ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended 31st December 2015

fastjet Plc

fastjet

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At the 23rd World Travel Awards in Zanzibar on 9 April 2016 fastjet was named Africa's Leading Low-Cost Airline 2016

fastjet route network

Strategic Report

2015 – a year of change and challenge

Chairman's Statement

2015 was a year of change and challenge for the Company. While some significant successes and progress were made on achieving our vision to become the first truly pan-African low cost airline, challenging market conditions and poor financial performance overshadowed this.

Financial performance

The Group has reported a loss after tax for the year of US$21.9m (2014: loss after tax US$72.1m) on revenues up 17% at US$65.1m (2014: US$55.4m). The results for the year are complicated by the disposal of the legacy Fly 540 Ghana operations and the accounting treatment of the legacy Fly 540 Angola operations which are more fully described in the Financial Review below. The Group operating loss for the year excluding the Fly 540 Angola CGU and the discontinued operations was US$37.9m (2014: US$43.9m) which was greater than expected and reflects a difficult economic environment and weak exchange rates in our key markets.

fastjet's reliance on domestic and international routes within and from Tanzania meant that prolonged macroeconomic pressures in the country in 2015 had an adverse effect on revenues. These included a weakening of the Tanzanian economy and political uncertainty in the lead up to and immediately following the governmental elections in October 2015. This led to a downturn in governmental and civil service spending as well as in consumer spending which had a negative effect on fastjet ticket sales in the second half of the financial year.

In addition, the Tanzanian Shilling exchange rate declined by 24% during 2015 against the US Dollar, fastjet's reporting currency. As a consequence, although revenue per passenger in Tanzanian Shillings increased by 11% during the year, once translated into US Dollars, it resulted in an 8% decline in revenue per passenger.

As a result of the operating loss for the year, the Group incurred a significant operating cash outflow. The Group also invested during the year including the acquisition of an owned aircraft. The Group's cash balance at the year end was US$28.9m (2014: US$1.4m). Since the year end trading has not improved as much as anticipated and further negative cash flows have resulted in the cash balance declining to US$13.7m at 30 April 2016.

Despite the increase in revenues in 2015, the Directors believe that the current economic and trading outlook in fastjet's markets remains uncertain. As a consequence, the Group expects to continue to experience significant challenges in achieving the increased sales revenue and growth required to be cash flow positive in the short term. Notwithstanding this, the Directors have adopted the Going Concern basis in preparing these Financial Statements. Further details are set out in the Going Concern statement below and in Note 1 of the Financial Statements.

Since the year end, the Company has been notified that its subsidiary and legacy entity fastjet Aviation Limited (formerly Lonrho Aviation (BVI) Limited) has been served with a draft order for a creditor instructed liquidator to be appointed under the Insolvency Act 2003 (British Virgin Islands). fastjet Aviation Limited is the intermediate parent company of Fly 540 Angola. The Directors do not believe that there is recourse to fastjet Plc for any of the liabilities of fastjet Aviation Limited. This is set out in more detail in Note 23.

Strategic Developments

In April 2015 fastjet completed an equity fund raise of US$75m before expenses to support the Company's development. This additional cash provided working capital for expansion and funded the acquisition of aircraft.

Following the fund raise, the fastjet fleet of Airbus A319s doubled in size, from three to six aircraft. This included our first owned aircraft, which was purchased for cash and delivered into service in September 2015, and two additional aircraft acquired under lease agreements.

Strategic Report

Launching a second fastjet airline was an important achievement with fastjet Zimbabwe being granted its Air Operators Certificate (AOC) in October 2015. fastjet Zimbabwe commenced services between Harare and Victoria Falls three times a week. In January 2016 the airline was issued with a Foreign Operators Permit by the South African authorities to operate flights between Harare and Johannesburg in South Africa.

Expanding fastjet services into Kenya marked an important milestone in fastjet's strategic development. In December 2015, after extensive discussions, fastjet secured clearance from the Kenyan government to operate flights between Tanzania and Kenya under the Bilateral Air Services Agreement (BASA) between the two countries. fastjet Tanzania currently operates flights between Dar es Salaam and Nairobi which are not only key travel destinations and two of the busiest airports in the region, but also hubs with extensive regional and international networks.

Through its stimulation of the market, fastjet is already the leading airline in Tanzania, and the Company believes that the Nairobi route presents a long term growth opportunity for the airline. We believe that offering potential customers an alternative and affordable means of transport on this route will over time stimulate the market as it has done in Tanzania.

As the aviation market in Africa is not yet liberalised, securing route rights is, at present, a challenging and time consuming process which varies from country to country. Delays in securing these rights had an adverse effect on the implementation of our 2015 business plan, resulting in lower revenues and greater losses than previously expected. The effects of such delays are expected to continue in 2016.

In the short term our focus is on revenue generation, through improved marketing and promotional activity, and on progressing our cost reduction programme. In addition we will continue to match capacity with demand. Following a recent review of the routes we operate, supported by external consultants, we are rationalising our routes, reducing frequencies on certain routes and eliminating other underperforming services. As part of this process, the Company announced in April 2016 that it had delayed its application for a Zambian AOC to the final quarter of 2016, pending further review of the network.

Also in April 2016, fastjet agreed the early termination of the lease on one of its A319 aircraft. The aircraft, which was scheduled to come to the end of its lease term in October 2016, came out of service immediately. With the leases on a further two of our aircraft coming to an end during 2016 we are taking the opportunity to reassess the size and type of our aircraft to ensure that the fleet we operate is efficient, cost effective and appropriate for our routes.

In order to capture further operating efficiencies, we are also reviewing the support functions of the business in order to align them more closely with our operations and markets.

We also intend to adopt a more flexible approach to our implementation of the low-cost carrier model to ensure it is tailored to meet the specific needs of our markets. This, together with the ongoing benefit of our short term actions, means we remain confident in our long term strategy to capitalise on the opportunity in Africa where the need for low cost pan-African air travel is evident. The Board believes that fastjet is in a position to move forward from the experiences of 2015 and will benefit from the first mover advantage as the network develops.

The Board of Directors

During 2015 and since the year end there have been a number of changes in the composition of the Board. These are more fully described in the Directors' Report on page 21.

In January 2016 Lisa Mitchell joined the board as Chief Financial Officer, bringing more than 20 years' experience as a senior finance officer in the natural resources and pharmaceutical sectors with experience across both East and West Africa.

Strategic Report

Following the announcement on 14 March 2016 of Ed Winter's resignation from the Company as Chief Executive Officer, I have assumed the Executive Chairman's role until a new Chief Executive Officer joins the Board. The search for a new Chief Executive Officer is well advanced.

The Board would like to thank all the Directors who have served on the Board during 2015 and all our staff whose commitment and hard work have led to a number of achievements in the face of numerous challenges.

Corporate Governance

We believe that good governance is integral to delivering growth in shareholder value. In line with best practice and regulations, we have made a separate statement on page 21.

Outlook

As previously announced the downturn in our markets and impact on passenger numbers have been more prolonged than originally forecast. The seasonal increase in passenger numbers experienced in prior years during the first quarter has not occurred in 2016 reflecting this prolonged downturn. Accordingly, fastjet expects to report a trading loss and to remain cash flow negative in 2016.

The focus in 2016 will be on the development of existing routes and operations consistent with the Group's long term vision of becoming the first true pan-African low-cost airline. fastjet continues to reduce operating costs and overheads and to match capacity to the lower demand now forecast in pursuit of a path to profitability in the medium term.

Based on current forecasts, the Company has sufficient funds to meets its operational requirements for the foreseeable future. However, these forecasts are sensitive *inter alia* to changes in passenger numbers, yields and foreign exchange rates. Accordingly, the Board is considering a range of funding strategies in the short term, including asset sales, and expects to raise further funds in the near future to provide additional headroom and to ensure the Company has the resources to fund future growth as markets improve.

Colin Child
Executive Chairman
2 June 2016

Strategic Report

fastjet's vision

"To be the most successful pan-African low cost airline"

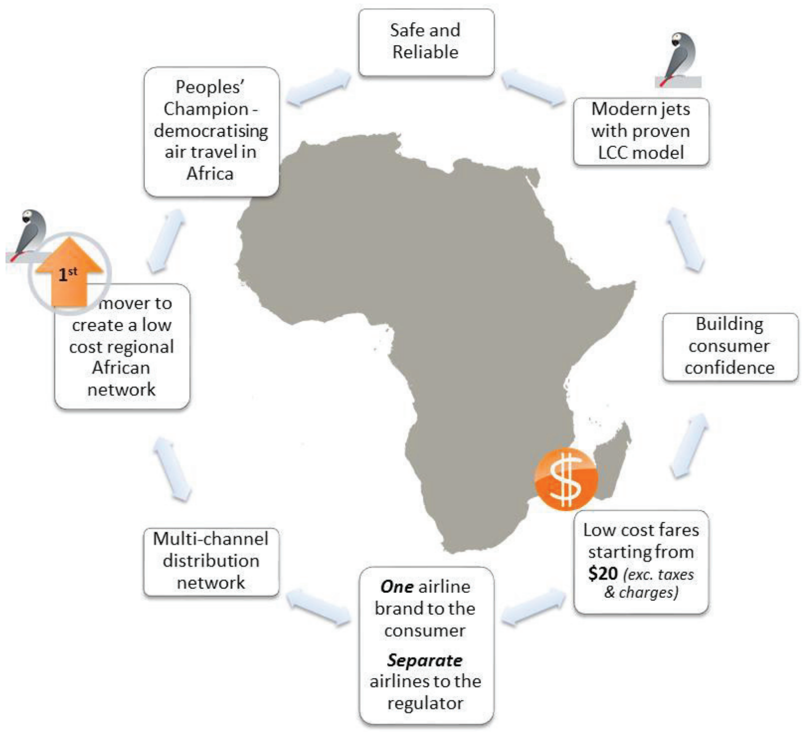
To operate domestic and international routes in all economically viable African markets.

fastjet's long-term strategy is to operate domestic and international routes in all economically viable African markets and become the most successful pan-African low cost airline. The Company is confident that its strategy of expanding the low cost carrier model will, over time, enable fastjet to develop its existing operations in Tanzania, Zimbabwe and beyond.

This strategy is already showing early signs of becoming a reality as fastjet was named "Africa's leading low cost airline 2016" at the World Travel Awards in April 2016.

fastjet's business model

fastjet Plc is the holding company of the low cost airlines, fastjet Tanzania and fastjet Zimbabwe. Flights commenced under the fastjet brand in Tanzania in November 2012 and in Zimbabwe in October 2015. By adhering to international standards of safety, quality, security and reliability, fastjet is bringing a new, low-cost, flying experience to the African market.



Since its launch, fastjet has flown over two million passengers on domestic and international routes.

fastjet currently operates a single type fleet of modern, fuel efficient, jet aircraft across a short haul, point to point network. Aircraft are maintained to international standards to ensure both safety and reliability. Complexity is minimised, and resources are highly utilised. The size and type of aircraft operated will be kept under review as the Board continues to match capacity with demand.

Fares are kept low by excluding optional extras such as baggage and on-board meals; fastjet generates ancillary revenues by offering services and functionality to customers who require such extras.

Strategic Report

fastjet's revenue management model uses low fares to stimulate the market. The system monitors demand expectations, records sales performance and highlights over and under performance at a granular level. This enables the Company to manage the balance between the revenue per passenger and the number of passengers flown on each flight.

fastjet's values

To achieve its vision of becoming the most successful pan-African low-cost airline, fastjet has introduced international standards of safety, quality, security and reliability to its network. 92% of all fastjet flights in 2015 arrived on time ("on time" being defined as arrival earlier than or within 15 minutes of schedule, excluding cancelled flights).

However, low-cost does not mean that fastjet's high values and standards are compromised in any way. Safety and security are fastjet's number one priority.

Safety and Security

Safety management systems ("SMS")
Safety is a core corporate value of fastjet and the Group is committed to maintaining a safe, secure and healthy working environment wherever it operates for our customers and staff. The Group Operations Director, the Group Head of Engineering and appointed Accountable Managers take responsibility for all aspects of safety delivery and security. The Company has a Safety Committee which is responsible for monitoring the governance of safety and security management within the airline, ensuring that safety risks and security threats are adequately monitored and that sufficient resources exist to ensure that management and reporting within the Company is maintained at a suitable level.

Safety and security are actively managed as an integral part of all operations, both in the air and on the ground. fastjet is committed to implementing, developing and improving safety and security strategies. Its systems and processes are designed to ensure that all its activities satisfy the highest level of safety performance.

The SMS involves the continuous collection and analysis of safety data, enabling proactive risk management and ongoing reviews of processes and practices to ensure compliance with the latest aviation guidelines for safety. Procedures manuals are enforced and regularly reviewed and updated as required.

fastjet works proactively to identify and mitigate safety risks within our operation, and to share experience and knowledge with airport authorities, regulatory partners, and with other locally based airlines. Safety initiatives undertaken by fastjet in 2015 (in addition to regular meetings with partners) included organising and hosting two expert-led workshops on bird strike prevention and the organisation of a 5-day Safety Management course, presented by IATA. These events were very well attended by officials from airports, local airlines and regulatory authorities.

fastjet is regularly audited by key stakeholders, some of which send an independent auditor to review our safety operational standards and compliance.

fastjet has achieved its reputation for being safe and reliable by choosing high quality suppliers, setting the highest standards for its employees and by establishing procedures and training programmes to ensure it meets the highest standards. Whilst fastjet operations in Tanzania and Zimbabwe are regulated by the respective Civil Aviation Authorities, fastjet manages its operations as though it were regulated by the European Aviation Safety Agency (EASA).

Safety training programme
fastjet's commitment to safety is underpinned by its ongoing safety training programme. This covers the hiring and training of fastjet's pilots, flight attendants, ground staff and maintenance personnel and includes its policy of maintaining aircraft in accordance with the highest international airline industry standards.

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Safety reporting system
fastjet is committed to an open culture regarding safety that promotes the reporting of all safety related incidents. Any safety related incidents are assessed and categorised. Regular safety reports are delivered to the Safety Committee and reviewed in detail.

fastjet's fleet
fastjet's Group Head of Engineering has overall responsibility for all engineering and maintenance of the fastjet fleet. Delivering an operation focused on safety using reliable aircraft that meet fastjet's operational requirements in the most cost effective manner possible is the airline's prime objective. Within the individual AOCs, Chief Engineers are responsible for aircraft maintenance and report directly to the Group Head of Engineering and local Accountable Managers. Each AOC has its own monthly Safety Review Board meeting.

Security
fastjet's security department undertakes ongoing security initiatives to ensure the safety of fastjet passengers, staff, aircraft and company properties with appointed managers responsible for each jurisdiction in which fastjet operates. This includes developing, implementing and maintaining security training and quality manuals in compliance with the National Civil Aviation security programme in jurisdictions concerned, developing a security manual to comply with the South Africa Civil Aviation Authority and compliance with security measures at airports. fastjet's security programme is audited by external authorities as well as being strictly monitored internally.

fastjet's routes

The Group currently operates 12 routes to 11 destinations in six countries in Africa.

Within Tanzania, fastjet operates routes connecting Dar es Salaam to Mwanza, Kilimanjaro, Mbeya and Zanzibar, while in Zimbabwe we operate between Harare and Victoria Falls.

fastjet operates international routes from Tanzania to Kenya (Nairobi), South African (Johannesburg), Zimbabwe (Harare), Uganda (Entebbe) and Zambia (Lusaka) while fastjet Zimbabwe operates routes to South Africa (Johannesburg).

Longer than expected economic downturns in the countries in which we operate has led fastjet to review all routes and frequencies to match demand with capacity. As a consequence some further rationalisation of routes is expected during 2016.

Distribution

fastjet utilises a mix of distribution channels in response to the nature of sales infrastructure across East Africa. fastjet tickets are sold through travel agents, trade, website bookings (desktop and mobile), General Sales Agents and in Tanzania, fastjet runs its own sales offices. fastjet's website (www.fastjet.com) accounted for over 50% of ticket sales in 2015.

fastjet also works with a third party call centre, as well as physical and on-line travel agents, and consolidators including Expedia and Skyscanner.

fastjet is now fully operational on various major mobile phone payment channels in all the countries in which it operates. This helps to address some of the challenges of operating in largely cash based markets and offers our passengers viable alternative means of payment. Approximately one third of revenues from ticket sales is generated through mobile phone payments.

Strategic Report

Operational Review

fastjet Tanzania

fastjet is the leading airline at Dar es Salaam airport and in Tanzania.

Over 775,000 passengers were carried in 2015 by fastjet Tanzania, a year on year increase of 30%. However, fastjet did experience several months of lower than expected passenger numbers in the second half of 2015, largely due to the economic and political climate. The impact of the decline of the Tanzanian Shilling against the US Dollar was felt in the second and third quarters of 2015 as higher import prices impacted the local economy. Combined with cuts in government and civil service spending, fastjet noticed a dramatic downturn in consumer spending and, consequently, ticket sales suffered in the second half of the financial year. This has continued into 2016.

Aircraft utilisation reached a high of 11.2 block hours per day per aircraft during 2015 and, on average, 92% of flights arrived on time.

In December 2015 fastjet Tanzania announced it had been granted approval by the Kenyan government to operate flights between Kenya and Tanzania. This was a significant achievement for the airline. Flights between Dar es Salaam and Nairobi were launched in January 2016. However, ticket sales on this route have been lower than anticipated as fastjet experienced delays in setting up its distribution channels and competitors reduced their fares.

fastjet Zimbabwe

Although the process of securing the Air Operator’s Certificate (AOC) in Zimbabwe took longer than expected, the first aircraft to be utilised in the Zimbabwean operation arrived in Harare in August 2015 and flights commenced between Harare and Victoria Falls in October 2015.

In February 2016, following designation of fastjet Zimbabwe by the Zimbabwe government on the Bilateral Air Service Agreements (BASA) from Zimbabwe to other countries, fastjet launched flights between Harare and Johannesburg. In March 2016 flights between Victoria Falls and Johannesburg commenced. Punctuality in the first months of operation has been encouraging, with 91% of flights arriving on time.

Objectives for 2016

2016 will see a focus on our existing core routes, of revenue generation through marketing and promotional activity, the ongoing cost reduction programme and managing cashflow. The fleet will be reduced as aircraft reach the end of their leases and we match capacity with demand. As announced in April 2016 the lease on one aircraft has been terminated, reducing the fleet to five. A further two aircraft are expected to come to the end of their leases in the final quarter of 2016. Additional aircraft will be added to the fleet as appropriate. Continued investment in strategically important routes will be maintained while new routes will be considered on a selective basis.

Short term objectives for 2016 are:

- Driving increased passenger numbers, improved yields and revenue growth
- Focus on cost control and managing overheads
- Disciplined use of capital and cash management
- Matching capacity with demand

Market overview

Regulatory environment

The regulatory environment remains an important issue for fastjet. The Company has made significant progress in some areas though the complex regulatory landscape in Africa remains a significant challenge.

Strategic Report

Although there have been many declarations of an intent to liberalise the aviation market in various parts of Africa, there has been very little regulatory freedom put in place. As a consequence aviation regulation in Africa is similar to that in Europe before the 1990s. Each country has individual regulatory requirements regarding control and ownership for any airline company wishing to operate within or from that country. Additionally flights between countries are controlled through Bilateral Air Service Agreements (BASAs) which are unique to each pair of countries. Airlines operating between countries also often need to obtain a Foreign Operator Permit.

Creating bases in fastjet's target countries is dependent on gaining a number of government approvals. These approvals are granted firstly in the form of an Air Service Permit (ASP), normally by the Ministry of Transport following a detailed review of the Company's business plan and financial status. Secondly, once an ASP has been granted, the Civil Aviation Authority will issue an Air Operator Certificate (AOC) once satisfied that the airline can operate safely and that it complies with all local regulatory requirements. This process is governed by a framework laid down by the International Civil Aviation Organisation. Finally before the airline can operate into other countries those destination countries often need to grant a Foreign Operator Permit (FOP) for each individual aircraft following a review of the airline's maintenance programme, operations and records of each aircraft to be operated on the route.

