

**Abu Dhabi Aviation**

Review report and condensed consolidated  
interim financial statements

**30 June 2017**

**Principal business address:**

P. O. Box 2723  
Abu Dhabi  
United Arab Emirates

## **Abu Dhabi Aviation**

### **Condensed consolidated interim financial statements**

<i>Contents</i>	<i>Page</i>
Independent auditors' report on review of condensed consolidated interim financial statements	1
Condensed consolidated interim statement of financial position	3
Condensed consolidated interim statement of profit or loss	5
Condensed consolidated interim statement of profit or loss and other comprehensive income	6
Condensed consolidated interim statement of changes in equity	7
Condensed consolidated interim statement of cash flows	8
Notes to the condensed consolidated interim financial statements	10



KPMG Lower Gulf Limited  
Level 19, Nation Tower 2  
Abu Dhabi Corniche, UAE  
Tel. +971 (2) 401 4800, Fax +971 (2) 632 7612

## **Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements**

To the Shareholders of Abu Dhabi Aviation

### *Introduction*

We have reviewed the accompanying 30 June 2017 condensed consolidated interim financial statements of Abu Dhabi Aviation (the "Company") and its subsidiaries (together referred to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2017;
- the condensed consolidated interim statement of profit or loss for the three-month and six-month periods ended 30 June 2017;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2017;
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2017;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2017; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### *Scope of Review*

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



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2017 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

KPMG Lower Gulf Limited

Richard Ackland  
Registration No. 1015  
Abu Dhabi, United Arab Emirates  
Date: 25 JUL 2017

# Abu Dhabi Aviation

## Condensed consolidated interim statement of financial position

as at

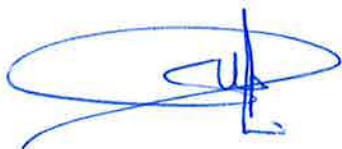
		<b>30 June 2017 (unaudited) AED'000</b>	31 December 2016 (audited) AED'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	4	2,875,612	2,908,794
Investment properties	5	350,463	161,252
Investments	6	-	-
Investment in joint ventures	7	42,942	41,015
<b>Total non-current assets</b>		<b>3,269,017</b>	<b>3,111,061</b>
<b>Current assets</b>			
Inventories		435,881	432,105
Trade receivables	8	629,702	507,202
Prepayments and other current assets		170,994	240,727
Cash and bank balances	9	161,291	417,583
Assets held for sale	10	72,883	94,125
<b>Total current assets</b>		<b>1,470,751</b>	<b>1,691,742</b>
<b>Total assets</b>		<b>4,739,768</b>	<b>4,802,803</b>
<b>Equity</b>			
Share capital	11	444,787	444,787
Share premium		112,320	112,320
Reserves		1,599,793	1,593,381
Retained earnings		432,156	416,978
<b>Equity attributable to owners of the Company</b>		<b>2,589,056</b>	<b>2,567,466</b>
<b>Non-controlling interest</b>		<b>243,895</b>	<b>228,591</b>
<b>Total equity</b>		<b>2,832,951</b>	<b>2,796,057</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		138,639	133,831
Non-current portion of term loans	12	748,886	815,008
Non-current portion of finance lease liabilities		115,743	116,269
Non-current portion of Deferred income		371,053	397,202
Amount due to a related party		2,210	5,429
<b>Total non-current liabilities</b>		<b>1,376,531</b>	<b>1,467,739</b>

... continued

## Abu Dhabi Aviation

### Condensed consolidated interim statement of financial position (*continued*) *as at*

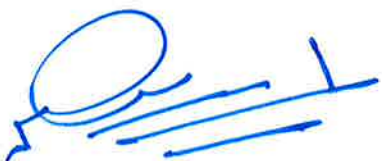
		30 June 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
<b>Current liabilities</b>			
Trade and other payables		68,413	94,056
Accrued expenses and other current liabilities		142,333	191,618
Current portion of term loans	12	165,303	145,979
Current portion of finance lease liabilities		1,105	1,063
Current portion of deferred income		52,298	52,297
Bank overdrafts	10	100,834	53,994
<b>Total current liabilities</b>		<b>530,286</b>	<b>539,007</b>
<b>Total liabilities</b>		<b>1,906,817</b>	<b>2,006,746</b>
<b>Total equity and liabilities</b>		<b>4,739,768</b>	<b>4,802,803</b>



Nader Ahmed Mohammed Al Hammadi  
*Chairman*



Sheikh Ahmed Al Dhaheri  
*Vice Chairman*



Ashraf Fahmy  
*Chief Financial Officer*

The notes set out on pages 10 to 17 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 1 and 2.

