,500)
Lease liabilities	—	(11,760)	(1,065)	(188)	5,715	(301)	291	(7,308)
Net cash	19,654	(11,760)	(1,065)	(188)	(3,305)	(301)	(468)	2,567

Company

	At 1 February 2020 £'000	Additions £'000	Cash flow movements £'000	Interest £'000	Foreign exchange £'000	**At 31 January 2021 £'000**
Cash	12,128	—	4,679	—	555	**17,362**
Debt	(11,500)	—	11,500	—	—	**—**
Lease liabilities	(1,271)	(75)	724	(33)	—	**(655)**
Net (debt)/cash	(643)	(75)	16,903	(33)	555	**16,707**

	At 1 February 2019 £'000	Adoption of IFRS 16 £'000	Cash flow movements £'000	Interest £'000	Foreign exchange £'000	At 31 January 2020 £'000
Cash	15,736	—	(3,201)	—	(407)	12,128
Debt	(5,500)	—	(6,000)	—	—	(11,500)
Lease liabilities	—	(1,938)	720	(53)	—	(1,271)
Net cash/(debt)	10,236	(1,938)	(8,481)	(53)	(407)	(643)

34 Short-term and low value lease commitments

All leases included within this note fall outside of the scope of IFRS 16, either due to low value or the lease being for less than 12 months.

The Group as lessee	**2021 Land and buildings £'000**	2020 Land and buildings £'000	**2021 Other £'000**	2020 Other £'000	**2021 Total £'000**	2020 Total £'000
Minimum lease payments under operating leases recognised as costs for the year	**61**	213	**3**	13	**64**	226

At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

The Group as lessee	**2021 Land and buildings £'000**	2020 Land and buildings £'000	**2021 Other £'000**	2020 Other £'000	**2021 Total £'000**	2020 Total £'000
Within one year	**11**	27	**2**	2	**13**	29
In the second to fifth year inclusive	**—**	2	**3**	—	**3**	2
After five years	**—**	—	**—**	—	**—**	—
	11	29	**5**	2	**16**	31

Operating lease payments represent rentals payable by the Group for certain office properties, motor vehicles and office equipment it uses. Leases are negotiated in isolation, dependent on the trading conditions in the country concerned.

35 Government grants

Government grants of £43,000 (2020: £nil) relating to lost income in France resulting from COVID-19 are included in other operating income. There are no unfulfilled conditions or other contingencies attached to these grants.

During the year the Group utilised the Coronavirus Job Retention Scheme implemented by the government of the United Kingdom, where those employees designated as being 'furloughed workers' are eligible to have 80% of their wage costs paid up to a maximum amount of £2,500 per month. The Group utilised similar schemes provided by governments in France, Germany, Austria, Italy and the United States. The total amount of such relief received was £1,703,000, which has been offset against the relevant staff costs in the accounts. There are no unfulfilled conditions or other contingencies attaching to these grants.

36 Profit for the financial year

The Group financial statements do not include a separate income statement for Air Partner plc (the parent undertaking) as permitted by Section 408 of the Companies Act 2006. The parent company profit after tax for the financial year was £8,093,000 (2020: £1,974,000) including dividends from subsidiary companies of £3,876,000 (2020: £592,000). The parent company had no other comprehensive income during the year (2020: other comprehensive loss of £51,000 resulting from the adoption of IFRS 16).

37 Related party transactions

The Company had the following transactions with related parties in the ordinary course of business during the year under review.

Trading transactions	2021 £'000	2020 £'000
Subsidiaries		
Sales to subsidiaries	–	–
Purchases from subsidiaries	–	–
Amounts owed by subsidiaries at year end	7,278	5,756
Amounts owed to subsidiaries at year end	(5,883)	(3,745)

Outstanding balances that relate to trading balances are placed on inter-company accounts with no specific credit period.

Compensation of key management personnel (being the Executive Directors)	2021 £'000	2020 £'000
Short-term employee benefits	955	512
Post-employment benefits[1]	54	62
Share based payments	191	19
	1,200	593

In addition to the above amounts, key management personnel who were also shareholders received £6,668 of dividends in respect of their shareholdings in the year ended 31 January 2021 (2020: £37,655).

