

ANNUAL REPORT 2014

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REPORT BY THE CHAIRMAN

Dear Shareholders,

Since the successful 2013 disposal of the aircraft management operations – part of the Group strategy to pursue its activities in the less regulated sectors of the aviation business, the Group now concentrates on charter sales, aircraft acquisitions and sales (brokerage) and aircraft consultancy.

During 2014, the audited consolidated results of Perfect Holding SA were revenue of CHF 24.3 million (CHF 27.4 million in 2013), a reduced net operating loss of CHF 0.3 million (CHF 0.7 million in 2013) and negative net operating cash flow of CHF 0.1 million (positive net operating cash flow of KCHF 31 in 2013). The 2014 net loss from discontinued operations amounted to KCHF 44 (CHF 2.3 million in 2013). The 2014 net loss from continuing operations amounted to CHF 0.8 million (CHF 0.65 million in 2013). Unfortunately, the reduction of the Group's running costs has been largely compensated by the cancellation of deferred tax assets on tax losses to be carried-forward.

Charter and brokerage activities have decreased in volume as a result of the very tense situation in Russia/Eastern Europe. However, increased margins have enabled an EBITDA increase in the charter segment.

The Perfect Group continues its proactive research and evaluation of carefully selected potential acquisitions, in order profitably to develop its growth. Existing corporate instruments, such as an authorized capital and a conditional capital reserved for convertible loans, in each case of approximately CHF 9 million, are available for the development of the Group's business and possible external growth transactions. The Group also has not taken advantage of bank loans for working capital.

We wish to take this opportunity to thank our employees and loyal shareholders for their continuing support.



Jean-Claude Roch (Chairman)
PERFECT HOLDING SA

CORPORATE GOVERNANCE

The following section has been prepared in accordance with the Swiss Code of Obligations and the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange. Additional disclosures required by the Directive on Information Relating to Corporate Governance for issuers subject to the Ordinance against Excessive Compensation at Listed Companies (OaEC) can be found in the separate section Remuneration Report or in Perfect Holding SA's Articles of Association (<http://www.perfect.aero/en/investor-relations/adhoc-publicity-and-shareholders-information>).

■ 1. GROUP STRUCTURE AND SHAREHOLDERS

GROUP STRUCTURE

Perfect Holding SA (Perfect Holding or the Company) was incorporated in Yverdon-les-Bains (Switzerland) as a Swiss limited company on April 8, 1997 with the Register of Commerce of the Canton of Vaud. The Company has its corporate legal headquarter at 3, Avenue de Florimont, 1006 Lausanne (formerly at 36, Route d'Allaman, 1163 Etoy), Switzerland. Its duration is undetermined. The corporate purpose of the Company, according to Article 2 of its Articles of Association, is the acquisition and the management of participations in other companies as well as any directly or indirectly related purposes. Globally, the purpose of the Perfect Group is the provision of business aviation services, including organisation of charters, as specified hereafter.

Perfect Holding, the ultimate parent company, is listed on the SIX Swiss Exchange, SIX Main Standard. The Company is listed under the symbol "PRFN". The valor number is 911512 and the ISIN code is CH0009115129. The market capitalisation as at December 31, 2014 amounts to CHF 14.48 million (December 31, 2013: CHF 23.52 million).

Perfect Holding's subsidiaries are:

	Registered office	Country	Currency	Share capital	Ownership Interest
Perfect Aviation SA	Lausanne	Switzerland	CHF	4'225'000	100%
Oxygen Aviation Ltd	Horsham	UK	GBP	360	100%

Perfect Holding and its subsidiaries (the Perfect Group) are dedicated to the following services to the business aircraft market: world wide charters, aircraft acquisitions and sales, as well as aircraft consultancy.

MAIN SHAREHOLDERS

As at December 31, 2014, the main shareholders of the Company are as follows:

	Ownership Interest
Haute Vision SA, Mauritius	37.90%
Grover Ventures Inc, British Virgin Islands	6.85%
Roderick Glassford	6.25%
Mark Green	6.25%
Steven A Jack	6.25%
Nicholas Grey	5.39%
Stephen Grey	4.39%

Mr. Stephen Grey, Mr. Nicholas Grey, Haute Vision SA and Grover Ventures Inc, who are deemed to form a group based on their family and business relationships and voting agreement (as disclosed in the Swiss Official Gazette of Commerce of August 6, 2008), hold in aggregate 98'704'873 shares, i.e. 54.53% of the current share capital of CHF 18'101'828.10 (divided into 181'018'281 shares with a nominal value of CHF 0.10 each).