## Abu Dhabi Aviation

### Condensed consolidated interim statement of profit or loss (unaudited) for the period ended

	Three months ended 30 June		Six months ended 30 June		
	Note	2017 AED'000	2016 AED'000	2017 AED'000	2016 AED'000
Revenue		388,883	467,944	780,968	907,693
Direct operating costs		(288,795)	(343,043)	(611,117)	(690,231)
<b>Gross profit</b>		<b>100,088</b>	124,901	<b>169,851</b>	217,462
General and administrative expenses		(48,827)	(54,094)	(88,596)	(95,228)
Income from investment property		1,387	1,351	2,760	2,852
Property rental expense		(630)	(688)	(951)	(1,305)
Loss on disposal of property and equipment		(96)	(197)	(1,321)	(720)
Amortisation of deferred income		13,075	12,902	26,150	25,805
Share of profit of a joint venture		477	181	1,135	774
Finance income		532	21	685	334
Finance costs		(9,545)	(6,350)	(18,601)	(12,704)
Other income		8,263	1,147	14,984	3,779
<b>Profit for the period</b>		<b>64,724</b>	79,174	<b>106,096</b>	141,049
<b>Profit for the period attributable to:</b>					
Owners of the Company		53,203	74,687	90,792	138,887
Non-controlling interests		11,521	4,487	15,304	2,162
		<b>64,724</b>	79,174	<b>106,096</b>	141,049
Basic and diluted earnings per share (AED) 13		<b>0.12</b>	0.17	<b>0.20</b>	0.31

The notes set out on pages 10 to 17 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 1 and 2.

## Abu Dhabi Aviation

### Condensed consolidated interim statement of profit or loss and other comprehensive income (unaudited) for the period ended

	Three months ended 30 June		Six months ended 30 June		
	Note	2017 AED'000	2016 AED'000	2017 AED'000	2016 AED'000
<b>Profit for the period</b>		<b>64,724</b>	79,174	<b>106,096</b>	141,049
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Loss on sale of investments at fair value through other comprehensive income		-	-	-	(46)
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Exchange difference arising on the translation of investment property	5	<b>5,076</b>	(9,360)	<b>6,412</b>	(13,520)
Other comprehensive income for the period		<b>5,076</b>	(9,360)	<b>6,412</b>	(13,566)
<b>Total comprehensive income for the period</b>		<b>69,800</b>	69,814	<b>112,508</b>	127,483
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		<b>58,279</b>	65,327	<b>97,204</b>	125,321
Non-controlling interests		<b>11,521</b>	4,487	<b>15,304</b>	2,162
		<b>69,800</b>	69,814	<b>112,508</b>	127,483

The notes set out on pages 10 to 17 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 1 and 2.



## Abu Dhabi Aviation

Condensed consolidated interim statement of changes in equity  
for the period ended

	Share capital AED'000	Share premium AED'000	Reserves AED'000	Retained earnings AED'000	Equity attributable to owners of the Company AED'000	Non- controlling interests AED'000	Total AED'000
<b>Balance at 1 January 2016 (audited)</b>	<b>444,787</b>	<b>112,320</b>	<b>1,521,531</b>	<b>329,807</b>	<b>2,408,445</b>	<b>206,802</b>	<b>2,615,247</b>
Profit for the period	-	-	-	138,887	138,887	2,162	141,049
Other comprehensive loss for the period	-	-	(13,566)	-	(13,566)	-	(13,566)
Total comprehensive income	-	-	(13,566)	138,887	125,321	2,162	127,483
Dividends ( <i>note 14</i> )	-	-	-	(75,614)	(75,614)	-	(75,614)
Transfer of reserve to retained earnings	-	-	430	(430)	-	-	-
<b>Balance at 30 June 2016 (unaudited)</b>	<b>444,787</b>	<b>112,320</b>	<b>1,508,395</b>	<b>392,650</b>	<b>2,458,152</b>	<b>208,964</b>	<b>2,667,116</b>
<b>Balance at 1 January 2017 (audited)</b>	<b>444,787</b>	<b>112,320</b>	<b>1,593,381</b>	<b>416,978</b>	<b>2,567,466</b>	<b>228,591</b>	<b>2,796,057</b>
Profit for the period	-	-	-	90,792	90,792	15,304	106,096
Other comprehensive income for the period	-	-	6,412	-	6,412	-	6,412
Total comprehensive income	-	-	6,412	90,792	97,204	15,304	112,508
Dividends ( <i>note 14</i> )	-	-	-	(75,614)	(75,614)	-	(75,614)
Transfer of reserve to retained earnings	-	-	-	-	-	-	-
<b>Balance at 30 June 2017 (unaudited)</b>	<b>444,787</b>	<b>112,320</b>	<b>1,599,793</b>	<b>432,156</b>	<b>2,589,056</b>	<b>243,895</b>	<b>2,832,951</b>