A major factor in achieving fastjet's long term growth potential is the dependence on government approvals being granted. The airline is therefore subject, on an ongoing basis, to the possibility of delays due to administrative, competitive or other such reasons. To mitigate the risks of such delays, the business plan provides optionality in the introduction of new bases and routes and also the rate of aircraft fleet growth.

The Company continues to campaign and have dialogue with governments at the highest level and within the industry to promote reform of the regulatory environment regarding route rights. The regulatory environment in terms of operating standards and safety within the industry is variable, and in some cases well below international standards. As a consequence, fastjet imposes standards on its own operations to comply wherever possible with European regulations. The Company takes every opportunity to lobby for improved safety and operational regulation and oversight by the various civil aviation authorities.

Fleet ownership model

Although in the short term the fleet size is expected to fall, fastjet expects its fleet to grow over the longer term through a mix of aircraft ownership models. This will result in a fleet of aircraft either leased or financed by equity or debt.

Marketing and Digital Success in 2015

The expansion of fastjet operations in 2015 was supported by an effective digital strategy which has continued to strengthen the Company's reputation as a top brand in Africa. Multi-channel digital tactics have helped to accelerate market growth and position fastjet as a well-trusted brand. fastjet's digital marketing strategy includes new product and route advertising, online customer service, maximising the digital user experience and creative design.

fastjet has continued to expand its award winning online customer service via a number of social media channels including Facebook, Twitter and Instagram, thus increasing its lines of communication within all its countries of operation. fastjet's website (www.fastjet.com) attracted 3.8 million visits in 2015, an increase of 43% year on year, with a consistently high conversion rate of 12%. The growth of digital channels has led to increased customer insights, which are being effectively utilised to create highly relevant localised digital advertising.

Mobile phones and tablets are now the most popular routes to fastjet's mobile website, with 55% of users (45% in 2014) now accessing the website via a mobile phone or tablet device. With the growth in mobile phone usage in Africa we continue to invest in our mobile platform and have added payment channels to facilitate booking of and payment for fastjet tickets.

Strategic Report

Email marketing segmentation techniques have allowed fastjet to effectively target audiences by country and region, using localised messaging to communicate route-specific offers. Email marketing provided the highest conversion rate in 2015, with an increase of 240% and we expect this trend to continue as the email database grows.

fastjet has significantly grown its social media following over the past year, building to nearly one million users receiving daily updates. This supports website traffic, fastjet's customer service offering and online sales. The addition of localised Facebook pages has allowed fastjet to build tailored country content and specific country communities, which has increased local brand trust and loyalty.

Awards

Since commencing services fastjet has won and been nominated for a number of awards, including "Africa's Leading Low-Cost Airline 2016" at the 23rd World Travel Awards; winning three Transform awards for the rebrand and launch of fastjet; the award for "Brand Strategy of the Year" at 2014's Drum Marketing Awards in London; and the Transport Innovator Award at the 8th Transport Africa Awards 2015 in Johannesburg.

Customer Survey

In 2015, 80% of fastjet's passengers were repeat customers. This high retention rate indicates high levels of customer satisfaction.

69% of customers state the low fares as the primary reason for travelling with fastjet. This indicates that fastjet's African audience remains sensitive to price, reinforcing fastjet's lead sales message relaying the low-cost model.

Positive feedback regarding the website has also been received. Customers have rated its ease of use, speed, and availability of information on it at 8.4/10, demonstrating that the user experience is positive for the majority of fastjet customers. 73% of customers believe the overall experience is completely satisfactory or satisfactory.

Principal risks and uncertainties

The Group is subject to various operating risks, including those that derive from the nature of the aviation industry and from operating in Africa. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

As more fully described in the Going Concern statement in the Financial Review below, there are a number of material uncertainties that may cast significant doubt upon the Group's and the parent Company's ability to continue as a going concern. The Group is exploring its strategic options to strengthen the balance sheet and improve its cash reserves and is considering a range of funding strategies in the short term, including asset sales and additional equity financing. As at the date of approval of these Financial Statements, no commitment has been made or received for any future financing and there can be no certainty that additional funding will ultimately be raised.

The risk management and internal control systems encompass the Company's policies, culture, organisational behaviour, processes and systems. The Group has a risk management framework and process that identifies and monitors its principal risks regularly identifying and associating mitigating actions to those risks.

The Board ensures a robust assessment of the risks in relation to the business model and strategy and ability to continue to meet this strategy in light of the risks and associated mitigating actions.

The following list sets out the Group's principal risks and uncertainties and also provides details as to how these are managed. This list is not intended to be exhaustive.

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Classification	Type of Risk		Mitigating Actions
EXTERNAL	**Macro-economic fluctuations**	Significant changes in the macro-economic environment can have an impact on our markets, exchange rates and fuel pricing. These are macro-economic issues outside fastjet's control and could have an adverse effect on the Groups financial performance	• fastjet does not currently have any forex or interest rate hedging in place, as the business grows and absolute exposure increases, fastjet will consider appropriate risk management strategies. • Near term currency fluctuation risk is mitigated where possible by matching flows of income and expenditure in the same currency providing a natural hedge. • Forward fuel contracts were in place from October 2015 to March 2016 at a fixed price which removed the risk of fuel price volatility for a percentage of the yearly requirements. These contracts will be reviewed as appropriate.
	Political Risk	Business continuity may be at risk due to political uncertainty	• fastjet actively monitors and seeks to understand all political and regulatory changes in the jurisdictions it operates in. • The Company strives to have positive working relationships in the countries it operates in and operates according to internationally recognised standards and principles.
OPERATIONAL	**Safety**	A major safety incident or accident could adversely affect fastjet's operational and financial performance	• Safety and security is fastjet's number one priority. • The fastjet business model is to operate, as far as possible, as though regulated by the European Aviation Safety Agency (EASA) regardless of local regulation. • A comprehensive Safety Management System (SMS) exists and covers operations throughout the Group.

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		• Safety data is collected and analysed and used for future risk mitigation. • All personnel are encouraged to report incidents without fear of disciplinary action. • The Board Safety Committee provides oversight of the SMS and is responsible for overall safety policy and governance. • A Safety Action Group meets at intervals of not greater than two months chaired by the General Manager to review incidents and manage safety-related risk. • A Flight Operations Quality programme analyses flight data from each flight and investigates exceedances. The data is used to guide training and where appropriate changes in procedures. • fastjet works with local agencies such as airport authorities and air traffic control to improve safety in the operating environment. • fastjet oversees its operations through both internal compliance within each of its AOCs and external compliance through the Group Operations team.
Security and terrorist threat or attack	A major security incident could adversely affect fastjet's operational and financial performance	• fastjet works with appropriate authorities and governments to ensure that security measures are effective. • Regular security audits are conducted to ensure fastjet operations are as secure as possible.
Mass disruption	Mass disruption has the potential to adversely affect fastjet's operational and financial performance	• Processes are in place to manage mass disruption led by a 24 hour Network Management Control centre.

Strategic Report

		• As the network expands fastjet will be less reliant on any single market.
Legislative and Regulatory Risks	Delays in receiving the required licences and approvals could have a significant effect on fastjet's business plan	• fastjet takes a proactive role in influencing government policy and regulations which affect the Company. • fastjet lobbies at the highest level of government, and within the industry, promoting the relaxation of the regulatory environment regarding route rights.
	Renewal of AOC and other licences	• fastjet seeks to maintain an open, close and professional relationship with the Regulators to ensure approvals and licences are maintained and renewed.
Commercial risk	Once secured, new routes need to stimulate demand from sometimes hitherto untapped markets to meet growth targets	• Use of an in-house route development model utilising over 100 criteria provides accurate demand analytics. • Route optionality allows resources to be deployed to match demand.
Economic risk	The business model assumes that fastjet prices will be accessible to the new markets considered	• fastjet is targeting approximately 1% of the population as customers, or approximately 10% of the target market within that population. • Many target customers already travel at a similar cost on the roads, and many more currently travel less frequently but on higher cost airlines. • fastjet's model allows for very accessible pricing if booked in advance.
Loss of key management	Failure to develop and grow key personnel and provide a succession plan could affect fastjet achieving its strategy.	• Recruitment policy takes account of the need for succession planning.

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			• Extensive cross functional working ensures that know-how and key relationships are shared.
	IT	IT infrastructure and environment at risk as the company is dependent on external support. The ever present risk of cyber-attack is real and needs to be managed	• As the Company matures and grows there is a risk that the infrastructure does not grow in line with Company requirements. The Company continually reviews the requirement for an IT manager ensuring support is adequate. Support for testing of cyber-attack regularly occurs through the offsite support.
FINANCIAL	**Liquidity/Funding Risk**	Inability to meet contractual obligations as and when they fall due	• Cashflow is monitored and reported upon and reviewed monthly by the Executive Management team and Board. • Cash flow forecasting based upon latest projected revenues and costs are completed monthly with weekly reports and daily monitoring occurring. • Potential asset sales and additional equity financing will be pursued.
		Liquidation of fastjet Aviation Limited and associated legacy items	• No recourse to fastjet Plc expected for any of the liabilities of fastjet Aviation Limited.
	Fraud and criminal activity	In the countries in which we operate cash is predominantly used in completing purchases.	• Revenue management operates from UK, with specific roles focussed on forensic oversight. • Cashless payment solutions are being explored to limit exposure to fraud in the payment and receipt cycle.
REPUTATIONAL	**Bribery Act**	Participation in bribery could adversely affect fastjet's financial performance and reputation	• fastjet has a zero tolerance approach to bribery and corruption. • All employees are subject to the Company's Anti-Bribery and Corruption policy.

Strategic Report

		• fastjet seeks to maintain close oversight on all external contracts with a strong focus on legal governance and compliance. • fastjet includes appropriate anti-bribery and corruption restrictions in its contractual relationships with suppliers and related parties.
Competition	Changes in competitor behaviour could adversely affect fastjet's financial performance	• Regular monitoring of competitor activity is undertaken, enabling a rapid response to any such activity that may impact fastjet revenues.

Colin Child
Executive Chairman
2 June 2016

Strategic Report

Financial Review

fastjet Group

	2015	2014
	US$m	**US$m**
Loss from continuing activities after tax excluding Fly 540 Angola CGU	(36.2)	(44.4)
Loss from continuing activities after tax for Fly 540 Angola CGU	(5.1)	(13.6)
	(41.3)	(58.0)
Profit/(Loss) from discontinued activities net of tax	19.4	(14.1)
Loss for the year after tax	(21.9)	(72.1)

The Company recorded a loss for the year of US$21.9m in 2015 (2014: US$72.1m). The profit from discontinued activities of US$19.4m (2014: US$14.1m loss) relates to the disposal of the legacy Fly 540 Ghana Limited ("Fly 540 Ghana") and its aircraft, held in a separate entity, (together the cash generating unit, "Fly 540 Ghana CGU"). Although this disposal was for a nominal amount, the profit on discontinued activities in 2015 reflects the removal of the net liabilities of the Fly 540 CGU from the fastjet Group as it is no longer consolidated.

The loss from continuing activities of US$41.3m includes the legacy Fly 540 Sociedade de Aviacao Civil S.A. ("Fly 540 Angola") and its aircraft, held in a separate entity, (together the cash generating unit, "Fly 540 Angola CGU"). As more fully described below, Fly 540 Angola has been abandoned and, although still required to be consolidated, its results are shown separately within the Income Statement to allow clearer presentation of the underlying fastjet performance.

Group revenue increased by 17.5% to US$65.1m (2014: US$55.4m) reflecting a 32% increase in total passenger numbers to 787,771 in 2015 (2014: 597,432). However, revenues were adversely affected by the weakening of the Tanzanian Shilling against the US Dollar, our reporting currency. As a consequence, although revenue per passenger in Tanzanian Shillings improved by 11% year on year, when translated into US Dollars this represents an 8% decrease in reported revenue per passenger.

Year on year costs, excluding the Fly 540 Angola CGU and before exceptional items, increased by 22% to US$103.0m (2014: US$84.4m). The increase in costs was due to the fleet growth, higher utilisation of aircraft and the additional costs associated with regulatory approvals and establishing new bases.

The loss after tax for the year for the continuing businesses, excluding the Fly 540 Angola CGU, reduced by 18% to US$36.2m loss (2014: US$44.4m loss).

Non-trading financial performance

Discontinued operations
In June 2015, fastjet disposed of its legacy interest in the Fly 540 Ghana CGU in line with the Company's strategy to exit from territories it operated in prior to the establishment of the fastjet brand in Tanzania and elsewhere.

Following the disposal of the Fly 540 Ghana CGU, its financial results, assets and liabilities are no longer consolidated into the fastjet Group's financial statements.

Upon the disposal of the Fly 540 Ghana CGU, the cumulative amount of the exchange differences relating to that operation, historically recognised in other comprehensive income and accumulated in the separate component of equity, were recycled from other comprehensive income to profit or loss (as a reclassification adjustment) when the profit/(loss) from discontinued activities was recognised in accordance with IAS21.48. The reclassification forms part of the profit/(loss) from discontinued activities shown within the Income Statement, but that is then offset against the amounts in the Statement of Other Comprehensive Income.

Strategic Report

Profit/(loss) from discontinued activities of the Fly 540 Ghana CGU in 2015 was US$19.4m (2014: US$14.1m loss). This matter is more fully described in Note 3.

Abandoned operations
At 31 December 2014 the Company intended and expected to sell the legacy Fly 540 Angola CGU business and, accordingly, the entity was classified as "held for sale". Neither the entity nor the aircraft were sold during 2015 and, due to changes in circumstances, it is no longer considered probable that a sale will be achieved. Therefore it is no longer appropriate for the Fly 540 Angola CGU to be accounted for as "held for sale".

As Fly 540 Angola has not maintained books of account or records during 2015, there are no employees, no local office and there has been no operational activity during the period, the entity is regarded as having been "abandoned". Although the entity is classified as abandoned for the year ended 31 December 2015, the assets and liabilities are required, in accordance with accounting standard IFRS 5, to be consolidated in the Group financial statements owing to deemed "control" of the entity by the Group. The comparative results in 2014 have been restated to show the Fly 540 Angola CGU within continuing operations.

The Company does not believe it has any liability to settle the liabilities of the Fly 540 Angola CGU and as such the assets and liabilities have been consolidated but are disclosed separately to allow clearer presentation of the underlying fastjet balance sheet. As the figures are presented on a consolidated basis, intercompany balances have been eliminated. (Please see Note 3.)

As a result of the Fly 540 Angola CGU's abandoned status, it has not been possible for KPMG to undertake audit procedures on its accounting records. This represents a limitation in audit scope and consequently KPMG's audit report carries a qualification in respect of this.

Post balance sheet event
The Company has, since the year end, been notified that the subsidiary and legacy entity, fastjet Aviation Limited (formerly Lonrho Aviation (BVI) Limited) has been served with a draft order for a creditor instructed liquidator to be appointed over fastjet Aviation Limited in accordance with the Insolvency Act 2003 (BVI). The case is to be heard on 6 June 2016. fastjet Aviation Limited is the intermediate parent company of the sub-group which included Fly 540 Angola and, formerly Fly 540 Ghana. The Directors do not believe that there is recourse to fastjet Plc for any of the liabilities of fastjet Aviation Limited. This is set out in more detail in Note 23.

Exceptional items
There were no exceptional items within the continuing fastjet operations in 2015 although the Fly 540 Angola CGU reported an exceptional item in respect of the impairment of fixed assets.

During 2014, the Company experienced several significant exceptional costs. In April 2014, the agreement between the Company and easyGroup Holdings Limited ("easyGroup") for management assistance for aviation advisory services was terminated by the issue of 94,287,227 shares at 1.6p per share at a total non-cash cost of approximately US$2.5m at the date of issue of the shares. Additionally, further to a review of the carrying value of intangible assets (see Note 9), the Company made the decision to impair the full capitalised value of both the Brand Licence Agreement with easyGroup and the fastjet Tanzania Air Operators Certificate (AOC), with non-cash adverse impacts on the income statement of US$8.9m and US$1.9m respectively.

Fuel cost

fastjet purchased its fuel at prevailing market prices from January to September 2015. From October 2015 to March 2016 the Company entered into a fixed price contract which removed the risk of volatility around the fuel price for an agreed volume. Approximately 75% of the total fuel uplift for this period was fixed. The Board will keep its fuel price hedging strategy under review.

Strategic Report

fastjet Tanzania

fastjet Tanzania's revenues increased by 20% to US$64.6m (2014: US$53.8m) driven by a 30% increase in passenger numbers over 2014. This passenger growth was achieved through the addition of two aircraft over the period and improved aircraft utilisation which grew to a high in December 2015 of 11.2 block hours per day from 10.2 block hours per day in December 2014. However, notwithstanding this revenue increase, the business reported an operating loss before exceptional items of US$24.2m for the year (2014: US$22.5m) largely due to increased costs arising from the additional capacity.

Exchange rate changes in 2015

The steep decline in the Tanzanian Shilling exchange rate against the US Dollar throughout 2015 had an adverse impact on the economy in the third quarter resulting in fewer than expected passengers flying. In addition, although revenue per passenger in Tanzania improved by 11% year on year in local currency, when translated into US Dollars, our reporting currency, revenue per passenger fell by 8%.

fastjet Zimbabwe

fastjet Zimbabwe commenced services in October 2015. It reported revenues of US$0.3m (2014: US$ nil) and an operating loss before exceptional items of US$4.0m for the year (2014: US$ nil).

Key performance indicators

The Directors consider the following to be the key performance indicators when measuring underlying operational performance. These measures relate to the operating performance of fastjet Tanzania only and do not include fastjet Zimbabwe which did not commence operations until Q4 2015:

Measure	2015	2014	Movement
Passenger numbers	781,238	597,432	+30%
Revenue per Passenger (US$)	82.74	89.98	-8%
Seats Flown	1,171,818	814,465	+44%
Available Seat Kilometres (ASK)	957,871,744	676,446,468	+42%
Load Factor	66.7%	73.3%	-6.6pp
Revenue per ASK (US cents)	6.75	7.95	-15%
Cost per ASK (US cents)	9.28	11.27	-18%
Cost per ASK ex. Fuel (US cents)	7.09	7.93	-11%
Aircraft Utilisation (Hours)	9.9	7.9	+25%
Aircraft Utilisation at Year End (Hours)	9.6	10.2	-6%
Aircraft Utilisation in Peak Month (Hours)	11.2	10.2	+10%

Funding

A placing on 1 April 2015 successfully raised £50.0m (US$75.0m) before expenses from institutional and other investors as well as fastjet management. The proceeds of the placing have been utilised in providing working capital to existing and new operations in Tanzania and Zimbabwe and the acquisition of an aircraft.

Going Concern

The Group meets its day to day working capital requirements from its cash resources. As at 30 April 2016, the Group has no committed facilities and has cash balances of US$13.7m within the continuing Group excluding Angola.

There are risks associated with operating in Africa including but not limited to political, judicial, administrative, taxation or other regulatory matters. Many countries in Africa, including those in which the Group currently

Strategic Report

operates may in the future experience severe socio-economic hardship and political instability, including political unrest and government change.

The commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business which may be susceptible to delay, revision or cancellation, as a result of which legal redress may be uncertain or delayed.

The Group has operated at a loss and incurred a significant operating cash outflow since the placing on 1 April 2015. While total revenues of the Group have increased year on year due to increased passenger numbers, the Directors consider that the current economic outlook in the countries in which fastjet operates presents significant challenges for the Group to achieve the increased sales revenue and growth required to be cash flow positive in the short to medium term.