CROSS SHAREHOLDINGS

There are no cross shareholdings between the Company and any other company, and no subsidiary of Perfect Holding holds any shares of the Company.

■ 2. CAPITAL STRUCTURE

SHARE CAPITAL

At December 31, 2014, the share capital amounts to CHF 18'101'828.10, consisting of 181'018'281 issued and fully paid-in registered shares with a nominal value of CHF 0.10 each.

AUTHORISED SHARE CAPITAL

At the shareholders' general meeting held on May 23, 2014, the shareholders accepted the Board's proposal to create, in order to dispose of a maximum flexibility for the development of the group's business and possible external growth transactions, an authorised capital of a maximum amount of CHF 9'050'914 (divided into a maximum of 90'509'140 registered shares of CHF 0.10 nominal value each), for (i) the acquisition of businesses or participations in businesses and/or (ii) the financing of the development of the business and/or the acquisitions of the company and its subsidiaries, for a 2-year period until 23 May 2016, with the possibility for the Board of Directors to suppress and/or restrict the preferential subscription rights of the shareholders in respect of the new shares to be issued in connection with any acquisitions of businesses and/or participations in businesses.

CONDITIONAL SHARE CAPITAL

The conditional share capital of the Company represents an aggregate amount of CHF 9'050'000 and is divided into the two following components:

Conditional capital reserved for share option plans

At December 31, 2014, this component of the conditional capital of the Company amounts to CHF 60'000 (divided into a maximum of 600'000 registered shares of a nominal value of CHF 0.10 each, to be fully paid up). It is reserved for the issuance of new shares to managers and employees of the Perfect Group upon exercise of option rights to be granted by the Board of Directors in the context of option plans. The Articles of Association provide that the preferential subscription rights of the shareholders may be suppressed in connection with the new shares to be issued out of the conditional share capital. Currently, there is no option plan in place in the group.

Conditional capital reserved for convertible loans

At the shareholders' general meeting of May 24, 2013, a conditional capital of maximum CHF 8'990'000 (divided into a maximum of 89'900'000 registered shares of a nominal value of CHF 0.10 each, to be fully paid up) was created in order to secure the exercise of conversion rights that may be issued under future convertible loans of the Company. The new shares may be acquired by creditors of future convertible loans of the Company. The preferential subscription right of shareholders was suppressed for these new shares. The Board of Directors may decide to restrict the preferential right of shareholders to subscribe to such convertible loans by setting minimum indi-

vidual loan tranches of CHF 50'000. The conversion right can only be exercised for up to 3 years from the date of issuance of the convertible loan. The issuance of the new shares is subject to the applicable conditions of conversion, whereby the conversion price must correspond to the nominal value of the shares.

CHANGES TO THE SHARE CAPITAL

On May 21, 2012, as part of the consideration for the acquisition of Oxygen Aviation Ltd, the share capital of Perfect Holding was increased, by way of a contribution in kind, by the issuance of 33'934'428 registered shares of CHF 0.10 nominal value each, at a subscription price of CHF 0.1586 each. Accordingly, the share capital was increased by CHF 3'393'442.80 in nominal value (consisting of 33'934'428 registered shares of CHF 0.10 nominal value each) to a total amount of CHF 18'101'828.10 (consisting of 181'018'281 registered shares of CHF 0.10 nominal value) and an *agio* (share premium) of CHF 1'988'557.48 had been generated.

SHARES

All shares of the Company are registered shares with a nominal value of CHF 0.10 each. The Company has one single class of shares. Each registered share carries one vote at the shareholders' meeting. Each shareholder recorded in the share register with voting rights may be represented at the General Meeting by the independent representative or a third party. Shareholders have the right to receive dividends decided by the shareholders' meeting and have all other rights provided for by the Swiss Code of Obligations.