The notes set out on pages 10 to 17 form an integral part of these condensed consolidated interim financial statements.

## Abu Dhabi Aviation

### Condensed consolidated interim statement of cash flows (unaudited) for the period ended

	Note	Six months ended 30 June	
		2017 AED'000	2016 AED'000
<b>Cash flows from operating activities</b>			
Profit for the period		106,096	141,049
<i>Adjustments for:</i>			
- Depreciation		87,259	84,031
- Net change in provisions against trade receivables		(9,426)	2,636
- Impairment for obsolete and slow moving inventories		-	(1,125)
- Provision for employees' end of service benefits		10,454	11,412
- Amortisation of deferred income		(26,150)	(25,805)
- Loss on sale of investment		-	46
- Loss on disposal of property and equipment		1,321	720
- Share of profit of a joint venture		(1,135)	(774)
- Impairment loss of goodwill		836	-
- Finance costs		18,601	12,704
- Finance income		(685)	(334)
		<b>187,171</b>	<b>224,560</b>
<i>Changes in:</i>			
- Inventories		(3,776)	(16,569)
- Trade receivables		(113,074)	92,665
- Prepayments and other current assets		69,733	(59,285)
- Trade and other payables		(25,643)	(15,268)
- Accrued expenses and other current liabilities		(49,285)	(46,548)
Cash generated from operating activities		<b>65,126</b>	<b>179,555</b>
Employees' end of service benefits paid		<b>(5,646)</b>	<b>(13,381)</b>
<b>Net cash generated from operating activities</b>		<b>59,480</b>	<b>166,174</b>

...continued

## Abu Dhabi Aviation

### Consolidated statement of cash flows (unaudited) (continued) for the period ended

	Note	Six months ended 30 June	
		2017 AED'000	2016 AED'000
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment		(55,399)	(104,968)
Purchase of investment properties		(182,799)	-
Payments for investment in a joint ventures		-	(76)
Proceeds from disposal of property and equipment		-	3
Proceeds from disposal of assets held for sale		21,315	-
Proceeds from disposal of investments		-	15,847
Finance income received		685	334
Investment in deposits with maturities over three months - net		147,000	-
<b>Net cash used in investing activities</b>		<b>(69,198)</b>	<b>(88,860)</b>
<b>Cash flows from financing activities</b>			
Proceeds from term loans		-	47,891
Repayment of term loans		(46,798)	(69,556)
Decrease in due to a related party		(3,219)	(3,033)
Payments for finance lease liabilities		(484)	(446)
Dividends paid		(75,614)	(75,614)
Finance cost paid		(20,299)	(12,750)
<b>Net cash used in financing activities</b>		<b>(146,414)</b>	<b>(113,508)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(156,132)</b>	<b>(36,194)</b>
Cash and cash equivalents at 1 January		121,628	356,033
<b>Cash and cash equivalents at 30 June</b>	10	<b>(34,504)</b>	<b>319,839</b>

The notes set out on pages 10 to 17 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 1 and 2.

# Abu Dhabi Aviation

## Notes to the condensed consolidated interim financial statements

### 1 Legal status and principal activities

Abu Dhabi Aviation (the “Company”) is a national shareholding company incorporated in Abu Dhabi, United Arab Emirates by the Decrees and Laws No. (3), No. (10), No. (8), No. (9) and No. (11) of the years 1982, 1985, 1999, 2003 and 2004, respectively. The Company’s shares are listed on the Abu Dhabi Securities Exchange.