The Directors have prepared detailed forecasts and projections for the Company to June 2017. These include revenue, profit and cash flow forecasts on a route by route basis.

As set out in Note 23, Events after the balance sheet date, fastjet Aviation Limited (formerly Lonrho Aviation (BVI) Limited) has been issued with a draft order for a creditor appointed liquidator to be appointed under the Insolvency Act 2003 (British Virgin Islands). The Directors do not believe that there is recourse to fastjet Plc for any of the liabilities of fastjet Aviation Limited and do not expect the settlement of any intercompany balances as the entities concerned are unlikely to have sufficient funds to settle them. Accordingly, the forecasts do not include any cash outflows in respect of the liabilities of fastjet Aviation Limited.

The Directors have also considered a number of risks in preparing these forecasts including *inter alia*:

- Achieving forecast passenger numbers and yield
- Aviation fuel prices, which are currently not hedged
- Adverse currency exchange rate movements
- Reducing the current cost base

The Directors believe, on the basis of current financial projections and funds available, that the Group has sufficient resources to meet its operational needs over the relevant period, being until June 2017 although the headroom over available cash resources is not large. The Directors have also prepared sensitised cash flow forecasts which indicate that the Group will need to raise additional funding if the Group does not substantially achieve those forecasts.

The Group is at an advanced stage in the recruitment of a new CEO and is exploring its strategic options to strengthen the balance sheet and improve cash reserves and is considering a range of funding strategies in the short term, including asset sales and additional equity financing. The Directors are confident that, with a new CEO and a revised business plan, additional funding will be available. However, as at the date of approval of these financial statements, no commitment has been made or received for any future financing and there can be no certainty that additional funding will ultimately be raised.

In preparing these Financial Statements, the Directors continue to adopt the going concern basis, notwithstanding the expected need for further funding.

The matters described above represent material uncertainties that may cast significant doubt upon the Group's and the parent Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the basis of preparation proved inappropriate.

Lisa Mitchell
Chief Financial Officer
2 June 2016

Directors' Report

Board of Directors

The following details the current Board of Directors. Please refer to the Directors' report on page 23 for a detailed listing of changes throughout the year.

Colin Child, Executive Chairman

Colin joined the fastjet board on 1 October 2015 as Non-Executive Chairman. An internationally experienced finance director and Chartered Accountant with over 20 years on the boards of FTSE 250 companies, he has extensive knowledge of growth businesses and leading strategic development. Colin was the Group Finance Director of De La Rue Plc, the world's largest banknote printer and passport manufacturer between 2010 and July 2015. Other previous roles include Group Finance Director of DTZ Holdings plc, Stanley Leisure plc and Fitness First Plc. Colin is a Non-Executive Director of Connect Group plc where he is Chairman of the Audit Committee and was also a Non-Executive Director from 2011 to 2014 at Rank Group Plc, a FTSE 250 Gaming and Leisure company, where he was Chairman of the Audit and Nominations Committees as well as the Senior Independent Director.

As announced on 14 March 2016, Colin has assumed the role of Executive Chairman following the resignation of Ed Winter as Chief Executive Officer until a replacement is appointed.

Lisa Mitchell, Chief Financial Officer

Lisa joined the board as Chief Financial Officer in January 2016, bringing more than 20 years' experience as a senior finance officer in the natural resources and pharmaceutical sectors. Lisa was previously the Chief Financial Officer of Ophir Energy plc, a FTSE-250 listed upstream and production oil and gas company, with assets in East and West Africa as well as Asia. Lisa, a Certified Practising Accountant with the Australian Society of Certified Practising Accountants, has worked in both AIM quoted and Main Market listed companies.

Robert Burnham, Non-Executive Director

Rob has held a variety of executive director and senior management positions in a number of listed companies both in the UK and USA. He has undertaken lead roles in substantial merger and acquisition transactions and, as Chairman, led a flotation on the London AIM market. He currently operates as a Management Consultant advising businesses on building enterprise value through profitable growth and staff professional development.

Corporate Governance

The Board is committed to maintaining high standards of corporate governance. The Company has adopted policies and procedures which reflect the principles of the QCA's Corporate Governance Guidelines for Smaller Quoted Companies ("QCA Code") as are appropriate to a Company whose shares are admitted to trading on AIM.

With the recent changes in the composition of the Board, a number of interim arrangements in respect of governance and membership of board committees have been necessary. The Board expects to become more compliant with best practice as additional directors are appointed in due course.

Directors' Report

Report of the Directors

The Directors present their report together with the audited accounts for the year ended 31 December 2015 and the comparative 12 month period to 31 December 2014.

Results and dividends

The income statement is set out on page 32 and has been prepared in US Dollars, the reporting currency of the Company and the consolidated Group. The Group's net loss after taxation attributable to equity holders of the Company for the year was US$21.9m loss (2014: US$72.1m loss). No dividends have been paid or proposed.

Post balance sheet events

Post balance sheet events are shown at Note 23.

Internal control

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of increased activity and further development of the Company, continuing reviews of internal controls are undertaken to ensure that they are adequate and effective. In particular, in recognising the immaturity and evolving nature of the business, management has invested time and effort to improve controls within fastjet Tanzania.

Risk management

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management to forecasts. Project milestones and timelines are regularly reviewed. An assessment of all key risks faced by the Company is reviewed by the Board on a regular basis and appropriate and mitigating and monitoring actions agreed.

Employees

The Directors follow a policy of keeping all employees informed of strategic, commercial, financial and human resources matters.

Securities trading

The Board has adopted a Share Dealing Code that applies to Directors, senior management and any employee who is in possession of price-sensitive information. All such persons are prohibited from trading in the Company's securities if they are in possession of price-sensitive information. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

Relations with shareholders

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through the London Stock Exchange announcements and regular updates of the Company website. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

Directors' Report

Substantial shareholdings

At 31 December 2015, the following shareholders had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

Shareholder	Number of ordinary shares of £1 each held as at 31 Dec 2015	% of issued share Capital
M&G Investment Management	9,953,436	14.9%
easyGroup Holdings	7,186,754	10.8%
JO Hambro Capital Management	6,550,000	9.8%
Majedie Asset Management	5,112,327	7.7%
The Mako Europe Fund Ltd (Oxburgh)	3,964,000	5.9%
Hargreaves Lansdown Stockbrokers	3,577,113	5.4%
Henderson Global Investors	3,300,000	4.9%
Barclays Stockbrokers	2,326,080	3.5%
HSDL Stockbrokers	2,277,485	3.4%
GAM	2,914,200	4.4%

Directors

The Directors who served the Company during the period were:

Name	Position	
Krista Bates	General Counsel	*Resigned 14 March 2016*
Richard Bodin	Chief Commercial Officer	*Resigned 4 December 2015*
Robert Burnham	Non-Executive Director	
Nick Caine	Chief Financial Officer	*Resigned 22 January 2016*
Clive Carver	Non-Executive Director	*Resigned 4 December 2015*
Colin Child	Non-Executive Director and Chairman	*Appointed 1 October 2015*
Bryan Collings	Non-Executive Director	*Resigned 8 April 2016*
Tim Ingram	Non-Executive Director	*Appointed 29 September 2015, resigned 18 March 2016*
Ed Winter	Chief Executive Officer	*Resigned 18 March 2016*

Board of Directors

Following the resignations detailed above, the Board of Directors currently comprises two Executive Directors and one Non-Executive Director. Colin Child has temporarily assumed the Executive Chairman's role until a new CEO is recruited and appointed to the Board at which time he will revert to Non-Executive Chairman. As announced in April 2016, Robert Burnham has agreed to remain on the Board and will seek re-election at the AGM. The Directors are aware that currently the Board composition is not a suitable balance and that the recommendations of the UK Corporate Governance Code have not been implemented to an appropriate level. The Board maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company. The Board is endeavouring to achieve a balance that meets the recommendations of the UK Corporate Governance Code.

Board meetings

The Board meets regularly, typically each month, throughout the year in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance.

Directors' Report

All Directors have access to the advice of the Company's solicitors and the Company Secretary ensures necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to independent professional advice, at the Company's expense, as and when required.

Board committees

The Board has established the following committees, each of which has its own terms of reference:

Safety Committee
Comprises Robert Burnham (Chairman), Chief Executive Officer, and the Group Director of Operations, although all Board members are invited to attend meetings. The Safety Committee is responsible for monitoring the governance of safety and security management within the airline, ensuring that safety risks and security threats are adequately monitored and that sufficient resources exist to ensure that management and reporting within the Company is maintained at a suitable level. Until a CEO is appointed Colin Child will be interim Executive Chairman and also a member of the Safety Committee.

Audit Committee
Comprises Colin Child (Chairman) and Robert Burnham and determines the terms of engagement of fastjet's auditors and, in consultation with the auditors, the scope of the audit. The Audit Committee will receive and review reports from management and the Company's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Company's auditors. Until a CEO is appointed Colin Child is interim Executive Chairman of the Company and will also assume the role of Audit Committee Chairman on an interim basis.

Remuneration Committee
Comprises Robert Burnham (Chairman) and Colin Child and reviews the scale and structure of the Executive Directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the Non-Executive Directors are set by the entire Board. Until a CEO is appointed Colin Child is interim Executive Chairman of the Company but remains a member of the remuneration committee.

Nomination Committee
Comprises Colin Child (Chairman) and Robert Burnham and is responsible for evaluating the balance of skills, knowledge and experience of the Board, the size, structure and composition of the Board and for identifying candidates to fill vacancies on the Board, as and when they arise. The Nomination Committee will make appropriate recommendations to the Board on such matters.

Executive Committee
The committee constitutes the Executive Directors of the Company comprising the Executive Chairman/Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, and the Group Director of Operations. The Executive Committee's primary responsibilities are to implement the business plan agreed by the Board, review the operating performance of each Group company, manage the Group's strategic planning process and corporate acquisitions and disposal programme, monitor and approve capital expenditure and contracts within delegated limits entered into by the Group, and to manage the Group's HR policies.

Directors' and Officers' Insurance cover

Insurance cover has been established for all Directors to provide cover against their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the last financial year and remain in force for everyone who is or was a Director.

Directors' Report

Directors' interests

The beneficial share interests of the Directors that served during the period are set out below:

Name	31 December 2015 No. of shares of £1 each	31 December 2014 No. of shares of £1 each (adjusted*)
Krista Bates *(resigned 14 March 2016)*	25,000	Nil
Richard Bodin *(resigned 4 December 2015)*	51,250	31,250
Robert Burnham	1,472	1,472
Nick Caine *(resigned 22 January 2016)*	25,000	Nil
Clive Carver *(resigned 4 December 2015)*	Nil	Nil
Colin Child *(appointed 1 October 2015)*	Nil	Nil
Bryan Collings *(appointed 1 May 2015, resigned 8 April 2016))*	Nil	Nil
Tim Ingram *(appointed 29 September 2015, resigned 18 March 2016)*	188,341	Nil
Ed Winter *(resigned 18 March 2016)*	443,000	313,000

*Adjusted to reflect the share consolidation in April 2015

Remuneration Policy

The Company has agreed a policy designed to retain and attract individuals of the highest calibre in order to ensure corporate success and therefore enhance shareholder value.

The overall approach is to attract, develop, motivate and retain such individuals at all levels by paying competitive salaries and benefits to all staff and encouraging staff to hold shares in the Company. Pay levels are set to take account of contribution and individual performance and also with reference to relevant market information where available. The Company seeks to reward its employees fairly and give them the opportunity to increase their earnings by linking pay to achieving business and individual targets.

The Remuneration Committee and the Board believe that share ownership is an effective way of strengthening the involvement of all staff in the future development of the Company and aligning their interests with those of all shareholders. As such fastjet utilises share option schemes and share incentive schemes as appropriate.

The remuneration of the Executive Directors is set by the Remuneration Committee and the Board sets the remuneration of the Non-Executive Directors. The Committee also monitors the level and structure of remuneration for other senior executives and managers. In line with best practice and to bring the Directors' and shareholders' interests further into line, Directors and the management team are encouraged to receive and hold shares as part of their performance related remuneration.

Bonus Policy

The criteria for Executive Director Bonus awards are set to reflect the achievement of strategic targets, both short term and long term. During 2015 the goals were weighted to progressing towards long term goals, building enterprise value, and thus directly delivering value to all the Company's shareholders.

Directors' Report

Directors' remuneration (audited)

Remuneration of those serving, and whilst serving, as Directors in the period is analysed below.

For the year ended 31 December 2015

	Salary US$'000	Bonus US$'000	Fees US$'000	Benefits US$'000	Total US$'000
Krista Bates *(resigned 14 March 2016)*	379	-	-	-	379
Richard Bodin *(resigned from board 4 December 2015)*	351	-	-	8	359
Robert Burnham	-	-	89	-	89
Nick Caine *(resigned 22 January 2016)*	414	-	-	1	415
Clive Carver *(resigned 4 December 2015)*	-	-	119	-	119
Bryan Collings *(appointed 1 May 2015, resigned 8 April 2016))*	-	-	-	-	-
Colin Child *(appointed 1 October 2015)*	30	-	-	-	30
Tim Ingram *(appointed 29 September 2015, resigned 18 March 2016)*	-	-	-	-	-
Ed Winter *(resigned 18 March 2016)*	580	-	-	9	589
Total	1,754	-	208	18	1,980

Since resigning from the board Mr Bodin remains as an employee of the Company on the same terms. Following Mr Carver's resignation he received payment in respect of his three month notice period in accordance with his letter of appointment.

Key management personnel are considered to be members of the Executive Committee. The total remuneration of the Executive Committee, including the Executive Directors detailed above, was US$2.1m in 2015.

For the year ended 31 December 2014

	Salary US$'000	Bonus US$'000	Fees US$'000	Benefits US$'000	Total US$'000
Krista Bates *(appointed 1 June 2014)*	191	120	-	7	318
Richard Bodin *(appointed 1 June 2014)*	270	234	-	8	512
Robert Burnham	-	-	94	-	94
Nick Caine *(appointed 18 September 2014)*	171	91	-	1	263
Clive Carver *(appointed 1 June 2014)*	-	-	52	-	52
Bryan Collings *(appointed 1 May 2015)*	-	-	-	-	-
Angus Saunders *(resigned 1 July 2014)*	377	-	-	-	377
Ed Winter	619	327	-	9	955
Total	1,628	772	146	25	2,571

No pension payments are made for Directors.

Directors' Report

Share options granted to Directors (audited)

Share options granted to those serving as Directors in the period are shown below.

	31 December 2015 No. share options held	31 December 2014 No. share options held	Exercise Price	Date granted	Exercise period	Date renounced
Krista Bates[5]	422,607	-	£1.025	01/04/15	01/04/18-01/04/25	-
Richard Bodin[3]	546,612	-	£1.025	01/04/15	01/04/18-01/04/25	-
Robert Burnham	-	375	£60	07/06/06	07/06/06-07/06/16	01/04/15
Robert Burnham	-	3,000	£10	13/06/12	13/06/12-13/06/22	01/04/15
Robert Burnham	-	20,000	£50	13/06/12	13/06/12-13/06/17	01/04/15
Rob Burnham	146,972	-	£1.025	01/04/15	01/04/18-01/04/25	-
Nick Caine[4]	422,607	-	£1.025	01/04/15	01/04/18-01/04/25	-
Clive Carver[2]	146,972	-	£1.025	01/04/15	01/04/18-01/04/25	-
Ed Winter[1]	-	40,000	£50	27/07/12	27/07/12-27/07/17	01/04/15
Ed Winter	1,141,040	-	£1.025	01/04/15	01/04/18-01/04/25	-

On 1 April 2015 fastjet granted new options over 3,256,811 ordinary shares of £1 each to Directors and employees of the Company, exercisable at the 1 April 2015 mid-market closing price of £1.025. Share option awards previously issued to Ed Winter and Rob Burnham over 40,000 and 23,375 ordinary shares of £1 each respectively were renounced at the same time.

The options issued in 2015 were issued under three new option schemes: the Tax Advantaged 2015 CSOP Scheme, the Non-Tax Advantaged 2015 Scheme and the Non-Executive Director Share Option Plan.

The number of options renounced and the exercise price are adjusted following the share consolidation on 21 April 2015 as explained in Note 18.

The total expense recognised in the Income Statement for equity settled share based payments for directors was US$701,000 (2014: US$565,000). This includes expense in respect of options issued in 2012 and subsequently renounced.

1. *Mr Winter resigned 18 March 2016*
2. *Mr Carver resigned 4 December 2015 but retains his options for a further two years*
3. *Mr Bodin resigned from the Board effective 4 December 2015*
4. *Mr Caine resigned from the Board effective 22 January 2016*
5. *Ms Bates resigned from the Board effective 14 March 2016*

Directors' Report

Provision of information to auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

KPMG LLP has signified its willingness to continue in office as auditor, and a resolution that they be re-appointed and to authorise the Directors to fix their remuneration will be proposed at the next annual general meeting.

By order of the Board

Lisa Mitchell
Company Secretary

Directors' Report

Statement of Directors' Responsibility

The Directors are responsible for preparing the Annual Report, Strategic report, Directors' report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the 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 parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group Financial Statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent company Financial Statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Independent auditor's report

Independent Auditor's Report to the Members of fastjet Plc

We have audited the financial statements of fastjet Plc for the year ended 31 December 2015 set out on pages 32 to 86. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 29, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Basis for qualified opinion on financial statements
fastjet Plc has an investment of 60% in Fly 540 Angola, a foreign subsidiary which was classified as "held for sale" in fastjet's consolidated financial statements for the year to 31 December 2014. As the sale of Fly 540 Angola 2015 has not been achieved the definition of "held for sale" is no longer met at 31 December 2015. Fastjet's consolidated financial statements for the year to 31 December 2015 have been prepared on the basis of Fly 540 Angola being an abandoned operation following fastjet's announcement in April 2014 that it was suspending operations in Angola. fastjet has not provided any further funding to Fly 540 Angola and it has not maintained a local office in Angola. Therefore local accounting books and records have not been prepared. In addition, fastjet has neither sought nor received any communication with the minority shareholder in Fly 540 Angola and therefore fastjet Plc has assumed no change in the financial position of Fly 540 Angola for the preparation of the 31 December 2015 consolidated financial statements except for adjustments for transactions during 2015 involving other Group companies. In the absence of proper accounting records, we were unable to obtain sufficient appropriate audit evidence over the carrying amount of assets of US$1.4m and liabilities of US$18.1m related to Fly 540 Angola, included in the financial statements as detailed in Note 3.

Qualified opinion on financial statements
In our opinion, except for the possible effects of the matters described in the basis for qualified opinion on financial statements paragraph:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2015 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report

Emphasis of matter - Going concern
In forming our opinion on the financial statements, which is not further qualified in respect of this matter, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning uncertainties as to the Group's and the parent company's ability to continue as a going concern; in particular the substantial achievement of forecasts including higher load factors, yields and fuel prices, the successful reduction of the current cost base, any negative cash flow implications of the liquidation of fastjet Aviation Limited, and the availability of such additional equity funding as may be needed if those forecasts are not substantially met.

These matters along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the parent company were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
In respect solely of the limitation on our work relating to Fly 540 Angola, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made.

Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Consolidated income statement

	Note	2015 fastjet* US$'000	2015 Fly 540 Angola CGU US$'000	2015 Total US$'000	2014 (restated) fastjet* US$'000	2014 (restated) Fly 540 Angola CGU US$'000	2014 (restated) Total US$'000
Revenue		**65,055**	**-**	**65,055**	53,759	1,683	55,442
Cost of Sales (after exceptionals)		**(77,963)**	**(171)**	**(78,134)**	(78,150)	(11,915)	(90,065)
Gross Loss		**(12,908)**	**(171)**	**(13,079)**	(24,391)	(10,232)	(34,623)
Administrative costs (after exceptionals)		**(25,018)**	**(4,234)**	**(29,252)**	(19,540)	(2,433)	(21,973)
Group operating loss	4	**(37,926)**	**(4,405)**	**(42,331)**	(43,931)	(12,665)	(56,596)
Operating loss before exceptionals		**(37,926)**	**(845)**	**(38,771)**	(30,690)	(9,959)	(40,649)
Impairment of aircraft	3	**-**	**(3,560)**	**(3,560)**	-	(1,715)	(1,715)
Termination of easyGroup agreement	22	**-**	**-**	**-**	(2,504)	-	(2,504)
Impairment of Inventories		**-**	**-**	**-**	-	(371)	(371)
Impairment of other Fixed assets		**-**	**-**	**-**	-	(620)	(620)
Impairment of other intangible assets	9	**-**	**-**	**-**	(10,737)	-	(10,737)
Operating loss after exceptionals		**(37,926)**	**(4,405)**	**(42,331)**	(43,931)	(12,665)	(56,596)
Finance income	6	**2,330**	**-**	**2,330**	-	-	-
Finance charges	6	**(273)**	**(685)**	**(958)**	(310)	(915)	(1,225)
Loss from continuing activities before tax		**(35,869)**	**(5,090)**	**(40,959)**	(44,241)	(13,580)	(57,821)
Taxation	7	**(353)**	**-**	**(353)**	(156)	-	(156)
Loss from continuing activities after tax		**(36,222)**	**(5,090)**	**(41,312)**	(44,397)	(13,580)	(57,977)
Profit/(loss) from discontinued activities net of tax	3	**19,371**	**-**	**19,371**	(14,105)	-	(14,105)
Loss for the year		**(16,851)**	**(5,090)**	**(21,941)**	(58,502)	(13,580)	(72,082)
Attributable to:							
Shareholders of the parent company		**(16,851)**	**(5,090)**	**(21,941)**	(57,726)	(8,148)	(65,874)
Non-controlling interests		**-**	**-**	**-**	(776)	(5,432)	(6,208)
		(16,851)	**(5,090)**	**(21,941)**	(58,502)	(13,580)	(72,082)
Loss per share (basic and diluted) (US$)	8						
From continuing activities		**(0.71)**	**(0.10)**	**(0.81)**	(3.38)	(0.62)	(4.00)
From discontinued activities		**0.38**	**-**	**0.38**	(1.01)	-	(1.01)
Total		**(0.33)**	**(0.10)**	**(0.43)**	(4.39)	(0.62)	(5.01)

*fastjet Group continuing activities excluding the Fly 540 Angola CGU (see Note 3).

Consolidated statement of comprehensive income

	Note	2015 US$'000	2014 US$'000
Loss for the year		**(21,941)**	(72,082)
Foreign exchange translation differences	1	**3,226**	8,859
Translation reserve taken to the income statement on disposal of subsidiary		**(10,937)**	-
Total other comprehensive (expense)/income for the year		**(7,711)**	8,859
Total comprehensive expense		**(29,652)**	(63,223)
Attributable to:			
Shareholders of the parent company		**(29,652)**	(57,015)
Non-controlling interests		**-**	(6,208)
Total comprehensive expense		**(29,652)**	(63,223)

All items in other comprehensive income will be re-classified to the Income Statement.

Non-controlling interests for 2015 are US$ Nil as there was no profit or loss within the Fly 540 Angola legal entity for the period. Losses in the Fly 540 Angola CGU operation, which are not included in Fly 540 Angola legal entity, result from aircraft ownership.

Consolidated balance sheet

		2015			2014 (restated)		
	Note	**fastjet*** **US$'000**	**Fly 540 Angola CGU** **US$'000**	**Total** **US$'000**	fastjet* US$'000	Fly 540 Angola CGU US$'000	Total US$'000
Non-current assets							
Intangible assets	9	**487**	**-**	**487**	335	-	335
Property, plant and equipment	10	**13,338**	**5,000**	**18,338**	540	9,209	9,749
Investments	11	**-**	**-**	**-**	-	-	-
Trade and other receivables	12	**2,054**	**-**	**2,054**	1,186	1,364	2,550
		15,879	**5,000**	**20,879**	2,061	10,573	12,634
Current assets							
Cash and cash equivalents	14	**29,836**	**54**	**29,890**	6,655	54	6,709
Trade and other receivables	12	**7,723**	**1,364**	**9,087**	5,649	-	5,649
Assets held in disposal groups classified as held for sale	3	**-**	**-**	**-**	9,226	-	9,226
		37,559	**1,418**	**38,977**	21,530	54	21,584
Total assets		**53,438**	**6,418**	**59,856**	23,591	10,627	34,218
Equity							
Called up equity share capital	16	**144,923**	**-**	**144,923**	69,850	-	69,850
Share premium account		**108,366**	**-**	**108,366**	108,366	-	108,366
Reverse acquisition reserve		**11,906**	**-**	**11,906**	11,906	-	11,906
Retained earnings	1	**(239,474)**	**(5,664)**	**(245,138)**	(218,418)	191	(218,227)
Translation reserve		**3,822**	**-**	**3,822**	11,548	(15)	11,533
Equity attributable to shareholders of the Parent Company		**29,543**	**(5,664)**	**23,879**	(16,748)	176	(16,572)
Non-controlling interests		**-**	**(20,438)**	**(20,438)**	(2,593)	(20,438)	(23,031)
Total equity		**29,543**	**(26,102)**	**3,441**	(19,341)	(20,262)	(39,603)
Liabilities							
Non-current liabilities							
Trade and other payables	13	**1,786**	**-**	**1,786**	2,118	-	2,118
		1,786	**-**	**1,786**	2,118	-	2,118
Current liabilities							
Bank overdrafts	14	**-**	**975**	**975**	-	975	975
Obligations under finance leases	15	**-**	**14,406**	**14,406**	183	12,125	12,308
Trade and other payables	13	**21,801**	**17,139**	**38,940**	21,714	17,789	39,503
Taxation		**308**	**-**	**308**	-	-	-
Liabilities directly associated with assets in disposal groups classified as held for sale	3	**-**	**-**	**-**	18,917	-	18,917
		22,109	**32,520**	**54,629**	40,814	30,889	71,703
Total liabilities		**23,895**	**32,520**	**56,415**	42,932	30,889	73,821
Total liabilities and equity		**53,438**	**6,418**	**59,856**	23,591	10,627	34,218

*fastjet Group continuing activities excluding the Fly 540 Angola CGU (see Note 3).

The Fly 540 Angola CGU column above identifies the assets and liabilities in the Angola CGU excluding intercompany balances between Fly 540 Angola and the rest of the Group – see Note 3.

These financial statements were approved and authorised for issue by the Directors on 2 June 2016 and are signed on their behalf by:

Colin Child
Executive Chairman

Consolidated cash flow statement

	2015	2014
	US$'000	US$'000
Operating activities		
Result for the year	**(21,941)**	(72,082)
Tax charge	**353**	156
Profit on disposal of aircraft	**(2,250)**	-
Profit on disposal of subsidiary	**(17,694)**	-
Impairment of intangible assets	**-**	10,744
Impairment of aircraft	**4,020**	4,378
Impairment of other property plant and equipment	**-**	828
Depreciation and amortisation	**1,137**	2,881
Finance income	**(2,592)**	-
Finance charges	**1,151**	2,966
Tax paid	**(159)**	-
Decrease in inventories	**-**	910
(Increase)/Decrease in receivables	**(3,285)**	2,292
Increase in trade and other payables	**3,583**	19,124
Share option charges	**778**	565
Net cash flow from operating activities	**(36,899)**	(27,238)
Investing activities		
Disposal of discontinued operation net of cash disposed of	**4,356**	-
Sale of held for sale aircraft	**11,000**	-
Purchase of intangibles	**(226)**	(119)
Purchase of property, plant and equipment	**(13,304)**	(213)
Net cash flow from investing activities	**1,826**	(332)
Financing activities		
Proceeds from the issue of shares (net of expenses)	**71,918**	27,223
Interest paid	**(192)**	(1,706)
Finance lease payments on held for sale aircraft	**(11,319)**	(1,591)
Net cash flow from financing activities	**60,407**	23,926
Net movement in cash and cash equivalents	**25,334**	(3,644)
Foreign currency difference	**2,204**	1,311
Opening net cash	**1,377**	3,710
Closing net cash	**28,915**	1,377

Closing cash balances held at 31 December 2015 include bank balances of US$ Nil (2014: US$5,000) and overdrafts of US$ Nil (2014: US$4.4m) disclosed within "assets held in disposal groups" on the consolidated balance sheet.

Closing cash balances held at 31 December 2015 include bank balances of US$54,000 (2014: US$54,000) and overdrafts of US$975,000 (2014: US$975,000) disclosed as held by Angola CGU on the consolidated balance sheet.

Cash balances at 31 December 2015 include US$54,000 (2014: US$161,000) of cash not available for use by the Group, being US$54,000 (2014: US$54,000) held in Angola where the government restricts movement of currency, and US$ Nil (2014: US$107,000) being other amounts held in trust.

Consolidated statement of changes in equity

	Share Capital	Share Premium	Reverse Acquisition Reserve	Translation Reserve	Retained Earnings	Non-controlling Interests	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 31 December 2013	**51,097**	**97,392**	**11,906**	**2,674**	**(147,239)**	**(22,502)**	**(6,672)**
Shares issued	18,753	10,974	-	-	-	-	29,727
Share based payments	-	-	-	-	565	-	565
Change in non-controlling interests (see Note 17)	-	-	-	-	(5,679)	5,679	-
Transactions with owners	18,753	10,974	-	-	(5,114)	5,679	30,292
Foreign exchange difference	-	-	-	8,859	-	-	8,859
Loss for the year	-	-	-	-	(65,874)	(6,208)	(72,082)
Balance at 31 December 2014	**69,850**	**108,366**	**11,906**	**11,533**	**(218,227)**	**(23,031)**	**(39,603)**
Shares issued	75,073	-	-	-	(3,155)	-	71,918
Share based payments	-	-	-	-	778	-	778
Changes in non-controlling interests (see Note 17)	-	-	-	-	(2,593)	2,593	-
Transactions with owners	75,073	-	-	-	(4,970)	2,593	72,696
Foreign exchange difference	-	-	-	3,226	-	-	3,226
Translation reserve taken into income statement on disposal of subsidiary	-	-	-	(10,937)	-	-	(10,937)
Loss for the year	-	-	-	-	(21,941)	-	(21,941)
Balance at 31 December 2015	**144,923**	**108,366**	**11,906**	**3,822**	**(245,138)**	**(20,438)**	**3,441**

Notes to the Group financial statements

1. Significant accounting policies

fastjet Plc is the Group's ultimate parent company. It is incorporated in England and Wales. The Company's shares are quoted on the AIM market of the London Stock Exchange.

Basis of preparation

These financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through the profit or loss or as available for sale and liabilities for cash settled share based payments. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

They are prepared in accordance with applicable International Financial Reporting Standards (IFRS) as adopted by the EU.

The significant accounting policies are set out below and have, unless otherwise stated, been applied consistently, in all material respects, throughout all periods presented in these financial statements.

Going concern

The Group meets its day to day working capital requirements from its cash resources. As at 30 April 2016, the Group has no committed facilities and has cash balances of US$13.7m within the continuing Group excluding Angola.

There are risks associated with operating in Africa including but not limited to political, judicial, administrative, taxation or other regulatory matters. Many countries in Africa, including those in which the Group currently operates may in the future experience severe socio-economic hardship and political instability, including political unrest and government change.

The commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business which may be susceptible to delay, revision or cancellation, as a result of which legal redress may be uncertain or delayed.

The Group has operated at a loss and incurred a significant operating cash outflow since the placing on 1 April 2015. While total revenues of the Group have increased year on year due to increased passenger numbers, the Directors consider that the current economic outlook in the countries in which fastjet operates presents significant challenges for the Group to achieve the increased sales revenue and growth required to be cash flow positive in the short to medium term.

The Directors have prepared detailed forecasts and projections for the Company to June 2017. These include revenue, profit and cash flow forecasts on a route by route basis.

As set out in Note 23, Events after the balance sheet date, fastjet Aviation Limited (formerly Lonrho Aviation (BVI) Limited) has been issued with a draft order for a creditor appointed liquidator to be appointed under the Insolvency Act 2003 (British Virgin Islands). The Directors do not believe that there is recourse to fastjet Plc for any of the liabilities of fastjet Aviation Limited and do not expect the settlement of any intercompany balances as the entities concerned are unlikely to have sufficient funds to settle them. Accordingly, the forecasts do not include any cash outflows in respect of the liabilities of fastjet Aviation Limited.

The Directors have also considered a number of risks in preparing these forecasts including *inter alia*:

- Achieving forecast passenger numbers and yield
- Aviation fuel prices, which are currently not hedged
- Adverse currency exchange rate movements

Notes to the Group financial statements

- Reducing the current cost base

The Directors believe, on the basis of current financial projections and funds available, that the Group has sufficient resources to meet its operational needs over the relevant period, being until June 2017 although the headroom over available cash resources is not large. The Directors have also prepared sensitised cash flow forecasts which indicate that the Group will need to raise additional funding if the Group does not substantially achieve those forecasts.

The Group is at an advanced stage in recruitment of a new CEO and is exploring its strategic options to strengthen the balance sheet and improve cash reserves and is considering a range of funding strategies in the short term, including asset sales and additional equity financing. The Directors are confident that, with a new CEO and a revised business plan, additional funding will be available. However, as at the date of approval of these Financial Statements, no commitment has been made or received for any future financing and there can be no certainty that additional funding will ultimately be raised.

In preparing these financial statements, the Directors continue to adopt the going concern basis, notwithstanding the expected need for further funding.

The matters described above represent material uncertainties that may cast significant doubt upon the Group's and the parent Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the basis of preparation proved inappropriate.

Restatement of prior year

As set out above and in the Strategic Report the Group has, during the year, abandoned the Fly 540 Angola CGU operation. In the 2014 Financial Statements the Fly 540 Angola CGU was classified as a discontinued operation. However, as the Fly 540 Angola CGU was not sold during 2015, it no longer meets the definition of a discontinued operation and has been reclassified as an "Abandoned Operation". As required by IFRS 5, the Fly 540 Angola CGU has been included within continuing operations for both 2015 and 2014 and the 2014 comparatives have therefore been restated (see Note 3).

Functional and presentational currencies

All amounts are presented in US Dollars being the Group's presentational currency. This currency has been chosen, as the Group's principal expenses and product prices are denominated in dollars, due to the nature of operating in the aviation sector. All amounts are shown in round thousands (US$'000) except where indicated.
In preparing the financial statements of the individual companies, transactions denominated in foreign currencies are translated into the respective functional currency of the Group entities using the exchange rates prevailing at the dates of transactions.

Non-monetary assets and liabilities are translated at the historic rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period. Exchange differences arising on translating foreign cash balances are shown as finance income or expense. Exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gains and losses are recognised directly in equity are also recognised directly in equity.

Notes to the Group financial statements

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the reporting date. Income and expense are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case weighted average rates are used. Exchange differences arising, if any, are classified in equity and are transferred to the Group's foreign currency translation reserve within equity. Such translation is recognised as income or as expense in the period in which the operation is disposed of.

Subsidiaries within the Group hold monetary intercompany balances for which settlement is neither planned nor likely to occur in the foreseeable future and thus are considered to be part of the Group's net investment in the relevant subsidiary. Due to the equity-like nature of these balances, any exchange differences arising on translation are recognised on consolidation directly into equity through the Consolidated Statement of Other Comprehensive Income, only being recognised in the Consolidated Income Statement on the disposal of the net investment.

Non-GAAP performance measures

The Board believe that these measures provide useful information for the shareholders on the underlying performance of the business. These measures are consistent with how the business performance is measured internally. The adjusted operating loss is not a recognised profit and loss measure under adopted IFRS and may not be directly comparable with "adjusted" profit and loss measures used by other companies. The adjustments made to operating loss exclude exceptional charges, which are predominately one-off in nature and therefore create volatility in reported earnings.

New accounting standards, interpretations and amendments

The following standards, amendments and interpretations have been adopted for the first time in these financial statements, none of which had an impact on the consolidated financial statements:

- IAS 19 *Defined benefit plans (amendments)*.
- IFRS(s) *2010-2012 Cycle (annual improvements).*
- IFRS(s) *2011-2013 Cyc*le (*annual improvements).*

Recent accounting developments

The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contract with Customers
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 & IAS 38
- Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41
- Equity Method in Separate Financial Statements – Amendments to IAS 27
- Sale or Contribution of Assets between and Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
- IFRS 9 Financial Instruments
- Annual Improvements to IFRSs – 2012-2014 Cycle
- Amendments to IAS 1 disclosure initiatives
- IFRS 11 Joint arrangements
- IFRS 16 Leases - analysis of lease impacts not yet evaluated

Notes to the Group financial statements

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary companies drawn up to 31 December 2015. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The results of subsidiaries acquired or disposed of during the accounting period are including in the Group financial statements from/to the date of acquisition or disposal, respectively. The date of acquisition or disposal is the date from/to which the Company has control over the subsidiary.

Unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The portion of a non-controlling interest is stated at the non-controlling interest's proportion of the fair values of the assets and liabilities recognised. Subsequently, losses applicable to the non-controlling interest in excess of the non-controlling interest in the subsidiary's equity are allocated against the interests of the Group where the non-controlling interest has a specific exemption from making an additional investment to cover the losses. Future profits attributable to the non-controlling interest are not recognised until the unrecognised losses have been extinguished.

Business combinations

The group accounts for the acquisition of subsidiaries and businesses using the purchase method. The cost of acquisition is measured at the aggregate of the fair values of assets given and equity instruments issued, plus any liabilities assumed. The acquired entities' assets, liabilities and contingent liabilities that meet the recognition criteria set out in IFRS 3 (Revised) are recognised at fair value.

Goodwill, being the excess of the cost of acquisition, as defined above, over the Group's interest in the net fair value of the assets, liabilities and contingent liabilities recognised.

The interest of non-controlling interests in the acquired entities is initially measured at the non-controlling party's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Discontinued and held for sale operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or has been abandoned, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period. Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal Groups constituting discontinued operations.

Held for sale operations are presented on the balance sheet on two lines, representing total assets and total associated liabilities.

Notes to the Group financial statements

Abandoned Operations

An abandoned operation is one for which trade has ceased but does not meet the definition of a discontinued operation.

Abandoned operations are presented on the balance sheet as components of Group business assets and associated liabilities.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Owned aircraft	- 20 years
Leased aircraft modifications	- term of the lease
Leasehold property	- term of the lease
Leasehold improvements	- term of the lease
Motor vehicles	- 4 years
Fixtures, fittings and office equipment	- 4 to 7 years
Plant and machinery	- 10 years
Computer hardware	- 4 years

Aircraft

Residual values, where applicable, are reviewed annually against prevailing market rates at the balance sheet date for equivalently aged assets and depreciation rates adjusted accordingly on a prospective basis. The carrying value is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Aircraft purchased with some economic life expired are depreciated over the remaining economic life. Subsequent costs incurred which lend enhancement to future periods, such as long-term scheduled maintenance and major overhaul of aircraft and engines are capitalised and depreciated over the length of period benefiting from these enhancements. All other maintenance costs are charged to the income statement as incurred.

Other intangible assets

Intangible assets (other than goodwill) are recognised at cost less accumulated amortisation charges and any provision for impairment. Amortisation is charged on a straight-line basis, as follows:

Air Operator Certificates (AOCs)	- 10 years
Brand licence agreement	- 10 years
Computer Software	- 4 years

Impairment of assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets' or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly

Notes to the Group financial statements

linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

Impairment losses for cash-generating units reduce the recognised value of assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. An impairment charge on the value of goodwill cannot be reversed in a subsequent period.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes the purchase cost of the item itself, plus any direct costs incurred in bringing the item to its present location and condition.