The Board of Directors' remuneration in accordance with Schedule 5 of the Accounting Regulations was as follows:

Aggregate Directors' remuneration	2021 £'000	2020 £'000
Emoluments	1,116	1,045
Company contributions to money purchase pension contributions[1]	54	62
	1,170	1,107

1 Due to an administrative error in the prior year, pension contributions were overpaid by £3,479. The full amount was repaid during the current year. This has been included in the payments above but not in the Directors' remuneration for the year ended 31 January 2020.

Two Directors (2020: two Directors) were members of money purchase pension schemes during the year.

Further information about the remuneration of individual Directors is provided in the audited part of the Directors' remuneration report on pages 89 to 96.

38 Contingent liabilities

The Company's banker holds a free and floating charge over the Company's assets resulting from the revolving credit facility held by the Company.

Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action to take, we recommend you seek advice from your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000 without delay. If you have sold or otherwise transferred all your shares in the Company, please forward this document to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Annual General Meeting (AGM) to be held at 12.30 pm on Thursday 8 July 2021 at 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

We are keen to welcome shareholders in person to our 2021 Annual General Meeting this year, particularly given the constraints we faced in 2020 due to the COVID-19 pandemic.

At present, we anticipate it will be possible under proposed UK government measures for shareholders to attend the 2021 Annual General Meeting at 12.30 pm on Thursday 8 July 2021 at 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA and we will welcome the maximum number of shareholders we are able within safety constraints and in accordance with government guidelines. However, given the constantly evolving nature of the situation, we want to ensure that we are able to adapt these arrangements efficiently to respond to changes in circumstances. On this basis, should the situation change such that we consider that it is no longer possible for shareholders to attend the meeting, we will announce any changes to the meeting (such as timing or venue) as soon as practicably possible via the Regulatory News Service and the Company's website (www.airpartnergroup.com).

Attendance at the meeting

Shareholders intending to attend the Annual General Meeting, should this be possible, are asked to register their intention as soon as practicable with the Company registrars at Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Proxies

Given the uncertainty around whether shareholders will be able to attend the Annual General Meeting, because of tighter restrictions due to a change in the situation with the COVID-19 pandemic, we encourage all shareholders to either complete and return a proxy form (see notes 4 and 5 opposite); register their proxy appointment electronically (see note 6 opposite); or if they hold shares in CREST, register their proxy appointment by utilising the CREST electronic proxy appointment service (see notes 7 to 14 (inclusive) on pages 171 to 173) appointing Ed Warner, the Chair of the meeting, as their proxy. This will ensure that your vote will be counted if ultimately you are not able to attend the meeting. In order for a proxy appointment to be valid your electronic vote or proxy form must be completed and received by Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL, by 12.30 on Tuesday 6 July 2021 or, in the case of an adjourned meeting, not less than 48 hours (excluding non-business days) before the time appointed for holding such adjourned meeting.

Notice is hereby given that the 2021 Annual General Meeting of the Company will be held at 12:30 pm on Thursday 8 July 2021 at 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA for the transaction of the following business.

At the AGM we will be proposing a number of resolutions as set out below. Resolutions 1 to 11 will be proposed as ordinary resolutions, and resolutions 12 to 15 will be proposed as special resolutions:

Ordinary resolutions

Annual Report and Accounts

1. To receive the Company's audited financial statements and the Auditors' and Directors' reports for the year ended 31 January 2021.

Directors' remuneration

2. To approve the Directors' remuneration report in the form set out in the Company's Annual Report and Accounts, excluding the summary of the Directors' remuneration policy set out on pages 84 to 89 of the Directors' remuneration report, for the year ended 31 January 2021.

Dividend

3. That the final dividend recommended by the Directors of 1.6p per ordinary share for the financial year ended 31 January 2021 be declared payable on 15 July 2021 to all members whose names appear on the Company's register of members on 11 June 2021.