The Company and its subsidiaries (together referred to as the “Group”) have been established to own and operate helicopters and fixed wing aircraft both within and outside the United Arab Emirates and to undertake charter, commercial, air cargo and other related services. The Company has its registered office at P.O. Box 2723, Abu Dhabi, United Arab Emirates.

### 2 Basis of preparation

#### (a) *Statement of compliance*

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2016. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last financial statements.

UAE Federal Law No. (2) of 2015 being the Commercial Companies Law (“UAE Companies Law of 2015”) was issued on 1 April 2015 to come into force on 1 July 2015 repealing the old UAE Federal Law No. (8) of 1984 (as amended). Companies are mandated to comply with the UAE Companies Law of 2015 by 30 June 2017.

#### (b) *Basis of measurement*

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for investments and investment properties, which are carried at fair value.

#### (c) *Functional and presentation currency*

These condensed consolidated interim financial statements are presented in United Arab Emirates Dirhams (“AED”), which is the Company’s functional and presentational currency. All values are rounded to the nearest AED thousands, except when otherwise indicated.

#### (d) *Use of estimates and judgments*

The preparation of condensed consolidated interim financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these condensed consolidated interim financial statements are described in note 4 of the consolidated financial statements of the Group as at and for the year ended 31 December 2016.

# Abu Dhabi Aviation

## Notes to the condensed consolidated interim financial statements

### 3 Significant accounting policies

The accounting policies applied by the Group in the presentation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its audited financial statements as at and for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

The adoption of the new and amended standards and interpretations did not have any material impact on the financial position or performance of the Group during the period.

The condensed consolidated interim financial statements incorporate the financial position and performance of the Company and its subsidiaries as disclosed below.

Name of subsidiary	Ownership interest		Country of incorporation	Principal activity
	30 June 2017	31 December 2016		
Maximus Air L.L.C.	100%	100%	U.A.E.	Air cargo
Royal Jet L.L.C.	50%	50%	U.A.E.	Commercial air and transportation services
Herbal Hill Gardens Limited	100%	100%	Gibraltar	Investment property ownership
ADA Real Estate Management and General Maintenance L.L.C.	100%	100%	U.A.E.	Real estate and facilities
Maximus Airlines L.L.C.	100%	100%	Ukraine	Air cargo services
ADA International Real Estate L.L.C.	100%	-	U.A.E.	Real estate lease and management services
Abu Dhabi Aviation Training Centre L.L.C.	100%	-	U.A.E.	Aviation training
ADA Millennium Consulting L.L.C.*	100%	51%	U.A.E.	Advisory and implementation consultancy services to aviation, manufacturing, hospitality, oil and gas and private equity sectors

\* During the period, the Group acquired additional 49% ownership interest in ADA Millennium Consulting L.L.C (previously a joint venture) and consolidated the entity in these condensed consolidated interim financial statements.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these condensed consolidated interim financial statements except for early adoption of IFRS 9 by the Group in 2009. Adoption of these new standards, amendments to standards and interpretations, except IFRS 15 'Revenue from Contracts with Customers', may not have any material impact on the condensed consolidated interim financial statements of the Group in the period of initial application.

## Abu Dhabi Aviation

### Notes to the condensed consolidated interim financial statements

#### 4 Property and equipment

During the period ended 30 June 2017, the Group incurred AED 55.4 million (31 December 2016: AED 243.7 million) on the acquisition of property and equipment. Depreciation of property and equipment during this period amounted to AED 87.3 million (31 December 2016: AED 166.4 million).

During the period ended 30 June 2017, the Group disposed of certain assets with a carrying amount of AED 1.3 million for total proceeds of Nil. Property and equipment is primarily operated from the Group's base in the United Arab Emirates.

#### 5 Investment properties

Investment properties represent investment in a property of Royal Jet L.L.C. located in Khalifa City, Abu Dhabi, a property of the Company located in London, United Kingdom and a property of ADA International Real Estate LLC located at Rawdhat area, Abu Dhabi. Property in London is registered in the name of Herbal Hill Gardens Limited, a company incorporated in Gibraltar for the purpose of owning the investment property and wholly owned by the Group.