Leases

Operating leases
Rental charges on operating leases are charged to the income statement on a straight-line basis over the life of the lease. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the life of the respective asset.

Finance leases
Where the Group enters into a lease, which entails taking substantially all the risk and rewards or ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as property, plant and equipment, and is depreciated over the estimated useful life to the Group. The asset is recorded at the lower of its fair value, less accumulated depreciation, and the present value of the minimum lease payments at the inception of the finance lease. Future instalments under such leases, net of finance charges, are included as obligations under finance leases. Rental payments are apportioned between the finance element, which is charged to the income statement, and the capital element, which reduces the outstanding obligation for future instalments. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leased aircraft maintenance provisions

The Group incurs liabilities for maintenance costs in respect of aircraft leased under operating leases during the term of the lease. These arise from the contractual obligations relating to the condition of the aircraft when it is returned to the lessor. To discharge these obligations, the Group will either need to compensate the lessor for the element of the life of the component or maintenance intervals used, or carry out the maintenance check before return of the aircraft to the lessor.

Notes to the Group financial statements

The provisions recorded and charged to the income statement are dependent on the life of the component or maintenance interval used and the individual terms of the lease.

No provision is recorded during the initial period of lease agreements where no compensation or maintenance is required prior to hand-back.

Where maintenance reserves are paid to Lessors the cost of such reserves are expensed as incurred. Where maintenance is provided under 'power by the hour' contracts and maintenance paid to maintenance providers to cover the cost of the work is deemed to be irrecoverable, these payments are expensed as incurred and maintenance provisions are reduced to reflect the fact that the Group has already paid for the related maintenance work. Maintenance deposits that are refundable are recorded as other receivables.

Estimates are required to establish the likely utilisation of the aircraft, the expected cost of a maintenance check at the time it is expected to occur, the condition of an aircraft and the lifespan of life-limited parts. The bases of all estimates are reviewed once each year and also when information becomes available that is capable of causing a material change to an estimate, such as renegotiation of end of lease return conditions, increased or decreased utilisation, or unanticipated changes in the cost of heavy maintenance services.

Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied and services provided, excluding VAT (or overseas equivalent).

Revenue for the provision of air travel is recognised on the date of departure. Flights paid for in advance of the date of travel are recorded as deferred income and then recognised as revenue on the date of departure.

Ancillary fees such as baggage fees are also recognised on the date of departure. Ancillary fees such as flight alteration fees are recognised on the date incurred. Credit card payment fees are recognised on the date payment is made.

Pension costs

The Group has no pension scheme for Directors or employees. The Company is preparing to meet its obligations under the workplace pensions legislation in the UK.

Taxation

Current tax is the tax currently payable or receivable based on the result for the period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Notes to the Group financial statements

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Share-based payments

The Company operates equity-settled share-based remuneration plans for certain employees (including Directors) and has also issued share options to easyGroup Holdings Limited as part of the consideration for a brand licence agreement. The Company has also issued warrants in connection with share placings.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Company's estimate of the number of shares that will vest.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate to share premium.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, in the context of IFRS 8 "Operating segments", is considered to be the Board of Directors. The Board of Directors monitors the performance of business segments and makes decisions about the allocation of resources between those segments.

Financial instruments

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits.

Equity
Equity comprises the following:

- "Share capital" represents the nominal value of equity shares that have been issued.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Retained earnings" mostly comprise all current and prior period results as disclosed in the income statement as well as costs taken directly to equity.
- "Translation reserve" represents the cumulative amount of foreign exchange gains and losses recognised outside of retained earnings.
- "Reverse acquisition reserve" represents the balancing figure on combination of Rubicon and Lonrho's reserves in 2012.

Financial assets
All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. The Group has loans and receivables and other investments in these financial statements.

Loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement. Other investments are measured at fair value through other operating income.

Notes to the Group financial statements

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual agreements entered into.

Other financial liabilities are initially recognised at fair value, net of transaction costs, and are subsequently recorded at amortised cost using the effective interest method.

The Group's financial liabilities include finance leases, borrowings, and trade and other payables.

Use of estimates and judgements

The preparation of financial statements in conformity with Adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates made by management in the application of Adopted IFRS that have significant effect on the financial statements with a significant risk of material adjustment in the next year are discussed in the following Notes:

- valuation of Investment (Note 11).
- investments are held at cost and tested for impairment annually.
- valuation of Held for Sale assets (above, and Note 3).
- assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets ceases. The sale proceeds of the one aircraft during the year have been used to calculate its impairment.
- maintenance provisions (above).
- share based payments (Note 18).
- share options granted during the period are valued at fair value using the Black-Scholes option pricing model.
- impairment of other intangibles (Note 9). Other intangible assets are stated at cost less accumulated amortisation, which is calculated to write off their cost, less estimated residual value, on a straight-line basis over their expected useful lives. Expected useful lives and residual values are reviewed annually. Valuation models include new routes and aircraft the company anticipates acquiring.
- impairment of aircraft (Note 10).
- estimated liabilities of fly 540 Angola (Note 3). Liabilities are carried forward from 31 December 2014.

Judgements made by management in the application of Adopted IFRS that have significant effect on the financial statements are:

- the determination of the functional currencies of subsidiaries.
- the determination of the accounting treatment in respect of the acquisition of investments as either associates, joint ventures, joint operations or subsidiaries (Note 17).
- the determination of when an operation or asset becomes held for sale or discontinued (see Note 3).
- the determination and treatment of non-controlling interests in subsidiaries with ownership less than 100% but with 100% economic benefit entitlement (Note 17).

Notes to the Group financial statements

2. Segmental reporting

The Group's continuing business comprises that of airline services. That business operates across a number of different geographical territories, all within Africa. Accordingly, these geographical territories are the basis for the Company's segmental reporting disclosure.

The results of fastjet Plc head office and the Group's several holding companies are disclosed under the heading 'Central'.

The accounting policies of these segments are in line with those set out in Note 1.

Year ended 31 December 2015	**Tanzania US$'000**	**Zimbabwe US$'000**	**Central US$'000**	**Angola US$'000**	**Eliminate Inter-segment US$'000**	**Total US$'000**
External	64,637	310	108	-	-	65,055
Inter-segment	-	-	22,374	-	(22,374)	-
Total revenue	64,637	310	22,482	-	(22,374)	65,055
EBITDA	(24,075)	(3,974)	(9,389)	(196)	-	(37,634)
Interest receivable	-	-	2,330	-	-	2,330
Interest payable	(78)	-	(195)	(685)	-	(958)
Depreciation and amortisation	(113)	(15)	(360)	(649)	-	(1,137)
Impairments	-	-	-	(3,560)	-	(3,560)
Tax	(194)	-	(159)	-	-	(353)
Net loss	(24,460)	(3,989)	(7,773)	(5,090)	-	(41,312)
Non-current assets	436	202	15,241	5,000	-	20,879

Year ended 31 December 2014	Tanzania US$'000	Zimbabwe US$'000	Central US$'000	Angola US$'000	Eliminate Inter-segment US$'000	Total US$'000
External	53,759	-	-	1,683	-	55,442
Inter-segment	-	-	18,975	-	(18,975)	-
Total revenue	53,759	-	18,975	1,683	(18,975)	55,442
EBITDA	(22,021)	-	(9,539)	(9,418)	-	(40,978)
Interest receivable	-	-	-	-	-	-
Interest payable	-	-	(310)	(915)	-	(1,225)
Depreciation and amortisation	(483)	-	(1,151)	(912)	-	(2,546)
Impairments	(1,887)	-	(8,850)	(2,335)	-	(13,072)
Tax	(156)	-	-	-		(156)
Net loss	(24,547)	-	(19,850)	(13,580)	-	(57,977)
Non-current assets	441	-	1,620	10,573	-	12,634

Notes to the Group financial statements

The Board monitors the performance of the business units and the overall group. It monitors loss after tax and its individual components and therefore these are disclosed above. Assets and liabilities are not reported by business unit. Central also includes start-up costs for fastjet Zambia for obtaining an AOC. This has subsequently been deferred as announced on 14 April 2016.

3. Discontinued and Abandoned Activities

During 2015 fastjet progressed its programme of rationalising the loss making legacy Fly 540 portfolio acquired from Lonrho in 2012.

In 2014 fastjet had ceased operating its loss making Fly 540 businesses in Ghana and Angola. These were shown as discontinued operations in the 2014 financial statements, with the assets and liabilities shown as held for sale.

In June 2015, fastjet disposed of its interest in Fly 540 Ghana. fastjet Aviation Limited, the former intermediate parent company of Fly 540 Ghana, had provided a legacy guarantee in respect of certain liabilities of Fly 540 Ghana that had not been discharged at 31 December 2015. However, the Directors do not believe that there is any recourse to fastjet Plc in respect of the original liabilities or by fastjet Aviation Limited in respect of its guarantee of them.

Following the disposal of Fly 540 Ghana, its financial results, assets and liabilities are no longer consolidated into the fastjet Group's financial statements.

Fly 540 Angola, for the reasons set out below, no longer forms part of a disposal group and therefore the Fly 540 Angola CGU has been restated into continuing operations and shown separately in the primary statements as follows:

		Abandoned	Discontinued
2014	Disposal group (as previously stated) US$'000	Reclassification of Fly 540 Angola CGU US$'000	Fly 540 Ghana CGU US$'000
Assets held for sale	19,853	(10,627)	9,226
Liabilities held for sale	(49,806)	30,889	(18,917)
	(29,953)	20,262	(9,691)
Assets reclassified as:			
Property, plant and equipment		9,209	9,210
Other non-current assets		1,364	-
Cash		54	5
Trade and other receivables		-	11
		10,627	9,226
Liabilities reclassified as:			
Bank overdrafts		(975)	(4,361)
Obligations under finance leases		(12,125)	(12,125)
Trade and other payables		(17,789)	(2,431)
		(30,889)	(18,917)

The discontinued operations at 31 December 2014 have been restated to show only the Fly 540 Ghana CGU as discontinued.

Notes to the Group financial statements

Discontinued Activities

At the 2014 year end the Fly 540 Ghana CGU was classified within “assets held in disposal groups classified as held for sale” as summarised in the table below. Fly 540 Ghana was disposed of during 2015.

The profit/(loss) on the discontinued Fly 540 Ghana operations on the Consolidated Income Statement is analysed as follows:

	2015 Fly 540 Ghana CGU US$'000	2014 Fly 540 Ghana CGU (As restated) US$'000
Revenue	-	2,583
Operating costs	-	(12,327)
Operating (loss)	-	(9,744)
Exceptional items:-		
Profit on disposal of aircraft	2,250	-
Impairment of aircraft	(460)	(2,432)
Impairment of other assets	-	(188)
Operating profit/(loss) after exceptional items	1,790	(12,364)
Finance charge	(113)	(1,741)
Profit/(loss) before tax	1,677	(14,105)
Profit on sale of Fly 540 Ghana	6,757	-
Transfer from foreign exchange translation reserve	10,937	-
Tax charge	-	-
Profit/(loss) for the year	19,371	(14,105)

The Group Statement of Cash Flows contains the following elements related to discontinued operations:

Statement of Cash Flows	**Fly 540 Ghana CGU 2015 US$'000**	Fly 540 Ghana CGU 2014 US$'000
Net cash flows attributable to operating activities	-	(1,380)
Net cash flows attributable to investing activities	(4,356)	(4,297)
Net cash flows attributable to financing activities	-	(646)

The average number of staff employed by the discontinued businesses during the year amounted to:	**Year ended 31 December 2015 Number**	Year ended 31 December 2014 Number
Flight crew	-	7
Aircraft maintenance	-	5
Administration and management	-	6
Ground and flight operations	-	13
Sales and marketing	-	7
	-	38

The aggregate payroll costs were nil (2014: $623,000).

Notes to the Group financial statements

Valuation of assets and liabilities in disposal groups classified as held for sale (as restated)

At the 2014 year end the Directors assessed the assets and liabilities of the discontinued business (being the Fly 540 Ghana CGU) and these are presented as impaired to their likely value on sale.

The aircraft used in the Ghanaian operations were impaired as at 31 December 2014 based upon the Directors' estimation of the likely proceeds; this was classified as a level two estimate under IFRS 13. The aircraft used by the Ghanaian operation was again impaired in 2015 and subsequently sold in 2015.

The other assets in the disposal group have been impaired in full, and liabilities held at book value. These estimates are classed as level three under IFRS 13.

Fly 540 Ghana Limited was sold for US$1 dollar on 19 June 2015. The profit on discontinued activities in 2015 reflects the removal of the net liabilities of the Fly 540 CGU from the fastjet Group as it is no longer consolidated.

Abandoned Activities

Fly 540 Angola

During 2014 the Company intended to sell Fly 540 Angola and it was classified as an 'asset held for sale' as that company and aircraft asset were actively being marketed and the sale was expected within 2015. Accordingly, at the 2014 balance sheet date, the assets and liabilities of Fly 540 Angola and Fly 540 Ghana (which was also an 'asset held for sale') were aggregated and disclosed on the consolidated balance sheet as 'assets held for sale' along with the aircraft used by the operations.

However, a sale of Fly 540 Angola has not been achieved and it is the Directors' opinion that the possibility of sale is no longer likely and therefore no longer continues to qualify as an 'asset held for sale'. As Fly 540 Angola CGU has not maintained books of account or records during 2015, there are no employees, no local office and there has been no operational activity during the period, the entity is regarded as having been "abandoned". As the Group has deemed "control" the Fly 540 Angola CGU remains consolidated within the fastjet Group Financial Statements in accordance with IFRS 5. The assets and liabilities as at 31 December 2015 have been carried forward from 2014 and adjusted for transactions during 2015 involving other Group companies.

The 2014 comparative figures have been restated to disclose Fly 540 Angola and its aircraft as a continuing business.

Exceptional items in 2015 and 2014 relate to the impairment of aircraft and other fixed assets.

Set out below are the results and balance sheet for the Fly 540 Angola CGU:

Income Statement	**Year ended 31 December 2015**			Year ended 31 December 2014		
	Operations US$'000	**Aircraft US$'000**	**Total US$'000**	Operations US$'000	Aircraft US$'000	Total US$'000
Revenue	-	-	-	1,683	-	1,683
Operating costs	-	(845)	(845)	(11,149)	(493)	(11,642)
Operating loss	-	(845)	(845)	(9,466)	(493)	(9,959)
Exceptional items:						-
Impairment of aircraft	-	(3,560)	(3,560)	-	(1,715)	(1,715)
Impairments of inventories	-	-	-	(371)	-	(371)
Impairments of other fixed assets	-	-	-	(620)	-	(620)
Operating loss after exceptional items	-	(4,405)	(4,405)	(10,457)	(2,208)	(12,665)
Finance charges	-	(685)	(685)	-	(915)	(915)
Loss before tax	-	(5,090)	(5,090)	(10,457)	(3,123)	(13,580)

Notes to the Group financial statements

Balance Sheet	**Year ended 31 December 2015**			Year ended 31 December 2014		
	Operations US$'000	**Aircraft US$'000**	**Total US$'000**	Operations US$'000	Aircraft US$'000	Total US$'000
Aircraft	-	5,000	5,000	-	9,209	9,209
Cash	54	-	54	54	-	54
Trade and other receivables	1,364	-	1,364	1,364	-	1,364
Payables under finance lease – principal and interest	-	(14,406)	(14,406)	-	(12,125)	(12,125)
Payables under finance lease – additional interest	-	-	-	-	(230)	(230)
Bank overdrafts	(975)	-	(975)	(975)	-	(975)
Trade and other payables	(17,139)	-	(17,139)	(17,559)	-	(17,559)
Net liabilities	(16,696)	(9,406)	(26,102)	(17,116)	(3,146)	(20,262)

Fly 540 Angola CGU is part of the legacy sub-group of which fastjet Aviation Limited (formerly Lonrho Aviation (BVI) Limited) is the intermediate holding company.

Further information on fastjet Aviation Limited is included in Note 23 Events after the balance sheet date.

4. Operating loss

Operating loss is stated after charging:	**2015 US$'000**	2014 (restated) US$'000
Operating lease costs		
- Property	**1,004**	1,130
- Aircraft	**7,301**	8,777
Depreciation of property, plant and equipment		
- Owned	**417**	378
- Leased	**649**	727
Amortisation of intangible assets		
- Other intangibles	**71**	1,441
Impairment of intangibles	**-**	10,737
Payment on termination of easyGroup agreement	**-**	2,504
Foreign exchange losses	**1,013**	939
Fees payable to the Company's auditor (and its network affiliates) for		
- The audit of the Group's annual accounts	**195**	147
- The audit of subsidiary companies' accounts	**50**	50
- Other services	**-**	16
Share based payments	**778**	565

Notes to the Group financial statements

5. Employees

The average number of staff (including Directors) employed by the Group during the year amounted to:	2015	2014 (restated)
Flight crew	**100**	88
Aircraft maintenance	**5**	10
Administration and management	**31**	31
Ground and flight operations	**34**	37
Sales and marketing	**46**	67
	216	233
Average staff employed in the discontinued operations (see Note 3)	**-**	38
Total	**216**	271

Average staff numbers for Fly 540 Angola included above are nil (2014: 59).

The aggregate payroll costs of the above were:	Year ended 31 December 2015 US$'000	Year ended 31 December 2014 US$'000
Wages and salaries	**8,756**	10,612
Social security costs	**798**	987
Share based payments (Note 18)	**778**	565
	10,332	12,164
Staff costs in discontinued operations (see Note 3)	**-**	623
Total staff costs	**10,332**	12,787

Included in the 2014 wages and salaries is US$4.2m in relation to Fly 540 Angola. No payroll expenses have been incurred in 2015 in relation to Fly 540 Angola.

The aggregate remuneration of the Directors in the year was:	Year ended 31 December 2015 US$'000	Year ended 31 December 2014 US$'000
Wages and salaries	**1,755**	1,628
Fees	**208**	146
Bonuses	**-**	772
Benefits	**17**	25
	1,980	2,571

The remuneration of the highest paid Director was US$589,000 (2014: US$955,000). The remuneration of the Directors can be found on page 26.

Notes to the Group financial statements

6. Finance income and expense

	Year ended 31 December 2015 US$'000	Year ended 31 December 2014 US$'000
Finance income		
Interest received on short term deposits	**80**	-
Foreign exchange impact on cash balances	**2,250**	-
	2,330	-
Finance expenses		
Other	**958**	1,225
	958	1,225

Included in finance expenses above are US$0.7m (2014: US$0.9m) in relation to finance leases in the Fly 540 Angola CGU.

7. Tax

	Year ended 31 December 2015 US$'000	Year ended 31 December 2014 US$'000
Current tax expense:		
Current tax for the year	**353**	156
Adjustment to current tax in respect of previous years	**-**	-
	353	156
Deferred tax (credit) / expense:		
Origination and reversal of temporary differences	**-**	-
Reduction in tax rate	**-**	-
	-	-
Tax expense in income statement (excluding discontinued operations)	**353**	156
Tax from discontinued operations	**-**	-
Total tax expense	**353**	156

Notes to the Group financial statements

A reconciliation of the tax expense to the reported losses is given below:

	Year ended 31 December 2015 US$'000	Year ended 31 December 2014 US$'000
Loss from continuing operations before tax	**(40,959)**	(57,821)
Profit/(loss) from discontinued operations before tax	**19,371**	(14,105)
Loss before tax	**(21,588)**	(71,926)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	**(4,371)**	(15,464)
Current year losses for which no deferred tax has been recognised	**10,268**	9,279
Tax losses not available for carry forward	**1,069**	7,041
Profit on sale of Fly 540 Ghana	**(3,885)**	-
Expenses not deductible for tax purposes	**141**	718
Overseas tax rates	**(3,222)**	(1,574)
Overseas turnover tax	**194**	156
Overseas capital gains tax	**159**	-
Total current tax charge (including tax on discontinued operations)	**353**	156

At 31 December 2015 the Group had accumulated tax losses of approximately US$117m (2014: US$96m) available for offset against future taxable trading profits. The ability to utilise these tax losses is uncertain in some jurisdictions and therefore the Directors consider it inappropriate to recognise this potential deferred tax asset until such time as the Group begins to generate taxable profits against which the losses will be utilised.