Directors

4. To re-elect Mark Briffa as a Director of the Company.

5. To re-elect Joanne Estell as a Director of the Company.

6. To re-elect Ed Warner as a Director of the Company.

7. To re-elect Amanda Wills as a Director of the Company.

8. To re-elect Paul Dollman as a Director of the Company.

Auditors

9. To reappoint PricewaterhouseCoopers LLP as the Company's auditors to hold office from the conclusion of this AGM until the conclusion of the next AGM at which accounts are laid before the Company.

10. To authorise the Audit and Risk Committee of the Board of Directors of the Company (the Board) to determine the remuneration of the Company's auditors.

Directors' authority to allot shares

11. To generally and unconditionally authorise the Board pursuant to and in accordance with Section 551 of the Companies Act 2006 (the Act), in substitution for all previous authorities to the extent unused, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:

    a) up to an aggregate nominal amount of £211,875; and

    b) comprising equity securities (as defined in Section 560(1) of the Act) up to a further aggregate nominal value of £211,875 in connection with an offer by way of a rights issue,

Ordinary resolutions *continued*

Directors' authority to allot shares *continued*

such authorities to expire at the conclusion of the next AGM of the Company to be held in 2022 or, if earlier, at 12.30 pm on 8 October 2022 (unless previously renewed, varied or revoked by the Company at a general meeting), save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after the authority ends and the Directors may allot such securities in pursuance of that offer or agreement as if the power conferred by this resolution has not expired.

For the purposes of this resolution, 'rights issue' means an offer to:

a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

b) holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors consider necessary or appropriate in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

Special resolutions

Disapplication of pre-emption rights

12. That if resolution 11 is passed, the Board, in substitution for all previous authorities to the extent unused, be authorised to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such authority to be limited:

    a) to allotments for rights issues and other pre-emptive issues; and

    b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £31,781,

    such authority to expire at the conclusion of the next AGM of the Company to be held in 2022 or, if earlier, at 12.30 pm on 8 October 2022 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

13. That if resolution 11 is passed, the Board, in substitution for all previous authorities to the extent unused, be authorised in addition to any authority granted under resolution 12 to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such authority to be:

    a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £31,781; and

    b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the Notice of this AGM,

    such authority to expire at the conclusion of the next AGM of the Company to be held in 2022 or, if earlier, at 12.30 pm on 8 October 2022 save that, in each case, the Company may before such expiry make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Special resolutions *continued*

Purchase of own shares

14. That the Company be generally and unconditionally authorised for the purpose of Section 701 of the Act to make market purchases (as defined in Section 693 of the Act) of ordinary shares of 1p each in the capital of the Company (ordinary shares) provided that:

    a) the maximum number of ordinary shares hereby authorised to be purchased is 6,356,260 (being approximately 10% of the issued ordinary share capital of the Company);

    b) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 1p per share, being the nominal amount thereof;

    c) the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the higher of: (i) 5% above the average of the middle market quotations for such shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS); and

    d) the authority hereby conferred shall (unless previously renewed or revoked) expire at the conclusion of the next AGM of the Company to be held in 2022 (or, if earlier, at 12.30 pm on 8 October 2022), save that the Company may before such expiry make a contract or agreement to make a market purchase of its own ordinary shares which will or may be executed wholly or partly after the expiry of such authority and the Company may purchase such shares as if the authority conferred hereby had not expired.

Notice of general meetings

15. That a general meeting of the Company other than an AGM may be called on not less than 14 clear days' notice, provided that the authority granted pursuant to this resolution 15 shall expire at the conclusion of the next AGM of the Company to be held in 2022.

By order of the Board

Judith Banks
Company Secretary

Air Partner plc

11 May 2021

Registered office:
2 City Place
Beehive Ring Road
Gatwick
West Sussex RH6 0PA

Registered in England and Wales
Registration number 00980675

Notice of Annual General Meeting *continued*

Please read the following notes and the explanation of the resolutions before deciding how to vote.

Notes

As explained on the first page of this Notice (page 170), shareholders and any proxy appointed by them may not be permitted to attend the AGM should public health guidance and legislation issued by the UK Government in response to the outbreak of COVID-19 prevent it. On that basis, shareholders are requested to appoint the Chair of the meeting to be his/her proxy at the meeting, to ensure that should the circumstances arise where no shareholders other than the minimum number of shareholders required to ensure that the meeting is quorate may be permitted to attend the meeting, shareholders can be sure of voting.