The Company has not issued any preferred voting shares or non-voting equity securities, such as participation certificates or profit sharing certificates.

TRANSFER OF SHARES & RESTRICTION TO TRANSFERABILITY

The transfer of shares registered in the shareholders' register of the Company (for as long as they are book-entry shares and not issued in a certificated form) is effected by means of a corresponding entry in the books of a bank or depository institution following any transfer instructions by the transferor shareholder and the corresponding notification of the transfer to the Company.

The Articles of Association do not provide for any particular restrictions to transferability of the shares or for any nominee registrations.

CONVERTIBLE BONDS

Neither the Company nor any of its subsidiaries have issued convertible bonds or other securities giving a right to acquire shares of the Company.

OPTION RIGHTS

As indicated in the above section "Conditional share capital", there is currently no option plan in place in the Company.

CORPORATE GOVERNANCE

■ 3. BOARD OF DIRECTORS

MEMBERS OF THE BOARD OF DIRECTORS

Currently, the members of the Board of Directors of the Company are as follows:

		First election date	Last election date	Next re-election date
Jean-Claude Roch	Chairman	February 2002	May 2014	May 2015
Stephen Grey	Member	May 2002	May 2014	May 2015
Anouck Ansermoz	Member	May 2009	May 2014	May 2015

Jean-Claude Roch, Swiss, after a university education in Commercial and Economics studies at the University of Lausanne and a certification as Swiss Certified Public Accountant in 1980, has specialised in the management, restructuring and development of companies and enjoys an excellent financial and industrial network. Mr. Roch is currently acting as a Board member of several companies in the fields of banking, medical and balneology: he is Chairman of the Boards of Directors of Banque Hottinger & Cie SA and of Vidy Med Holding SA, as well as Board member of the company Les Bains de Lavey SA. Previously, Mr. Roch served in various key positions with Sicpa SA and Sicpa Holding SA, amongst others. Mr. Jean-Claude Roch is acting as Executive Chairman of the Board of Directors and as Chief Executive Officer and Chief Financial Officer of Perfect Holding.

Stephen Grey, Swiss, after an education in architecture, has extensive experience in Switzerland and abroad in the areas of manufacture and distribution of capital goods and in the financial and service sectors. Mr. Grey has also been particularly active as a turnaround manager of companies and groups in difficult financial and/or business situations in multiple industries. Mr. Stephen Grey was previously acting as Chief Executive Officer of the Perfect Group and is now acting as a non-executive member of the Board of Directors.

Anouck Ansermoz, Swiss, holds a master in economics and management from HEC in Lausanne and became a Swiss Certified Public Accountant in 2001. She has worked in the fields of audit and consolidation with STG-Coopers & Lybrand, Sicpa SA and Tetra Laval Finance, prior to joining the Perfect Group in 2002. Since 2012, she is working as a partner at CapFinance, a finance and management consulting company. Mrs. Anouck Ansermoz was previously acting as Chief Financial Officer of the Perfect Group and has, since June 2012, been acting as a non-executive member of the Board of Directors and as an external consultant to the Company.

ELECTION TO THE BOARD OF DIRECTORS AND DURATION OF MANDATE

The Articles of Association provide that the Board of Directors must consist of at least three members. The Chairman of the

Board of Directors and the members of the Board of Directors shall be elected individually by the General Meeting for a term of office until the next Annual General Meeting. Members of the Board of Directors whose term of office has expired shall be immediately eligible for re-election, without limitation.

ORGANISATION OF THE BOARD OF DIRECTORS

The Board of Directors has delegated the management of the operations of Perfect Holding and of the operating subsidiaries of the Perfect Group to the Executive Management. The Board of Directors is therefore primarily responsible for the definition of the strategy of the Perfect Group and the giving of instructions and supervision of the actions of the Executive Management. The coordination between the Board of Directors and the Executive Management is very close and efficient, especially as one member of the Board of Directors has executive functions for the Perfect Group.

The Board of Directors has set up an "internal control" function which supervises the functional organisation and controls the effectiveness of the internal control system. This function is directly subordinated to the Board of Directors.