8. Loss per share

Loss per share is calculated by dividing the loss for the period attributable to equity shareholders in the Parent Company (as stated in the income statement) by the weighted average number of shares in issue during the period.

On 21 April 2015 the Company issued 1 new ordinary share of £1 for each 100 existing ordinary share held at that date following a share consolidation.

The weighted average number of shares in issue during the period, adjusted for the 2015 share consolidation, was 51,286,617 (2014: 13,155,362). The loss for the purposes of basic earnings per share being the net loss attributable to the equity holders of the parent was US$41,312,000 for the Group and a profit of USD$19,371,000 for discontinued operations (2014 restated: US$52,545,000 loss continuing, US$13,329,000 loss discontinued).

The options and warrants in issue have no dilutive effect in either period because the Group incurred a loss on continuing and discontinued activities in both years.

Notes to the Group financial statements

9. Intangible assets

	AOCs US$'000	Brands US$'000	Computer software US$'000	Total US$'000
Cost				
At 31 December 2013	5,462	11,764	307	17,533
Additions	-	-	126	126
Foreign exchange differences	-	-	(23)	(23)
Transfer to disposal group	-	-	(20)	(20)
At 31 December 2014	5,462	11,764	390	17,616
Additions	-	-	226	226
Foreign exchange differences	-	-	(4)	(4)
At 31 December 2015	5,462	11,764	612	17,838
Amortisation and Impairment				
At 31 December 2013	3,351	1,746	28	5,125
Charge for the year	225	1,168	48	1,441
Impairment for the year	1,886	8,850	8	10,744
Foreign exchange differences	-	-	(9)	(9)
Transfer to disposal group	-	-	(20)	(20)
At 31 December 2014	5,462	11,764	55	17,281
Charge for the year	-	-	71	71
Foreign exchange differences	-	-	(1)	(1)
At 31 December 2015	5,462	11,764	125	17,351
Net carrying amount				
At 31 December 2015	-	-	487	487
At 31 December 2014	-	-	335	335
At 31 December 2013	2,111	10,018	279	12,408

Impairment testing

An impairment review was conducted in respect of the fastjet brand and the Tanzania Air Operators Certificate at 31 December 2014. This review concluded that the fastjet Tanzania CGU was, by itself, unable to generate the profitability required to support the previously stated valuation of these intangible assets. Accordingly, they were fully impaired in 2014 and the impairment remains appropriate at 31 December 2015.

Notes to the Group financial statements

10. Property, plant and equipment

	Fly 540 Angola CGU US$'000	Aircraft (As restated) US$'000	Property US$'000	Plant and machinery US$'000	Fixtures and equipment US$'000	Motor vehicles US$'000	Total (as restated) US$'000
Cost							
At 31 December 2013	19,629	18,677	-	143	996	94	39,539
Additions	4	-	5	40	138	25	212
Disposals	-	-	-	-	-	(1)	(1)
Reclassification to depreciation	-	-	-	-	(7)	(1)	(8)
Foreign currency difference	-	(7)	-	(7)	(260)	(37)	(311)
Transfer to disposal group	-	(18,547)	-	(11)	(289)	(33)	(18,880)
At 31 December 2014	19,633	123	5	165	578	47	20,551
Additions	-	12,881	147	74	193	-	13,295
Foreign currency difference	-	(20)	(1)	-	(71)	(9)	(101)
At 31 December 2015	**19,633**	**12,984**	**151**	**239**	**700**	**38**	**33,745**
Depreciation and impairment							
At 31 December 2013	4,598	4,377	-	49	257	12	9,293
Foreign exchange differences	-	(7)	-	(4)	(44)	(31)	(86)
Charge for the year	912	297	1	39	94	24	1,367
Impairment for the year	2,335	2,202	-	4	166	9	4,716
Reclassification from maintenance reserves	2,579	2,579	-	-	-	-	5,158
Reclassification from cost	-	-	-	-	(7)	(1)	(8)
Transfer to disposal group	-	(9,336)	-	(11)	(288)	(3)	(9,638)
At 31 December 2014	10,424	112	1	77	178	10	10,802
Foreign exchange differences	-	(20)	-	1	-	(2)	(21)
Charge for the year	649	227	14	53	113	10	1,066
Impairment for the year	3,560	-	-	-	-	-	3,560
At 31 December 2015	**14,633**	**319**	**15**	**131**	**291**	**18**	**15,407**
Net carrying amount							
At 31 December 2015	**5,000**	**12,665**	**136**	**108**	**409**	**20**	**18,338**
At 31 December 2014	9,209	11	4	88	400	37	9,749
At 31 December 2013	15,031	14,300	-	94	739	82	30,246

Notes to the Group financial statements

11. Investments

Cost	US$'000
At 1 January 2014	6,152
Disposal	(6,152)
As at 31 December 2014 and 31 December 2015	-

Amortisation and Impairment	
At 1 January 2014	6,152
Disposal	(6,152)
At 31 December 2014 and 31 December 2015	-

Net carrying amount	
At 31 December 2015	-
At 31 December 2014	-
At 31 December 2013	-

The investment represented the Group's interest in Five Forty Aviation Limited, and was held at cost until its disposal in 2014.

12. Trade and other receivables

	2015			2014 (Restated)		
	fastjet* US$'000	Fly 540 Angola CGU US$'000	Total US$'000	Fastjet* US$'000	Fly 540 Angola CGU US$'000	Total US$'000
Trade and other receivables due after more than one year:						
Other receivables	**2,054**	**-**	**2,054**	1,186	1,364	2,550
	2,054	**-**	**2,054**	1,186	1,364	2,550
Trade and other receivable due within one year:						
Trade receivables	**2,502**	**-**	**2,502**	2,433	-	2,433
Prepayments and accrued income	**1,233**	**-**	**1,233**	1,075	-	1,075
Other receivables	**3,988**	**1,364**	**5,352**	2,141	-	2,141
	7,723	**1,364**	**9,087**	5,649	-	5,649

*fastjet Group continuing activities excluding the Fly 540 CGU (see Note 3).

The Fly 540 Angola CGU column above identifies the assets and liabilities in the Fly 540 Angola CGU excluding intercompany balances between Fly 540 Angola and the rest of the Group (see Note 3).

Notes to the Group financial statements

Movement in allowance for doubtful debts

	Trade Receivables US$'000
At 31 December 2014	**542**
Provision made during the year	**246**
Debts written off during the year	**(30)**
Foreign currency difference	**(107)**
At 31 December 2015	**651**

The ageing of trade receivables at the balance sheet date was:

	31 December 2015 US$'000		31 December 2014 US$'000	
	Gross	**Impairment**	Gross	Impairment
Not past due	**1,821**	**-**	2,975	(542)
Past due (0-60 days)	**-**	**-**	-	-
More than 60 days	**1,332**	**(651)**	-	-
	3,153	**(651)**	2,975	(542)

All trade receivables are within fastjet Tanzania.

The average period taken on trade receivables is 13 days (2014: 8 days). No interest is charged on receivables.

Other receivables mainly comprise deposits for crew, fuel, engineering and other suppliers.

Other receivables in the Fly 540 Angola CGU refer to deposits with aircraft lease companies to whom liabilities are included within trade payables.

13. Trade and other payables

	2015			2014 (restated)		
	fastjet* US$'000	**Fly 540 Angola CGU US$'000**	**Total US$'000**	fastjet* US$'000	Fly 540 Angola CGU US$'000	Total US$'000
Trade and other payables – non-current						
Other payables	**1,786**	**-**	**1,786**	2,118	-	2,118
	1,786	**-**	**1,786**	2,118	-	2,118

	2015			2014 (restated)		
Trade and other payables – current	**fastjet* US$'000**	**Fly 540 Angola CGU US$'000**	**Total US$'000**	fastjet* US$'000	Fly 540 Angola CGU US$'000	Total US$'000
Trade payables	**3,911**	**11,326**	**15,237**	4,445	11,326	15,771
Other taxation and social security	**5,819**	**1,880**	**7,699**	8,594	1,880	10,474
Other payables	**1,513**	**3,482**	**4,995**	83	3,778	3,861
Deferred income	**2,776**	**58**	**2,834**	2,302	58	2,360
Accruals	**7,772**	**393**	**8,165**	6,290	747	7,037
Maintenance reserves	**10**	**-**	**10**	-	-	-
	21,801	**17,139**	**38,940**	21,714	17,789	39,503

*fastjet Group continuing activities excluding the Fly 540 Angola CGU (see Note 3).

Notes to the Group financial statements

Non-current payables refer to the net present value of liabilities under the Brand Licence Agreement with easyGroup Holdings Limited. See Note 22 for further details.

The Fly 540 Angola CGU column above identifies the assets and liabilities in the Fly 540 Angola CGU excluding intercompany balances between Fly 540 Angola and the rest of the Group (see Note 3).

14. Cash and cash equivalents

	31 December 2015 US$'000	31 December 2014 US$'000
Bank balances	29,836	6,655
Bank balances held by Fly 540 Angola	54	54
Overdrafts held by Fly 540 Angola	(975)	(975)
Cash and cash equivalents in the consolidated balance sheet	**28,915**	5,734
Cash and cash equivalents in disposal groups	**-**	5
Bank overdrafts in disposal group	**-**	(4,362)
Cash and cash equivalents in the statement of cash flows	**28,915**	1,377

15. Finance lease obligations

31 December 2015	**Future minimum lease payments US$'000**	**Interest US$'000**	**Present value of future lease payments US$'000**
Less than one year	-	-	-
Two to five years	-	-	-
More than five years	-	-	-
Fly 540 Angola leases - less than one year	5,163	1,660	6,823
Fly 540 Angola leases – two to five years	7,583	-	7,583
Total	12,746	1,660	14,406

31 December 2014	**Future minimum lease payments US$'000**	**Interest US$'000**	**Present value of future lease payments US$'000**
Less than one year	183	-	183
Two to five years	-	-	-
More than five years	-	-	-
Fly 540 Angola leases – less than one year	2,059	641	2,700
Fly 540 Angola leases – two to five years	9,425	-	9,425
Total	11,667	641	12,308

Interest is payable on the leases at 7.1% to 7.5% per annum.

Included in the analysis above is US$14.4m (2014: US$12.1m) of finance lease obligations in relation to the aircraft in the Fly 540 Angola CGU which has been abandoned (see Note 3). The finance leases are secured over the Fly 540 Angola CGU aircraft asset and guaranteed by fastjet Aviation Limited.

Notes to the Group financial statements

16. Share capital

	Number of ordinary shares £1.00 each '000	Number of ordinary shares £0.01 each '000	Number of deferred shares £0.01 each '000	Number of deferred shares £0.09 each '000	Share Capital GBP'000	Share capital US$'000
At 1 January 2014	-	512,050	9,313	305,247	32,685	51,097
Issued for cash	-	1,035,873	-	-	10,359	17,188
Issued in settlement of easyGroup liability	-	94,287	-	-	943	1,565
At 31 December 2014	-	1,642,210	9,313	305,247	43,987	69,850
Consolidation	16,422	(1,642,210)	-	-	-	-
Issued for cash	50,000	-	-	-	50,000	75,073
At 31 December 2015	66,422	-	9,313	305,247	93,987	144,923

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The deferred shares have no significant rights attached.

All issued shares are fully paid.

On 21 April 2015, the Company's existing ordinary shares of 1 pence each were consolidated into new ordinary shares on the basis of one new ordinary share of £1 each for every 100 existing ordinary shares.

On 22 April 2015, 50,000,000 new ordinary shares of £1 each were issued at £1 per share by way of a placing to new and existing institutional and other investors and fastjet management, raising gross proceeds of £50 million.

Notes to the Group financial statements

17. Subsidiaries

The Company holds ordinary shares in the following subsidiary companies. All subsidiaries are included in the consolidated financial statements.

Name	Country of Incorporation	Activity	Voting rights held 2015	Voting rights held 2014	Non-controlling interest 2015	Non-controlling interest 2014
Fastjet Aviation Limited (*formerly Lonrho Aviation (B.V.I.) Limited*)	British Virgin Islands	Aviation Holding	100%	100%	-	-
Fastjet Air Limited* (*formerly Lonrho Air (B.V.I.) Limited*)	British Virgin Islands	Airline Services	100%	100%	-	-
Fastjet Air Africa Limited* (*formerly Lonrho Air Africa (B.V.I.)*)	British Virgin Islands	Airline Services	100%	100%	-	-
Fly 540 Sociedade de Aviacao Civil S.A.*	Angola	Airline Services	60%	60%	40%	40%
Fastjet Airlines Limited (*formerly Fly 540 (T) Limited*)	Tanzania	Airline Services	49%	49%	-	-
Fastjet Air Two Limited* (*formerly Lonrho Air (2) (B.V.I.) Limited*)	British Virgin Islands	Airline Services	100%	100%	-	-
Fastjet Air Three Limited* (*formerly Lonrho Air (Three) (B.V.I.) Limited*)	British Virgin Islands	Airline Services	100%	100%	-	-
Fastjet Air Four Limited (*formerly Lonrho Air (4) Limited*)	Mauritius	Leasing	100%	100%	-	-
Fastjet Leasing PCC Limited	Guernsey	Leasing	100%	100%	-	-
Fastjet Holdings (Guernsey) Limited	Guernsey	Holding Company	100%	100%	-	-
Fastjet SPV 1 Limited	United Kingdom	Leasing	100%	100%	-	-
Fastjet SPV 2 Limited	South Africa	Leasing	50%	50%	-	-
Fastjet Air TZ (BVI) Limited	British Virgin Islands	Holding Company	100%	100%	-	-
Fastjet Leasing UK Limited	United Kingdom	Leasing	100%	100%	-	-
Fastjet Zambia Limited	Zambia	Airline Services	49.5%	49.5%	-	-
Fastjet Zimbabwe Limited	Zimbabwe	Airline Services	49%	49%	-	-
Fastjet Travel Ltd	United Kingdom	Dormant	100%	100%	-	-
FJ Leasing Limited	South Africa	Leasing	50%	50%	-	-
Fastjet Kenya Limited	Kenya	Airline Services	49%	49%	-	-
Fastjet Mauritius K Limited	Mauritius	Holding Company	100%	100%	-	-
Fastjet Mauritius T Limited	Mauritius	Dormant	100%	100%	-	-
Africa Flight Services Limited	Guernsey	Leasing	100%	100%	-	-
Fly 540 Ghana Limited*	Ghana	Airlines services	-	92.5%	-	7.5%

*Subsidiaries of fastjet Aviation Limited.

All subsidiaries of the Group are shown above.

Notes to the Group financial statements

Fly 540 Ghana Limited

The subsidiary Fly 540 Ghana Limited was disposed of on 19 June 2015 following the transfer to the company of the minority interest for nil consideration.

fastjet Airlines Limited

In 2014 the Group announced it had signed an agreement to enable Tanzanian participation in the ownership of fastjet Airlines Limited ("fastjet Tanzania").

On 15 May 2014, the unpaid share capital in the fastjet Tanzania business was forfeited which effectively increased the Group's holding to 100% of the issued share capital. This led to a transfer of loss from non-controlling interests to the reserves attributable to equity holders of fastjet Plc.

fastjet Plc and fastjet Tanzania then entered into an agreement with Enterprise Growth Market Advisors Limited ("EGMA") for the purpose of selling an interest in fastjet Tanzania to Tanzanian investors. As part of that agreement, fastjet Tanzania issued 835 shares in its share capital (the "Tanzania Shares") to fastjet International Limited, a company incorporated in Tanzania ("fastjet Holdco"), which in turn is owned by four Tanzanian nationals (the "Tanzania Shareholders"). fastjet Tanzania also issued a further 17 shares in fastjet Tanzania to each of Ami Mpungwe and Lawrence Masha, the two Tanzanian Non-Executive Directors of fastjet Tanzania, being 34 shares in total and representing 2% of its enlarged share capital. The issue of these shares, which were issued nil paid, brings the total Tanzanian legal ownership of fastjet Tanzania to 51%.

Under the terms of the arrangement, the Tanzania Shareholders have agreed to sell their interest in fastjet Holdco and/or fastjet Tanzania to such Tanzanian investors at such price and on such terms as may be specified by fastjet Plc. Each of the Tanzania Shares (and the shares in fastjet Holdco) which has not been transferred by the Tanzanian Shareholder to a subsequent Tanzanian Investor is at all times subject to a call option in favour of fastjet Plc for the sum of US$0.01 for each of the Tanzania Shares.

As a consequence of these changes fastjet Tanzania is expected to benefit from entry into new markets and have greater access to more international African destinations through the various Bilateral Air Service Agreements to which Tanzania is a party.

Fastjet Airlines Limited is consolidated as a subsidiary in these financial statements. Although the group holds only 49% of the voting rights in the entity, it controls its management, operations and distributions through the aforementioned call options and contractual agreements as well as its shareholding. Consequently there is no adjustment for non-controlling interests.

fastjet Air Four Limited

The shares in Fastjet Air Four Limited are held by an orphan trust registered in Mauritius. Whilst Fastjet Air Four Limited is not a subsidiary of Fastjet Aviation Limited it is managed under an agreement to which Fastjet Aviation Limited is a party. Under the management agreement, Fastjet Air Four Limited must meet its obligations under the financing arrangements and Fastjet Aviation Limited agrees to ensure that Fastjet Air Four Limited is in funds to meet its obligations. In addition, Fastjet Aviation Limited can terminate the agreement on 60 days' notice giving it an element of control of Fastjet Air Four Limited and its operation. For this reason the Group has consolidated its interest in that company.

fastjet Zimbabwe Limited, fastjet Zambia Limited and fastjet Kenya Limited

During the year ended 31 December 2015 the share capital in fastjet Zimbabwe Limited, fastjet Zambia Limited and fastjet Kenya Limited were reorganised to enable shares to be issued to Holding companies incorporated in the respective countries which in turn are owned by Individuals who are nationals in those countries. The issue of shares, which were issued Nil paid, brings the national ownership by virtue of the individual shareholdings to greater than 50% ownership in each country.

Notes to the Group financial statements

fastjet Zimbabwe Limited, fastjet Zambia Limited and fastjet Kenya Limited are consolidated as subsidiaries in these financial statements. Although the Group holds less than 50% of the voting rights in each entity, it controls the management, operations and distributions through contractual agreements as well as its shareholding. Consequently there is no adjustment for non-controlling interests.

Fly 540 Sociedade de Aviacao Civil S.A.

There is a 40% non-controlling interest in respect of Fly 540 Sociedade de Aviacao Civil S.A. ("Fly 540 Angola"). The assets, liabilities and results of Fly 540 Angola are disclosed in Note 3.

Exchange control procedures exist in Fly 540 Angola, which place restrictions on repatriation of cash to the Group.

Losses attributable to non-controlling interests

	fastjet Airlines Ltd	Fly 540 Ghana	Fly 540 Angola	Total
	US$'000	US$'000	US$'000	US$'000
As at 31 December 2013	4,719	1,748	16,035	22,502
Share of losses for year	960	845	4,403	6,208
Transfer to retained earnings	(5,679)	-	-	(5,679)
As at 31 December 2014	-	2,593	20,438	23,031
Share of losses for year	-	-	-	-
Transfer to retained earnings	-	(2,593)	-	(2,593)
As at 31 December 2015	-	-	20,438	20,438

The transfers of losses to retained earnings follow a transfer to the Company of shares held by the non-controlling interest or forfeiture of shares.