	30 June 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
Balance at 1 January	161,252	181,940
Purchase of investment property	182,799	-
Increase in fair value – London property	-	3,232
Net foreign currency exchange difference	6,412	(23,920)
	<u>350,463</u>	<u>161,252</u>

The fair value of the investment properties was arrived at on the basis of a valuation carried out on 31 December 2016, by independent valuers not connected with the Group. The valuers are members of a professional valuers' association, with appropriate qualifications and recent experience in the valuation of properties at the relevant locations. Management believes that there is no significant change in fair value of investment properties as at 30 June 2017.

The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. As at 30 June 2017, all of the Group's investment properties were grouped in Level 2 of fair value hierarchy (31 December 2016: Level 2).

#### 6 Investments

	30 June 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
Balance at 1 January	-	15,893
Disposal of investments	-	(15,847)
Decrease in fair value / loss on sale	-	(46)
	<u>-</u>	<u>-</u>

# Abu Dhabi Aviation

## Notes to the condensed consolidated interim financial statements

### 7 Investment in a joint ventures

The Group has a 70% equity shareholding with equal voting power in AgustaWestland Aviation Services L.L.C., a joint venture established in the Emirate of Abu Dhabi, United Arab Emirates as a limited liability company. AgustaWestland Aviation Services L.L.C. is engaged to undertake repairs, overhaul, customisation, modification and upgrading of helicopters; and sale of helicopter spare parts and accessories. The Group's share of the results, assets and liabilities as at 30 June 2017 have been accounted for using the equity method.

### 8 Trade receivables

	30 June 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
Trade receivables (net of provisions)	545,501	463,526
Due from related parties	84,201	43,676
	<u>629,702</u>	<u>507,202</u>

### 9 Cash and bank balances

Cash and cash equivalents included in the condensed consolidated interim statement of cash flows comprise the following condensed consolidated interim statement of financial position amounts:

	30 June 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
Short-term deposits	93,875	240,875
Bank current accounts	66,100	173,676
Cash in hand	1,316	3,032
	<u>161,291</u>	<u>417,583</u>
Cash and bank balances in the condensed consolidated interim statement of financial position	161,291	417,583
Less: margin deposit	(1,086)	(1,086)
Less: bank overdrafts used for cash management purposes	(100,834)	(53,994)
Less: deposit with maturities over three months	(93,875)	(240,875)
	<u>(34,504)</u>	<u>121,628</u>
<b>Cash and cash equivalents in the condensed consolidated interim statement of cash flows</b>	<b>(34,504)</b>	<b>121,628</b>

Cash and cash equivalents include an amount of AED 11.6 million (31 December 2016: AED 11 million) held in foreign banks abroad and the remaining balance is held within the UAE.

### 10 Assets held for sale

As at 31 December 2016, management was committed to sell four aircrafts and these aircrafts had been accordingly presented as held for sale. During the period ended 31 March 2017, the Group has disposed of two aircrafts having carrying amount of AED 21.3 million and the remaining two aircrafts have been presented as assets held for sale as at 30 June 2017.

# Abu Dhabi Aviation

## Notes to the condensed consolidated interim financial statements

### 11 Share capital

	30 June 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
<i>Issued and fully paid:</i>		
444,787,000 shares of AED 1 each	<b>444,787</b>	<b>444,787</b>

### 12 Term loans

Borrowings and repayments made against facilities of the Group are in accordance with the terms disclosed in the consolidated financial statements for the year ended 31 December 2016.

### 13 Basic and diluted earnings per share

Earnings per share amounts are calculated by dividing the profit for the period attributable to shareholders of the Company by the weighted average number of shares outstanding during the period.

The following reflects the income and share data used in the earnings per share computations:

	Three months ended 30 June		Six months ended 30 June	
	2017 (unaudited) AED'000	2016 (unaudited) AED'000	2017 (unaudited) AED'000	2016 (unaudited) AED'000
Profit attributable to owners of the Company	<b>53,203</b>	74,687	<b>90,792</b>	138,887
Weighted average number of shares in issue	<b>444,787</b>	444,787	<b>444,787</b>	444,787
Earnings per share (AED)	<b>0.12</b>	0.17	<b>0.20</b>	0.31

The Group does not have potentially dilutive shares and accordingly, diluted earnings per share is equal to basic earnings per share.

### 14 Dividends

Cash dividends of AED 0.17 per ordinary share (17% of par value) amounting to AED 75.6 million (31 December 2016: AED 75.6 million) were approved by the shareholders at the annual general meeting held on 7 March 2017.