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) and Section 360B(2) of the Companies Act 2006 (the Act), only those shareholders registered in the register of members of the Company at close of business on 6 July 2021 (or, in the event of any adjournment, at close of business on the day which is two days prior to the adjourned meeting) shall be entitled to attend and vote at the AGM. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. Subject to the precautionary note at the beginning of this page, a shareholder entitled to attend and vote at the meeting may appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy they may do so at www.signalshares.com. Appointment of a proxy does not preclude you from attending and voting at the meeting in person. However, if you do so, the proxy previously appointed will not also be able to attend, speak or vote on your behalf.

3. Shareholders can:

   - appoint a proxy and give proxy instructions by returning a proxy form (see notes 4 and 5 below);
   - register their proxy appointment electronically (see note 6 below); or
   - if they hold shares in CREST, register their proxy appointment by utilising the CREST electronic proxy appointment service (see notes 7 to 14 (inclusive) opposite).

4. A paper proxy form can be requested from the registrars, as explained in note 26 on page 177. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL, or by email: enquiries@linkgroup.co.uk by 12.30 pm on 6 July 2021 (or, in the event of any adjournment, 48 hours before the time fixed for the adjourned meeting).

5. In the case of a shareholder which is a corporation, the proxy form must be executed by a duly authorised person or under its common seal or in any other manner authorised by its constitution. The power of attorney or authority (if any) should be returned with the proxy form.

6. Shareholders may appoint a proxy electronically by visiting www.signalshares.com. To be valid, your proxy appointment and instructions should reach the Company's registrars by 12.30 pm on 6 July 2021 (or, in the event of any adjournment, 48 hours before the time fixed for the adjourned meeting). By registering on the Signal Shares portal at www.signalshares.com, you can manage your shareholding, including:

   - cast your vote;
   - change your dividend payment instruction;
   - update your address; and
   - select your communication preference.

Notes *continued*

Appointment of proxies *continued*

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST proxy instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it relates to the appointment of a proxy, or is an amendment to the instruction given for a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Link Group (ID: RA10) by 12.30 pm on 6 July 2021 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Link Group is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (www.euroclear.com/CREST).

10. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

11. Shareholders may use the proxy form or electronic proxy voting arrangements to vote in one of three ways: 'for', 'against' or 'vote withheld'. Please note that a 'vote withheld' has no legal effect and will count neither for or against a resolution when proxy votes are counted on each resolution.

12. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

13. You can change your proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time has passed will be disregarded. If you submit more than one valid proxy appointment, the latest valid appointment received before the cut-off time for the receipt of proxies will take precedence.

14. An electronic proxy appointment may be revoked completely by sending an authenticated CREST message or by accessing your account at www.signalshares.com and instructing the removal of your proxy vote. In the case of written proxy instructions submitted on a proxy form, you will need to inform the Company by sending a signed written statement, clearly stating your intention to revoke your proxy appointment to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL. Any revocation notice must be received by Link Group no later than 12.30 pm on 6 July 2021.

Notice of Annual General Meeting *continued*

Notes *continued*

Nominated persons

15. The right to appoint a proxy does not extend to a 'nominated person', that is, someone to whom this Notice is sent because they have been nominated to enjoy information rights, under Section 146 of the Act. A nominated person may have a right to be appointed (or to have someone else appointed) as a proxy entitled to attend, speak and vote at the AGM, under an agreement between him/her and the member who nominated him/her.

16. If a nominated person does not have a right to be appointed, or to have someone else appointed, as a proxy, or does not wish to exercise such a right, he or she may still have the right, under an agreement between him/herself and the member who nominated him/her, to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the member who nominated them for further information on these matters.

Corporate representatives

17. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. Such representative(s) should deliver to the Company at the AGM a certified copy of the resolution authorising him and her or them before exercising such powers.