18. Share based payments

The Company has issued various options and warrants. Share options have been issued to Directors and employees as part of their remuneration and incentive packages, and also to easyGroup Holdings as part of the consideration for the brand licence agreement in 2012. Warrants have been issued to WH Ireland Limited, Liberum Capital Limited and Sanlam Securities UK Limited as part consideration of their fees in respect of share placings.

The terms and conditions related to the grants of the share options are as follows; all options are to be settled by physical delivery of shares.

Notes to the Group financial statements

Grant date of Options granted to Directors	Number of options granted*	Vesting Conditions	Contractual life of options**
On 13 June 2012	6,000	Completing reverse take over	13.06.12 to 13.06.22
On 13 June 2012	80,000	20 million passengers in proceeding 12 months	13.06.12 to 13.06.17
On 27 July 2012	20,000	20 million passengers in proceeding 12 months	27.07.12 to 27.07.17
On 27 July 2012	5,000	6 million passengers in proceeding 12 months	27.07.12 to 27.07.17
On 27 July 2012	5,000	12 countries under fastjet brand	27.07.12 to 27.07.17
On 27 July 2012	5,000	US$10m EBITDA in proceeding 12 months	27.07.12 to 27.07.17
On 27 July 2012	5,000	Volume weighted average ordinary share price is greater than £6.00 for 60 day period	27.07.12 to 27.07.17
Options granted for the Brand Licence on 2 August 2012	207,395	None	02.08.12 to 02.08.16
Options granted to Directors and employees on 1 April 2015	3,256,811	None	01.04.18 to 01.04.25

In accordance with IFRS 2 "Share based payments" share options granted or re-priced during the period have been measured at fair value. The fair value of the options granted has been estimated at the date of grant using the Black-Scholes option pricing model.

*The number of options and vesting conditions has been adjusted following the share consolidation on 21 April 2015.

**Options granted to certain directors were renounced on 1 April 2015.

	Date of grant			
	13 June 2012	27 July 2012	2 August 2012	1 April 2015
Share price (Adjusted)	£3.05	£3.98	£3.98	£1.025
Exercise price (Adjusted)	£5.00	£5.00	£5.00	£1.025
Expected volatility	50%	50%	50%	77.27%
Expected life	2.5 years	5 years	2 years	3 years
Expected dividends	0	0	0	0
Risk-free interest rate	2%	2%	2%	0.65%

The options granted on 13 June 2012 in respect of the completion of the reverse takeover have vested.

Warrants were issued during the year in respect of placing of shares.

Notes to the Group financial statements

Reconciliation of outstanding share options

The number and weighted average prices of warrants/options are as follows:

	Year ended 31 December 2015			
	Number of warrants	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of the year	166,827	£44.99	333,770	£50.53
Renounced	-	-	(63,375)	£48.16
Granted	279,275	£1.60	-	-
Granted	675,838	£1.00	3,256,811	£1.02
Exercised	-	-	-	-
Lapsed	(19,049)	£34.56	-	-
Outstanding at end of the year	1,102,891	£7.04	3,527,206	£4.86

	Year ended 31 December 2014			
	Number of warrants	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning and end of the year	166,827	£44.99	333,770	£50.53

Options and average prices have been adjusted following the share consolidation on 21 April 2015.

The share options outstanding at 31 December 2015 have an exercise price in the range of £1.025 to £52.00 (2014: £10.00 to £60.00) and a weighted average contractual life of 8.7 years (2014: 3.2 years).

Expense recognised in the profit or loss

	Year ended 31 December 2015 US$'000	Year ended 31 December 2014 US$'000
Total expense recognised for equity-settled share based payments		
Directors	**701**	565
Employees	**77**	-
Total	**778**	565

19. Financial instruments

The Group's principal financial instruments comprise equity shares, cash and cash equivalents, finance leases and borrowings. The purpose of these financial instruments is to finance the Group's operations. The Group has other financial assets and liabilities that arise directly from its operations, such as trade and other receivables and payables.

The Group does not enter into derivative transactions such as forward foreign currency contracts.

The main risks arising from the Group's financial instruments are currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Notes to the Group financial statements

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's and Company's short, medium and long term funding and liquidity management requirements. The Group and Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

Foreign currency exchange risk management

The Group operates in several African currencies and so is exposed to some exchange rate risk. There is a fair degree of natural hedging in that the operating subsidiaries generate revenues and costs in the same currencies, however exchange variances do occur when the local entities are translated to the functional Group currency upon consolidation. Further exchange exposure arises from the Group's financing (in particular share issues) being largely denominated in Sterling.

Fuel price risk management

Aviation fuel is purchased on the open market from recognised global suppliers. However aviation fuel prices can be highly volatile. In 2015 the Group entered into forward fuel price contracts to secure the price of a significant proportion of fuel purchases up to 31 March 2016.

Interest rate risk management

Operating lease rentals are at fixed rates of interest.

Credit risk management

The Group's credit risk is limited because it is not exposed to a high level of trade or other receivables, in large part because customers typically pay for flights prior to departure. Credit risk in relation to cash and cash equivalents is managed by the use of various banks, all of which are considered to be of high credit worthiness. The doubtful debt provision disclosed in Note 12 is in relation to travel agents in Tanzania.

Capital management

The Board's policy for the Group and Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future developments of the business.

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the level of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

During the year the Group utilised equity financing facilities and share placements.

Notes to the Group financial statements

Carrying value and fair value of financial assets and liabilities

The fair value of financial assets and liabilities, together with their carrying value at each reporting date are as follows:

At 31 December 2015	**Amortised cost loans and receivables US$'000**	**Amortised cost financial liabilities US$'000**	**Fly 540 Angola CGU US$'000**	**Other (see Note) US$'000**	**Carrying value US$'000**	**Fair value US$'000**
Trade and other receivables	8,544	-	1,364	1,233	11,141	11,141
Cash and cash equivalents	29,836	-	54	-	29,890	29,890
Trade and other payables	-	(20,811)	(17,081)	(2,834)	(40,726)	(40,726)
Obligations under finance leases	-	-	(14,406)	-	(14,406)	(14,406)
Tax liability	-	(308)	-	-	(308)	(308)
Overdraft	-	-	(975)	-	(975)	(975)

At 31 December 2014	Amortised cost loans and receivables US$'000	Amortised cost financial liabilities US$'000	Fly 540 Angola CGU US$'000	Other (see Note) US$'000	Carrying value US$'000	Fair value US$'000
Trade and other receivables	5,779	-	1,364	1,056	8,199	8,199
Cash and cash equivalents	6,655	-	54	-	6,709	6,709
Obligations under finance leases	-	(183)	(12,125)	-	(12,308)	(12,308)
Trade and other payables	-	(21,530)	(17,731)	(2,360)	(41,621)	(41,621)
Overdraft	-	-	(975)	-	(975)	(975)

Note: Amounts included in the "other" column are not "financial instruments" but are included to facilitate reconciliation of the carrying value of financial instruments with the statement of financial position

Assets and liabilities held for sale

Assets and liabilities in disposal groups classified as held for sale at 31 December 2014 are disclosed in Note 3.

They are all carried at their fair values, being the Directors' estimates of their value in sale. The hierarchy of estimation used in arriving at their fair values is also disclosed.

Liquidity risk

The following are the contractual maturities of financial liabilities including estimated interest payments and including the effects of netting agreements:

At 31 December 2015	**Carrying amount US$'000**	**Contractual cash flows US$'000**	**One year or less US$'000**	**One to two years US$'000**	**Two to five years US$'000**	**Five years and over US$'000**
Trade payables	3,911	3,911	3,911	-	-	-
Other payables	11,894	12,863	10,155	500	1,500	708
Tax liability	308	308	308	-	-	-
Payables due by Fly 540 Angola	16,746	16,746	16,746	-	-	-
Total	32,859	33,828	31,120	500	1,500	708

The liabilities in respect of aircraft leases for the Fly 540 Angola operation are not included. There is no recourse to the Company in respect of these liabilities, more fully explained in Note 3.

Notes to the Group financial statements

At 31 December 2014	Carrying amount US$'000	Contractual cash flows US$'000	One year or less US$'000	One to two years US$'000	Two to five years US$'000	Five years and over US$'000
Obligations under finance leases	183	183	183	-	-	-
Trade payables	4,445	4,445	4,445	-	-	-
Other payables	13,097	14,273	11,065	500	1,500	1,208
Payables due by Fly540 Angola	17,042	17,042	17,042	-	-	-
Total	34,767	35,943	32,735	500	1,500	1,208

Interest rate risk

The interest profile of financial liabilities was as follows:

At 31 December 2015	**Loans and borrowings US$'000**	**Finance Leases US$'000**	**Overdraft US$'000**	**Other financial liabilities US$'000**	**Total US$'000**
Variable interest	-	-	975	-	975
Total	-	-	975	-	975

At 31 December 2014	Loans and borrowings US$'000	Finance Leases US$'000	Overdraft US$'000	Other financial liabilities US$'000	Total US$'000
Variable Interest	-	-	975	-	975
Fixed interest	-	183	-	-	183
Total	-	183	975	-	1,158

The finance lease interest profile excludes leases in respect of the Fly 540 Angola CGU.

Currency risk

At 31 December 2015	**Monetary assets US$'000**	**Monetary liabilities US$'000**
Sterling	**1,160**	**1,252**
US Dollars	**33,521**	**7,334**
Tanzanian Shilling	**2,066**	**15,014**
Zambian Kwacha	**386**	**7**
South African Rand	**658**	**110**
Euro	**248**	**178**
Other	**341**	**1**
	38,380	**23,896**
Monetary assets and liabilities held by Fly 540 Angola	**1,418**	**17,139**
	39,798	**41,035**

Notes to the Group financial statements

Details of the Group's exposure to currency risk are detailed below. The financial assets and liabilities by currency (converted into US$) are as follows:

At 31 December 2014	Monetary assets US$'000	Monetary liabilities US$'000
Sterling	4,249	1,685
US Dollars	5,364	7,252
Tanzanian Shilling	1,456	14,813
Zambian Kwacha	400	-
South African Rand	902	217
Euro	-	58
Other	14	64
	12,385	24,089
Monetary assets and liabilities held by Fly 540 Angola	1,418	17,789
	13,803	41,878

The monetary liabilities in respect of aircraft leases for the Fly 540 Angola operation are not included. It is not the intention of the company to settle the liabilities of the Fly 540 Angola operation.

No formal policies have been put in place in order to hedge the Group's activities from exposure to currency risk, but it is the Group's policy to ensure that individual Group entities enter into local transactions in their functional currency wherever possible. The Group considers this minimises any foreign exchange exposure. The Group and the Company's cash balances are maintained in a number of currencies, matched to the expected currency of outflows and this further reduces exposure to exchange risk.

The management regularly monitor the currency profile of the Group's cash balances, and obtains informal advice to ensure that the cash balances are held in currencies minimising the impact on the results and position of the Group from foreign exchange movements. During 2015 negative exchange rate fluctuations contributed to a year on year reduction in revenues. However revenues were also impacted by passenger numbers and yields.

20. Operating lease commitments

At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Aircraft US$'000	**Property US$'000**	**Total US$'000**
At 31 December 2015			
Less than one year	8,087	731	8,818
One to five years	19,938	503	20,441
More than five years	1,988	-	1,988
	30,013	1,234	31,247

	Aircraft US$'000	Property US$'000	Total US$'000
At 31 December 2014			
Less than one year	5,280	450	5,730
One to five years	11,785	433	12,218
More than five years	1,350	-	1,350
	18,415	883	19,298

fastjet Aviation Limited has given a guarantee in connection with two aircraft under operating leases operated by Fly 540 Sociedade de Aviacao Civil S.A.

Notes to the Group financial statements

21. Contingent liabilities

No contingent liabilities existed at 31 December 2015 or 31 December 2014.

22. Related Parties

The Group has related party relationships with its subsidiaries (see Note 17).

The Company licences the fastjet brand from easyGroup Holdings Limited ("easyGroup") under a 10 year Brand Licence Agreement dated 3 May 2012 (the "Agreement"). easyGroup held 12.6% of the issued share capital of the Company at 16 March 2016.

The Agreement provides for an annual royalty payment of 0.5% of total revenue, subject to a minimum royalty payment of US$500,000 per annum. The royalty payments are indexed annually in accordance with US CPI. The present value of the minimum royalty payments was capitalised as a component of brand licence costs.

The Agreement also provided for fees for management assistance for aviation advisory services of Euro 600,000 per annum, indexed annually in accordance with French CPI. This clause of the Agreement was terminated on 15 April 2014 in exchange for the issue of 94,287,227 Ordinary Shares in the Company, with a value of approximately £1.51m (US$2.50m) at the date of issue.

The amounts payable to easyGroup for the period were US$0.52m (2014: US$0.72m).

At the year end the outstanding liability to easyGroup was US$ nil (2014: US$ nil).

Transactions with subsidiaries

Transactions with Group companies have been eliminated on consolidation and are not disclosed in this note.

Trading with other related parties

During the 2014 financial year the Company disposed of its investment in Fly 540 Kenya for a nominal sum. All legal and financial ties between the two companies have been dissolved and each group has indemnified the other against any and all liabilities relating to the segregation of the businesses. The agreement wholly removed Fly 540 Kenya from the fastjet Group.

The disposal constituted a related party transaction under the AIM Rules as the counterparty was a director of Fly 540 Kenya.

23. Events after the balance sheet date

On 13 April 2016 the Company announced that, as part of the rationalisation of routes to match current demand with capacity, it had delayed its application for a Zambian AOC to the final quarter of 2016 pending further review of the network.

On 23 April 2016, fastjet Plc became aware that fastjet Aviation Limited (formerly Lonrho Aviation (B.V.I.) Limited) had been served with a Draft Order for a creditor instructed liquidator to be appointed over fastjet Aviation Limited in accordance with the Insolvency Act 2003 (British Virgin Islands). The case is to be heard on 6 June 2016. On the appointment of a liquidator, control of fastjet Aviation Limited would pass to the liquidator and fastjet Plc would no longer consolidate the assets and liabilities of fastjet Aviation Limited and Fly 540 Angola, its 100% owned subsidiary. The intercompany balances previously eliminated on consolidation would thereupon be recognised, however, It is not at this time practicable to estimate the final outcome if the

Notes to the Group financial statements

liquidation were to happen.

On 29 April 2016 the Company announced it had agreed the early termination of the lease on one of its A319 aircraft as part of its ongoing review of its routes and fleet in order to match current demand with capacity. The aircraft, which was scheduled to come to the end of its lease term in October 2016, came out of service immediately.

Parent Company balance sheet

	Note	**31 December 2015 US$'000**	31 December 2014 US$'000	31 December 2013 US$'000
Assets				
Investments	4	**-**	-	11,324
Intangible assets	5	**339**	183	10,126
Fixed assets	6	**109**	101	112
		448	284	21,562
Current assets				
Cash at bank and in hand		**28,767**	5,505	4,818
Debtors	7	**3,175**	2,182	2,237
		31,942	7,687	7,055
Creditors: amounts falling due within one year	8	**(2,507)**	(2,935)	(1,838)
Net current assets		**29,435**	4,752	5,217
Total assets less current liabilities		**29,883**	5,036	26,779
Creditors: amounts falling due after more than one year	9	**(1,786)**	(2,118)	(2,259)
Net assets		**28,097**	2,918	24,520
Capital and reserves				
Called up equity share capital	10	**144,923**	69,850	51,097
Share premium account		**108,366**	108,366	97,392
Profit and loss account		**(225,192)**	(175,298)	(123,969)
Shareholders' funds		**28,097**	2,918	24,520

These financial statements were approved and authorised for issue by the Directors on 2 June 2016 and are signed on their behalf by:

Colin Child
Executive Chairman

Parent Company cash flow statement

	2015 US$'000	2014 US$'000
Operating activities		
Result for the year	**(47,517)**	(51,894)
Depreciation and amortisation	**132**	1,256
Impairments	**-**	20,174
Finance income	**(2,920)**	-
Finance charges	**273**	291
Decrease/(increase) in receivables	**(993)**	55
Increase in trade and other payables	**(432)**	3,461
Share option charges	**778**	565
Net cash flow from operating activities	**(50,679)**	(26,092)
Investing activities		
Purchase of intangibles	**(226)**	(118)
Purchase of property, plant and equipment	**(70)**	(34)
Net cash flow from investing activities	**(296)**	(152)
Financing activities		
Proceeds from the issue of shares	**71,918**	27,223
Interest paid	**(193)**	(292)
Net cash flow from financing activities	**71,725**	26,931
Net movement in cash and cash equivalents	**20,750**	687
Foreign currency difference	**2,512**	-
Opening net cash	**5,505**	4,818
Closing net cash	**28,767**	5,505
Classified on the balance sheet as:		
Cash and cash equivalents	**28,767**	5,505
Closing net cash	**28,767**	5,505

Parent Company statement of changes in equity

	Share Capital US$'000	Share premium US$'000	Retained earnings US$'000	Total equity US$'000
Balance at 31 December 2013	**51,097**	**97,392**	**(123,969)**	**24,520**
Shares issued	18,753	10,974	-	29,727
Share based payments	-	-	565	565
Transactions with owners	18,753	10,974	565	30,292
Loss for the year	-	-	(51,894)	(51,894)
Balance at 31 December 2014	**69,850**	**108,366**	**(175,298)**	**2,918**
Shares issued	75,073	-	(3,155)	71,918
Share based payments	-	-	778	778
Transactions with owners	75,073	-	(2,377)	72,696
Loss for the year	-	-	(47,517)	(47,517)
Balance at 31 December 2015	**144,923**	**108,366**	**(225,192)**	**28,097**

Notes to the Parent Company financial statements

1. Accounting policies

fastjet Plc (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006.

Under section s408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

These are the Company's first financial statements prepared in accordance with FRS 101. In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has resulted in the reclassification of software from fixed assets to intangible assets. There has been no other impact on the reported financial position or financial performance of the Company and therefore a reconciliation of equity has not been presented. Under old UK GAAP, the company was not required to, and did not, prepare a cash flow statement. Under FRS 101 the company has presented a cash flow statement.

The consolidated financial statements of fastjet Plc include the Company, are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the company's website.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 2.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The Group meets its date to day working capital requirements from its cash resources. As at 30 April 2016, the Group had no committed facilities and has cash balances of US$13.7m within the continuing Group excluding Angola.

There are risks associated with operating in Africa including but not limited to political, judicial, administrative, taxation or other regulatory matters. Many countries in Africa, including those in which the Group currently operates may in the future experience severe socio-economic hardship and political instability, including political unrest and governmental change.

The commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business which may be susceptible to delay, revision or cancellation, as a result of which legal redress may be uncertain or delayed.

The Group has operated at a loss and incurred a significant operating cash outflow since the placing on 1 April 2015. While total revenues of the Group have increased year on year due to increased passenger numbers, the Directors consider that the current economic outlook in the countries in which fastjet operates presents

Notes to the Parent Company financial statements

significant challenges for the Group to achieve the increased sales revenue and growth required to be cash flow positive in the short to medium term.

The Directors have prepared detailed forecasts and projections for the Company to June 2017. These include revenue, profit and cash flow forecasts on a route by route basis.

As set out in Note 15, Events after the balance sheet date, fastjet Aviation Limited (formerly Lonrho Aviation (BVI) Limited) has been issued with a draft order for a creditor appointed liquidator to be appointed under the Insolvency Act 2003 (British Virgin Islands). The Directors do not believe that there is recourse to fastjet Plc for any of the liabilities of fastjet Aviation Limited and do not expect the settlement of any intercompany balances as the entities concerned are unlikely to have sufficient funds to settle them. Accordingly, the forecasts do not include any cash outflows in respect of the liabilities of fastjet Aviation Limited.