### 15 Contingent liabilities

As at 30 June 2017, the Group had outstanding contingent liabilities in respect of letters of guarantee amounting to AED 173.5 million (31 December 2016: AED 137.4 million).

### 16 Commitments

#### Capital commitments

As at 30 June 2017, the Group had estimated commitments for the acquisition of property and equipment of AED 32.7 million (31 December 2016: AED 59.2 million).



# Abu Dhabi Aviation

## Notes to the condensed consolidated interim financial statements

### 16 Commitments (continued)

#### Operating commitments

	30 June 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
Due in less than one year	2,276	2,276
Later than one but not later than five years	3,000	3,000
Later than five years	13,875	14,250
	<u>19,151</u>	<u>19,526</u>

### 17 Segment information

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Group is organised into four major business segments:

- (i) Helicopter and fixed wing operations, which provides charter flights and third party maintenance;
- (ii) Commercial aircraft operations, which provides commercial air transportation and aircraft management;
- (iii) Air cargo, which provides air cargo services to local and international customers using its fleet of aircrafts and chartered aircraft; and
- (iv) Investments, which involves the management of the Group's investment portfolio.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds.

Information regarding these segments is presented below:

	Helicopter and fixed wing operations AED'000	Commercial aircraft operations AED'000	Air cargo AED'000	Investments AED'000	Eliminations AED'000	Group AED'000
<b>30 June 2017 (unaudited)</b>						
Revenue	313,238	276,039	194,786	-	(3,095)	780,968
Profit for the period	<u>39,584</u>	<u>30,608</u>	<u>34,095</u>	<u>1,809</u>	<u>-</u>	<u>106,096</u>
<b>30 June 2016 (unaudited)</b>						
Revenue	404,753	186,503	317,265	-	(828)	907,693
Profit for the period	<u>60,449</u>	<u>4,324</u>	<u>74,729</u>	<u>1,547</u>	<u>-</u>	<u>141,049</u>

# Abu Dhabi Aviation

## Notes to the condensed consolidated interim financial statements

### 17 Segment information (continued)

The segment assets and liabilities were as follows:

	Helicopter and fixed wing operations AED'000	Commercial aircraft operations AED'000	Air cargo AED'000	Investments AED'000	Eliminations AED'000	Group AED'000
<b>30 June 2017 (unaudited)</b>						
Assets	<b>3,023,844</b>	<b>1,562,457</b>	<b>633,747</b>	<b>167,663</b>	<b>(647,943)</b>	<b>4,739,768</b>
Liabilities	<b>850,479</b>	<b>1,116,613</b>	<b>43,383</b>	<b>-</b>	<b>(103,658)</b>	<b>1,906,817</b>
<b>31 December 2016 (audited)</b>						
Assets	3,009,069	1,587,182	609,769	161,252	(564,469)	4,802,803
Liabilities	801,779	1,171,946	53,136	-	(20,115)	2,006,746

The Group operates primarily from its base in the United Arab Emirates and accordingly no further geographical analysis of revenues, profit, fair value gains, assets and liabilities is given.

### 18 Related parties

The Group, in the ordinary course of business, enters into transactions, at agreed terms and conditions, with related parties. Related parties comprise of the Group's shareholders, directors, senior management and businesses controlled by them and their families or over which they exercise significant management influence as well as key management personnel.

Significant transactions with related parties during the period were as follows:

	Three months ended 30 June		Six months ended 30 June	
	2017 (unaudited) AED'000	2016 (unaudited) AED'000	2017 (unaudited) AED'000	2016 (unaudited) AED'000
Revenue	<b>29,545</b>	54,215	<b>91,218</b>	103,911
Finance cost on finance lease of aircraft	<b>46</b>	51	<b>100</b>	132
<b>Key management compensation</b>				
Salaries and other short term employee benefits	<b>4,175</b>	3,622	<b>8,611</b>	7,359
Directors' fees	<b>1,915</b>	1,615	<b>3,660</b>	4,486
Provisions for employees' end of service benefits	<b>554</b>	184	<b>811</b>	542

## **Abu Dhabi Aviation**

### Notes to the condensed consolidated interim financial statements

#### **19 Comparative figures**

Certain comparative amounts have been reclassified to conform to the current period's presentation.

#### **20 Approval of condensed consolidated interim financial statements**

The condensed consolidated interim financial statements were approved by management and authorised for issue by the Board of Directors on 25 July 2017.