Right to ask questions

In line with the AGM arrangements in the context of the COVID-19 pandemic on page 170, we anticipate that shareholders will be entitled to attend the AGM in person. The following note on the right to ask questions is only applicable if shareholders have not been notified that they cannot attend the AGM.

18. All members and all proxies attending the meeting have the right to ask questions relating to the business of the meeting and to have those questions answered unless:

    a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or

    b) the answer has already been given on a website in the form of an answer to a question; or

    c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Total voting rights

19. As at 11 May 2021, being the last practicable day before publication of this Notice, the Company's issued share capital was 63,562,601 ordinary shares of 1p each, each carrying one vote. The total number of voting rights in the Company as at 11 May 2021 is therefore 63,562,601.

Voting on a poll

20. Voting on all resolutions will be conducted by way of a poll rather than on a show of hands. Calling a poll on each resolution allows all proxy votes cast to be counted and reported.

Joint shareholdings

21. In the case of a joint shareholding, the vote of the first named holder shown on the register of members, whether tendered in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Documents on display

22. Copies of Executive Directors' service contracts and Non-executive Directors' letters of appointment will be available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the AGM and will also be available at the place of the AGM for inspection for at least 15 minutes prior to and during the meeting itself. Should UK Government restrictions prevent this, different arrangements will be made and announced.

Information available on website

23. Copies of this Notice, the Annual Report and all information required by Section 311A of the Act, together with details of any members' statements, members' resolutions and members' items of business received after the date of this Notice and required to be published on a website by Section 527 of the Act, will be published on the Company's website (www.airpartnergroup.com).

Notes *continued*

Members' rights

24. Members representing 5% or more of the total voting rights of all the members or at least 100 persons (being either members who have a right to vote at the meeting and hold shares on which there has been paid up an average sum, per member, of £100 or persons satisfying the requirements set out in Section 153(2) of the Act) may:

    a) require the Company, under Section 338 of the Act, to give notice of a resolution which may properly be moved at the meeting. Any such request, which must comply with Section 338(4) of the Act, must be received by the Company no later than six weeks before the date fixed for the meeting;

    b) require the Company, under Section 338A of the Act, to include a matter (other than a proposed resolution) in the business to be dealt with at the meeting. Any such request, which must comply with Section 338A(3) of the Act, must be received by the Company no later than six weeks before the date fixed for the meeting; and

    c) require the Company, under Section 527 of the Act, to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Independent auditors' report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with auditors of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on a website under Section 527 of the Act.

Communications

25. You may not use any electronic address provided either in this Notice or in any related documents (including the shareholder letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

26. If you need help with voting online, or require a paper proxy form, please contact our registrars, Link Group, by email at enquiries@linkgroup.co.uk, or you may call Link on +44 (0)371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Group is open between 09.00 – 17.30, Monday to Friday excluding public holidays in England and Wales. Submission of a proxy vote shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.

Explanation of the resolutions to be proposed at the AGM

Resolution 1 – Annual Report and Accounts

For each financial year, the Directors are required by the Act to present the Annual Report and Accounts, comprising audited financial statements, the Independent auditors' report, the Strategic report, the Directors' report and the Directors' remuneration report, to shareholders at a general meeting. This is an ordinary resolution to receive the Annual Report and Accounts for the year ended 31 January 2021.

Resolution 2 – Directors' remuneration

In accordance with the Act, the Company proposes resolution 2 as an ordinary resolution to approve the Directors' remuneration report, excluding the summary of the Directors' remuneration policy set out on pages 84 to 89 of the Directors' remuneration report, for the financial year ended 31 January 2021. The Directors' remuneration report is set out on pages 81 to 96 of the Annual Report and Accounts. The vote on this resolution is advisory only and the Directors' entitlement to remuneration is not conditional on its being passed.

Resolution 3 – Dividend

We announced the reinstatement of dividends at the interim results in September 2020 with a payment of 0.8 pence per share. The Board is now recommending a final dividend of 1.6 pence per share, making a total of 2.4 pence per share for the year ended 31 January 2021. If approved, the final dividend will be paid on 15 July 2021 to shareholders on the register as at 11 June 2021.