The Directors have also considered a number of risks in preparing these forecasts including *inter alia*:

- Achieving forecast passenger numbers and yield
- Aviation fuel prices, which are currently not hedged
- Adverse currency exchange rate movements
- Reducing the current cost base

The Directors believe, on the basis of current financial projections and funds available, that the Group has sufficient resources to meet its operational needs over the relevant period, being until June 2017, although the headroom over available cash resources is not large. The Directors have also prepared sensitised cash flow forecasts which indicate that the Group will need to raise additional funding if the Group does not substantially achieve those forecasts.

The Group is at an advanced stage in the recruitment of a new CEO and is exploring its strategic options to strengthen the balance sheet and improve cash reserves and is considering a range of funding strategies in the short term, including asset sales and additional equity financing. The Directors are confident that, with a new CEO and a revised business plan, additional funding will be available. However, as at the date of approval of these Financial Statements, no commitment has been made or received for any future financing and there can be no certainty that additional funding will ultimately be raised.

In preparing these Financial Statements, the Directors continue to adopt the going concern basis, notwithstanding the expected need for further funding.

The matters described above represent material uncertainties that may cast significant doubt upon the Group's and the parent Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the basis of preparation proved inappropriate.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency, US Dollars, at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. 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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Notes to the Parent Company financial statements

The fair values of all financial assets and financial liabilities are equal to their carrying amounts.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements:

- IFRS 9 Financial Instruments.
- Annual Improvements to IFRSs – 2012-2014 Cycle.

Investments

Investments are included at cost less amounts written off.

Intangible assets

Intangible assets are recognised at cost less accumulated amortisation and less accumulated impairment losses Amortisation is charged on a straight-line basis, as follows:

Brand licence agreement	10 years
Software	4 years

Fixed assets

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and office equipment	4 to 7 years
Plant and machinery	10 years

Notes to the Parent Company financial statements

Share-based payments

The Company operates equity-settled share-based remuneration plans for certain employees (including Directors) and has also issued share options to easyGroup Holdings Limited as part of the consideration for a brand licence agreement.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Company's estimate of the number of shares that will vest.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate to share premium.

2. Accounting estimates and judgements

The preparation of financial statements in conformity with Adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates made by management in the application of Adopted IFRS that have significant effect on the financial statements with a significant risk of material adjustment in the next year are discussed in the following notes:

valuation of Investment (Note 4)
share based payments (Note 11)
impairment of other intangibles (Note 5)

Judgements made by management in the application of Adopted IFRS that have significant effect on the financial statements are:

- the determination of the functional currencies of subsidiaries
- the determination of the accounting treatment in respect of the acquisition of investments as either associates, joint ventures, joint operations or subsidiaries (Note 4)

Functional currency

All amounts are presented in US Dollars being the Company's functional currency. This currency has been chosen as all transactions with Group entities are denominated in US Dollars.

Notes to the Parent Company financial statements

3. Remuneration of Directors

	2015 US$000	2014 US$000
Directors' remuneration	**1,980**	1,799
Amounts receivable under long term incentive schemes	**-**	772
Company contributions to money purchase pension plans	**-**	-
Excess retirement benefits over original entitlement	**-**	-
Compensation for loss of office	**-**	-
Amounts paid to third parties in respect of directors' services	**-**	-

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was US$589,000 (2014:US$955,000).

No pension payments are made for Directors.

Key management personnel are considered to be members of the Executive Committee. The total remuneration of the Executive Committee, including the Executive Directors, was US$2.1m in 2015.

4. Investments

	Shares in subsidiaries US$'000	Other investments US$'000	Total US$'000
Cost			
At 31 December 2013	45,322	31,115	76,437
Disposals	-	(31,115)	(31,115)
At 31 December 2014	45,322	-	45,322
Additions	-	-	-
At 31 December 2015	45,322	-	45,322
Accumulated impairment charges			
At 31 December 2013	33,998	31,115	65,113
Impairment	11,324	-	11,324
Disposals	-	(31,115)	(31,115)
At 31 December 2014	45,322	-	45,322
Impairment	-	-	-
Disposals	-	-	-
At 31 December 2015	45,322	-	45,322
Net carrying amount			
At 31 December 2015	-	-	-
At 31 December 2014	-	-	-
At 31 December 2013	11,324	-	11,324

An impairment review was conducted in respect of fastjet Tanzania CGU as at 31 December 2014. This review concluded that the fastjet Tanzania CGU was, by itself, unable to generate the profitability required to support the previously stated valuation of this investment. Accordingly, it was fully impaired in 2014 and the impairment remains appropriate at 31 December 2015.

Notes to the Parent Company financial statements

5. Intangible assets

	Brands US$'000	Software US$'000	Total US$'000
Cost			
At 31 December 2013	11,764	115	11,879
Additions	-	118	118
At 31 December 2014	11,764	233	11,997
Additions	-	226	226
At 31 December 2015	**11,764**	**459**	**12,223**
Amortisation and impairment charges			
At 31 December 2013	1,746	7	1,753
Amortisation for the year	1,168	43	1,211
Impairment	8,850	-	8,850
At 31 December 2014	11,764	50	11,814
Amortisation for the year	-	70	70
At 31 December 2015	**11,764**	**120**	**11,884**
Net carrying amount			
At 31 December 2015	**-**	**339**	**339**
At 31 December 2014	-	183	183
At 31 December 2013	10,018	108	10,126

An impairment review was conducted in respect of the fastjet brand at 31 December 2014. This review concluded that the fastjet Tanzania CGU was, by itself, unable to generate the profitability required to support the previously stated valuation of this intangible asset. Accordingly, it was fully impaired in 2014 and the impairment remains appropriate at 31 December 2015.

Notes to the Parent Company financial statements

6. Fixed assets

	Plant and Machinery US$'000	Fixtures and Fittings US$'000	Total US$'000
Cost			
At 31 December 2013	122	44	166
Additions	34	-	34
At 31 December 2014	156	44	200
Additions	61	9	70
At 31 December 2015	**217**	**53**	**270**
Amortisation and impairment charges			
At 31 December 2013	39	15	54
Charge for the year	35	10	45
	-	-	-
At 31 December 2014	74	25	99
Charge for the year	49	13	62
	-	-	-
At 31 December 2015	**123**	**38**	**161**
Net carrying amount			
At 31 December 2015	**94**	**15**	**109**
At 31 December 2014	82	19	101
At 31 December 2013	83	29	112

7. Debtors

	31 December 2015 US$'000	31 December 2014 US$'000	31 December 2013 US$'000
Debtors			
Amounts owed by Group undertakings	**-**	7	-
VAT debtor	**981**	68	57
Other debtors	**2,086**	1,983	1,910
Prepayments and accrued income	**108**	124	270
	3,175	2,182	2,237

Other debtors consist of deposits held by suppliers to the Company in relation to fuel, pilot's contracts and various other matters.

Amounts owed by Group undertakings	**103,232**	64,679	39,053
Provision for impairment	**(103,232)**	(64,672)	(39,053)
	-	7	-

Notes to the Parent Company financial statements

8. Creditors: amounts falling due within one year

	31 December 2015 US$'000	31 December 2014 US$'000	31 December 2013 US$'000
Trade and other payables			
Trade payables	**1,125**	795	753
Other payables	**723**	26	474
Accruals	**659**	2,114	611
	2,507	2,935	1,838

9. Creditors: amounts falling due after more than one year

	31 December 2015 US$'000	31 December 2014 US$'000	31 December 2013 US$'000
Other payables	**1,786**	2,118	2,259

Other payables refer to the net present value of liabilities under brand agreements.

Liability under brand agreements due after more than one year are payable as follows:

	31 December 2015 US$'000	31 December 2014 US$'000	31 December 2013 US$'000
Between one and two years	**369**	413	413
Between two and five years	**1,028**	1,069	1,310
After five years	**389**	636	536
	1,786	2,118	2,259

10. Share capital

	Number of ordinary shares £1.00 each '000	**Number of ordinary shares £0.01 each '000**	**Number of deferred shares £0.01 each '000**	**Number of deferred shares £0.09 each '000**	**Share Capital GBP'000**	**Share capital US$'000**
At 1 January 2014	-	512,050	9,313	305,247	32,685	51,097
Issued for cash	-	1,035,873	-	-	10,359	17,188
Issued in settlement of easyGroup liability	-	94,287	-	-	943	1,565
At 31 December 2014	-	1,642,210	9,313	305,247	43,987	69,850
Consolidation	16,422	(1,642,210)	-	-	-	-
Issued for cash	50,000	-	-	-	50,000	75,073
At 31 December 2015	**66,422**	**-**	**9,313**	**305,247**	**93,987**	**144,923**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.The deferred shares have no significant rights attached.

All issued shares are fully paid.

Notes to the Parent Company financial statements

On 21 April 2015, the Company's existing ordinary shares of 1 pence each were consolidated into new ordinary shares on the basis of one new ordinary share of £1 each for every 100 existing ordinary shares.

On 22 April 2015, 50,000,000 new ordinary shares of £1 each were issued at £1 per share by way of a placing to new and existing institutional and other investors and fastjet management, raising gross proceeds of £50m.

11. Share based payments

The Company has issued various options and warrants. Share options have been issued to Directors and employees as part of their remuneration and incentive packages, and also to easyGroup Holdings as part of the consideration for the brand licence agreement in 2012. Warrants have been issued to WH IrelandLimited, Liberum Capital Limited and Sanlam Securities UK Limited as part consideration of their fees in respect of share placings.

The terms and conditions related to the grants of the share options are as follows; all options are to be settled by physical delivery of shares.

Grant date	**Number of options granted***	**Vesting Conditions**	**Contractual life of options ****
Options granted to Directors			
On 13 June 2012	6,000	Completing reverse take over	13.06.12 to 13.06.22
On 13 June 2012	80,000	20 million passengers in proceeding 12 months	13.06.12 to 13.06.17
On 27 July 2012	20,000	20 million passengers in proceeding 12 months	27.07.12 to 27.07.17
On 27 July 2012	5,000	6 million passengers in proceeding 12 months	27.07.12 to 27.07.17
On 27 July 2012	5,000	12 countries under fastjet brand	27.07.12 to 27.07.17
On 27 July 2012	5,000	US$10m EBITDA in proceeding 12 months	27.07.12 to 27.07.17
On 27 July 2012	5,000	Volume weighted average ordinary share price is greater than £6.00 for 60	27.07.12 to 27.07.17
Options granted for the Brand Licence on 2 August 2012	207,395	None	02.08.12 to 02.08.16
Options granted to Directors and employees on 1 April 2015	3,256,811	None	01.04.18 to 01.04.25

In accordance with IFRS 2 "Share based payments" share options granted or re-priced during the period have been measured at fair value. The fair value of the options granted has been estimated at the date of grant using the Black-Scholes option pricing model.

*The number of options and vesting conditions has been adjusted following the share consolidation on 21 April 2015.

**Options granted to certain directors were renounced on 1 April 2015.

Notes to the Parent Company financial statements

	Date of grant			
	13 June 2012	**27 July 2012**	**2 August 2012**	**1 April 2015**
Share price (Adjusted)	£3.05	£3.98	£3.98	£1.025
Exercise price (Adjusted)	£5.00	£5.00	£5.00	£1.025
Expected volatility	50%	50%	50%	77.27%
Expected life	2.5 years	5 years	2 years	3 years
Expected dividends	-	-	-	-
Risk-free interest rate	2%	2%	2%	0.65%

The options granted on 13 June 2012 in respect of the completion of the reverse takeover have vested.

Warrants were issued during the year in respect of placing of shares.

Reconciliation of outstanding share options
The number and weighted average prices of warrants/options are as follows:

	Year ended 31 December 2015			
	Number of warrants	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of the year	166,827	£44.99	333,770	£50.53
Renounced	-	-	(63,375)	£48.16
Granted	279,275	£1.60	-	-
Granted	675,838	£1.00	3,256,811	£1.02
Exercised	-	-	-	-
Lapsed	(19,049)	£34.56	-	-
Outstanding at end of the year	1,102,891	£7.04	3,527,206	£4.86

	Year ended 31 December 2014			
	Number of warrants	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning and end of the year	166,827	£44.99	333,770	£50.53

Options and average prices have been adjusted following the share consolidation on 21 April 2015.

The share options outstanding at 31 December 2015 have an exercise price in the range of £1.025 to £52.00 (2014: £10.00 to £60.00) and a weighted averaged contractual life of 8.7 years (2014: 3.2 years).

Expense recognised in the profit or loss

	Year ended 31 December 2015 US$'000	Year ended 31 December 2014 US$'000
Total expense recognised for equity-settled share based payments		
Directors	**701**	565
Employees	**77**	-
	778	565

Notes to the Parent Company financial statements

12. Financial instruments

The Company's principal financial instruments comprise equity shares, cash and cash equivalents. The purpose of these financial instruments is to finance the Group's operations. The Company has other financial assets and liabilities that arise directly from its operations, such as trade and other receivables and payables.

Carrying value and fair value of financial assets and liabilities
The fair value of financial assets and liabilities, together with their carrying value at each reporting date are as follows:

At 31 December 2015	**Amortised cost loans and receivables US$'000**	**Amortised cost financial liabilities US$'000**	**Other (see note) US$'000**	**Carrying value US$'000**	**Fair value US$'000**
Amounts owed by Group undertaking	-	-	-	-	-
VAT debtor	981	-	-	981	981
Other debtors	2,086	-	-	2,086	2,086
Prepayments and accrued income	-	-	109	109	109
Trade payables	-	(1,125)	-	(1,125)	(1,125)
Other payables	-	(2,509)	-	(2,509)	(2,509)
Accruals	-	(659)	-	(659)	(659)
	3,067	(4,293)	109	(1,117)	(1,117)

At 31 December 2014	Amortised cost loans and receivables US$'000	Amortised cost financial liabilities US$'000	Other (see note) US$'000	Carrying value US$'000	Fair value US$'000
Amounts owed by Group undertaking	7	-	-	7	7
VAT debtor	68	-	-	68	68
Other debtors	1,983	-	-	1,983	1,983
Prepayments and accrued income	-	-	124	124	124
Trade payables	-	(795)	-	(795)	(795)
Other payables	-	(2,144)	-	(2,144)	(2,144)
Accruals	-	(2,114)	-	(2,114)	(2,114)
	2,058	(5,053)	124	(2,871)	(2,871)

Note: Amounts included in the "other" column are not "financial instruments" but are included to facilitate reconciliation of the carrying value of financial instruments with the statement of financial position

Notes to the Parent Company financial statements

Liquidity risk

The following are the contractual maturities of financial liabilities including estimated interest payments and including the effects of netting agreements:

At 31 December 2015	**Carrying amount US$'000**	**Contractual cash flows US$'000**	**One year or less US$'000**	**One to two years US$'000**	**Two to five years US$'000**	**Five years and over US$'000**
Trade payables	1,125	1,125	1,125	-	-	-
Other payables	2,509	3,477	769	500	1,500	708
Total	3,634	4,602	1,894	500	1,500	708

At 31 December 2014	Carrying amount US$'000	Contractual cash flows US$'000	One year or less US$'000	One to two years US$'000	Two to five years US$'000	Five years and over US$'000
Trade payables	795	795	795	-	-	-
Other payables	2,144	3,320	112	500	1,500	1,208
Total	2,939	4,115	907	500	1,500	1,208

13. Contingent liabilities

There are no contingent liabilities at 31 December 2015 or 31 December 2014.

14. Related party transactions

The Company has related party relationships with its subsidiaries (see Note 17 of Group accounts).

The Company licences the fastjet brand from easyGroup Holdings Limited ("easyGroup") under a 10 year Brand Licence Agreement dated 3 May 2012 (the "Agreement"). easyGroup held 12.6% of the issued share capital of the Company at 16 March 2016.

The Agreement provides for an annual royalty payment of 0.5% of total revenue, subject to a minimum royalty payment of US$500,000 per annum. The royalty payments are indexed annually in accordance with US CPI. The present value of the minimum royalty payments was capitalised as a component of brand licence costs.

The Agreement also provided for fees for management assistance for aviation advisory services of Euro 600,000 per annum, indexed annually in accordance with French CPI. This clause of the Agreement was terminated on 15 April 2014 in exchange for the issue of 94,287,227 Ordinary Shares in the Company, with a value of approximately £1.51m (US$2.50m) at the date of issue.

The amounts payable to easyGroup for the period were US$0.52m (2014: US$0.72m).

At the year end the outstanding liability to easyGroup was US$ nil (2014: US$ nil).

Transactions with subsidiaries

The Company charges fees for airline management services to its airline subsidiaries and recharges other direct costs incurred on their behalf. Fees for airline management services in 2015 were US$4.2m (2014: US$2.9m). In addition the Company provides working capital funding to subsidiaries. All such charges and funding are passed through intercompany loan account. Interest is chargeable on certain outstanding balances. The intercompany loans were fully impaired at 31 December 2015 and 31 December 2014 (see Note 7).

Notes to the Parent Company financial statements

Trading with other related parties

On 24 June 2014 the Company disposed of its investment in Fly 540 Kenya for a nominal sum. All legal and financial ties between the two companies have been dissolved and each group has indemnified the other against any and all liabilities relating to the segregation of the businesses.

The agreement wholly removes Fly 540 Kenya from the fastjet group. There were no material transactions with Five Forty Aviation Limited in the period prior to divestment.

The disposal constituted a related party transaction under the AIM Rules as the counterparty is a director of Fly 540 Kenya.

15. Events after the balance sheet date

On 13 April 2016 the Company announced that, as part of the rationalisation of routes to match current demand with capacity, it had delayed its application for a Zambian AOC to the final quarter of 2016 pending further review of the network.

On 23 April 2016, fastjet Plc became aware that fastjet Aviation Limited (formerly Lonrho Aviation (B.V.I.) Limited) had been served with a Draft Order for a creditor appointed liquidator to commence the winding up of the company in accordance with the Insolvency Act 2003 (British Virgin Islands). The case is to be heard on 6 June 2016. On the appointment of a liquidator, control of fastjet Aviation Limited would pass to the liquidator and fastjet Plc would no longer consolidate the assets and liabilities of fastjet Aviation Limited, including Fly 540 Angola, its 100% owned subsidiary. However, intercompany balances previously eliminated on consolidation would thereupon be recognised. It is not at this time practicable to estimate the final outcome if the liquidation were to happen.

On 29 April 2016 the Company announced it had agreed the early termination of the lease on one of its A319 aircraft as part of its ongoing review of its routes and fleet in order to match current demand with capacity. The aircraft, which was scheduled to come to the end of its lease term in October 2016, came out of service immediately.

Other Information

Glossary of Key Terms

AOC	Air Operator Certificate
ASL	Air Service Licence
ASP	Air Service Permit
BASA	Bilateral Air Service Agreement
CAA	Civil Aviation Authority
CGU	Cash generating unit
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
5^{th} Freedom	***Fifth Freedom of The Air*** - the right or privilege, in respect of scheduled international air services, granted by one State to another State to put down and to take on, in the territory of the first State, traffic coming from or destined to a third State (also known as a ***Fifth Freedom Right***).
FOP	Flight Operator's Permit
ICAO	International Civil Aviation Organisation

Other Information

Company details and advisors

Registered Number	5701801
Directors	Colin Child (Executive Chairman) Lisa Mitchell (Chief Financial Officer) Robert Burnham (Non-Executive Director)
Company Secretary	Lisa Mitchell
Registered Office	Suite 2C First Point Buckingham Gate Gatwick Airport RH6 0NT
Nominated Adviser and Joint Broker	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY
Joint Broker	W.H. Ireland Limited 24 Martin Lane London EC4R 0DR
Registrars	Neville Registrars Limited Neville House 18 Laurel Way Halesowen, West Midlands B63 3DA
Auditors	KPMG LLP 1 Forest Gate Brighton Road Crawley RH11 9PT
Solicitors	Laytons 2 More London Riverside London SE1 2AP
Financial PR	Citigate Dewe Rogerson 3 London Wall Buildings London Wall London EC2M 5SY