Resolutions 4 to 8 – Directors

In accordance with the 2018 UK Corporate Governance Code (Code), all Directors shall be subject to annual election by shareholders and accordingly all Directors are submitting themselves for re-election by shareholders.

Each of resolutions 4 to 8 shall be proposed as an ordinary resolution. The Board believes that each Director brings considerable and wide-ranging skills and experience which the Board considers will continue to contribute to the Company's long-term sustainable success, and valuable contribution to the deliberations of the Board. Each Director has continued to perform effectively and demonstrate commitment to their role. The Board has no hesitation in recommending the re-election of the Directors to shareholders. In making these recommendations, the Board confirms that it has given careful consideration to the Board's balance of skills, knowledge and experience and is satisfied that each of the Directors putting themselves forward for re-election has sufficient time to discharge their duties effectively, taking into account their other commitments.

The Board has reviewed the independence of its Directors and taken into consideration the guidance provided in the Code. Accordingly, the Board considers Ed Warner, Amanda Wills and Paul Dollman to be independent in accordance with provision 10 of the Code.

The biographies of the Directors who are seeking re-election are included in the Annual Report and Accounts on page 71.

Resolutions 9 and 10 – Auditors

The Company is required to appoint auditors at every general meeting of the Company at which accounts are presented to shareholders. The current appointment of PricewaterhouseCoopers LLP as the Company's auditors will end at the conclusion of the AGM. The Audit and Risk Committee has reviewed PricewaterhouseCoopers LLP's performance as auditors of the Company during the year and has recommended to the Board that they be reappointed. The Board is careful that the auditors' independence should not be compromised and the Audit and Risk Committee takes responsibility for reviewing the performance of the auditors and making recommendations about the scope of their work and fee proposals. PricewaterhouseCoopers LLP have indicated that they are willing to continue as the Company's auditors for another year. Accordingly, resolution 9 proposes the reappointment by members of PricewaterhouseCoopers LLP as auditors of the Company until the conclusion of the Company's AGM in 2022.

Resolution 10 requests authority for the Audit and Risk Committee of the Board to determine the remuneration of the auditors.

Resolution 11 – Directors' authority to allot shares

The authority of shareholders is required to enable Directors to allot shares. The authority conferred on the Directors at the general meeting of the Company held on 15 July 2020 to allot shares or grant rights to subscribe for or to convert any securities into shares in the Company expires at the conclusion of the forthcoming AGM. This ordinary resolution seeks authority for the Directors to allot shares or grant rights to subscribe for or convert securities into shares.

Resolution 11(a) seeks to grant the Directors authority to allot, pursuant to Section 551 of the Act, shares and grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £211,875. This represents 21,187,534 ordinary shares of 1p each, which is approximately one third of the Company's issued ordinary share capital as at 11 May 2021 (being the latest practicable date prior to the publication of this Notice).

In accordance with The Investment Association's Share Capital Management Guidelines (the Guidelines), Resolution 11(b) seeks to grant the Directors authority to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal value of £211,875 (representing 21,187,534 ordinary shares of 1p each). This amount represents a further one third of the Company's issued ordinary share capital as at 11 May 2021 (being the latest practicable date prior to the publication of this Notice).

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the conclusion of the AGM of the Company to be held in 2022, or at 12.30 pm on 8 October 2022, whichever is sooner. The Directors have no present intention of exercising either of the authorities under this resolution other than to allot shares pursuant to the Company's share schemes in the ordinary course, but the Board wishes to ensure that the Company has maximum flexibility in managing the financial resources of the Company.

As at the date of this Notice, no shares are held by the Company in treasury.

Explanation of the resolutions to be proposed at the AGM *continued*

Resolutions 12 and 13 – Disapplication of pre-emption rights

Resolutions 12 and 13 will be proposed as special resolutions seeking to renew the authority of the Directors to allot new shares or other equity securities pursuant to the authority given by resolution 11, or sell treasury shares, for cash without the shares or other equity securities first being offered to shareholders in proportion to their existing holdings. The authority granted under resolution 12 shall only be used in connection with a pre-emptive offer, or otherwise up to an aggregate nominal amount of £31,781, being approximately 5% of the total issued ordinary share capital of the Company (excluding treasury shares) as at 11 May 2021.

In addition to the authority provided by resolution 12 the Pre-Emption Group's Statement of Principles supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities (and sales of treasury shares for cash) representing no more than an additional 5% of issued ordinary share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Pre-Emption Group's Statement of Principles defines 'specified capital investment' as meaning one or more specific capital investment related use for the proceeds of an issuance of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

Accordingly, and in line with the template resolutions published by the Pre-Emption Group, resolution 13 seeks to authorise the Directors to allot new shares and other equity securities pursuant to the authority given by resolution 11, or sell treasury shares, for cash up to a further nominal amount of £31,781, being approximately 5% of the total issued ordinary share capital of the Company as at 11 May 2021, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or sale, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment or sale.

If these resolutions are passed, the authorities will expire at the end of the conclusion of the next AGM of the Company to be held in 2022 or at 12.30 pm on 8 October 2022, whichever is the earlier. The Board considers the authorities in resolutions 12 and 13 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a rights issue or other pre-emptive offer without the need to comply with the strict requirements of the statutory pre-emption provisions. The Board does not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non-pre-emptive basis in any rolling three-year period (other than in connection with an acquisition or specified capital investment as described in the Pre-Emption Group's Statement of Principles) without prior consultation with shareholders.

Resolution 14 – Purchase of own shares

Resolution 14 will also be proposed as a special resolution and seeks authority for the Company to make market purchases of its own ordinary shares up to a limit of approximately 10% of the issued ordinary share capital as at 11 May 2021, being 6,356,260 ordinary shares. The authority requested would replace a similar authority granted last year and would expire at the end of the next AGM of the Company to be held in 2022 or at 12.30 pm on 8 October 2022, whichever is the earlier.

The resolution sets the minimum and maximum amounts which may be paid for such shares. This authority would only be exercised if the Directors considered that there was likely to be a beneficial impact on earnings per share and that it would be in the best interests of the Company as a whole. Shares purchased would either be held as treasury shares or would be cancelled. Treasury shares can be resold for cash, cancelled or used for the purposes of employee share schemes. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares. The Directors believe that it is desirable for the Company to have this choice as holding the purchased shares as treasury shares would give the Company the ability to resell or transfer them in the future and so provide the Company with additional flexibility in the management of its capital base. It is the Company's current intention to satisfy the requirements of its share schemes either by acquiring shares in the market or, subject to institutional guidelines, issuing new shares or using shares held in treasury.

No shares were repurchased and cancelled during the period 1 February 2020 to 31 January 2021. Options to subscribe for 2,658,611 ordinary shares were outstanding under the Company's share schemes as at 31 January 2021, representing 4.2% of the issued ordinary share capital at that date. If the authority given by this resolution 14 were to be fully used, the options currently in issue would then represent 4.6% of the issued ordinary share capital of the Company.

Resolution 15 – Notice of general meetings

Resolution 15 is an annual permission request for general meetings, other than the AGM, to be called on 14 clear days' notice. There is no current intention to hold such a meeting but the Directors wish to retain the ability to call a meeting on shorter notice if the circumstances should require it. The Companies (Shareholders' Rights) Regulations 2009 specify that approval must be sought from shareholders by special resolution at an annual or subsequent general meeting and the Company would need to make a means of electronic voting available to all shareholders for any general meeting called on less than 21 clear days' notice. If passed, the resolution would remain valid until the conclusion of the next AGM of the Company to be held in 2022.

Voting

The Company intends to call a poll on all resolutions. This means that the votes of all shareholders, including the majority of our shareholders who (even in usual circumstances) cannot attend the meeting but who submit a proxy form, can be counted. This year, against a background of ongoing COVID-19 uncertainties, please complete and return your proxy appointment as soon as possible as described in the notes above.

Recommendation

The Directors consider the proposed resolutions set out in this Notice to be in the best interests of the Company and shareholders as a whole and unanimously recommend that shareholders should vote in favour of all the resolutions.

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(Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.)

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