The Board of Directors deals with all matters falling within its competencies in its plenary meetings. The Board of Directors meets for regular meetings between four and six times per year, and in any event before the publication of financial statements or of any other important press releases. These meetings generally last approximately half a day, with the presence of all members and the occasional attendance of external persons. Extraordinary meetings can be organised on an ad hoc basis. In 2014, the Board of Directors held five regular meetings.

COMMITTEES OF THE BOARD OF DIRECTORS / REMUNERATION COMMITTEE

In view of the corporate structure and organisation of the Perfect Group and of the limited size of the Board of Directors, the Board had not set any committees until the end of the year 2013. As from the shareholders' meeting held in May 2014, a Remuneration Committee consisting of 2 members of the Board of Directors has been put in place. The members of such Remuneration Committee are elected individually by the sharehol-

ders' meeting for a term of office running until the next annual General Meeting.

The Remuneration Committee assists the Board of Directors in establishing and periodically reviewing the Company's compensation strategy and guidelines as well as in preparing the proposals to the General Meeting regarding the compensation of the members of the Board of Directors and of the Executive Management. It may submit proposals and recommendations to the Board of Directors regarding other compensation-related issues. The Board of Directors may promulgate regulations to determine for which positions of the Board of Directors and of the Executive Management the Compensation Committee, together with the Chairman of the Board of Directors or on its own, shall submit proposals for the compensation, and for which positions it shall determine the compensation in accordance with the Articles of Association and the compensation guidelines established by the Board of Directors. The Board of Directors may delegate further tasks and powers to the Remuneration Committee.

The Company's Board of Directors decides upon the Executives' and Directors' remunerations, including any entitlements under participation and/or share option plans, within the limits of the maximum amounts fixed by the General Meeting. Executives and Directors are remunerated in relation to their qualifications and responsibilities. The remuneration currently paid to the members of the Board of Directors and Executive Management consists exclusively of a fixed remuneration, subject to the possibility (not used in 2014) for the Board of Directors to grant a variable remuneration element.

■ 4. EXECUTIVE MANAGEMENT

Currently, the executive management team (the "Executive Management") is composed as follows:

Jean-Claude Roch	Chief Executive Officer and Chief Financial Officer of Perfect Holding
Roderick Glassford	Director of the aircraft charter business of Oxygen Aviation
Mark Green	Director of the aircraft charter business of Oxygen Aviation
Steven A Jack	Director of the aircraft charter business of Oxygen Aviation

Steven A Jack, British, started his career with Norwich Union Insurance Group specialising in third party litigation claims. Five years later, he joined Bond Helicopters Ltd working directly for the owner in the commercial and marketing department. In 1997, he became an aircraft charter broker, latterly specialising in the Russian market. Eight years later, he founded Oxygen

Aviation Ltd (formerly named Oxygen 4 Ltd) with Messrs. Mark Green and Rod Glassford. Mr. Steven A Jack is acting as Director of the aircraft charter business of Oxygen Aviation.

Mark Green, British, after an education in accountancy, spent five years at an air taxi operator at Oxford Airport, starting as company accountant and becoming operations manager after two years. Following this post, he joined one of the world's largest air charter brokers, where he managed clients from varying industries including financial institutions and where he developed the Russian Market. In 2005, Mr. Mark Green founded Oxygen Aviation Ltd (formerly named Oxygen 4 Ltd) with Messrs. Steven Jack and Rod Glassford, and was responsible for client management, procedures and developing sales. Mr. Mark Green is acting as Director of the aircraft charter business of Oxygen Aviation.

Roderick Glassford, British, achieved International Baccalaureate Diploma then went on to study Law at the University of Northumbria in Newcastle. He began his aviation career in 1998 with First Choice Holidays PLC as a commercial flight trader. After two and a half years, Mr. Glassford joined one of the world's largest air charter brokers within the executive aviation division. Four years later, he founded Oxygen Aviation Limited (formerly named Oxygen 4 Ltd) with Messrs. Mark Green and Steven Jack. Mr. Glassford is acting as Director of the aircraft charter business of Oxygen Aviation.

Please refer to section "Board of Directors" for the biographical description of Mr. Jean-Claude Roch.

■ 5. COMPENSATION, SHAREHOLDINGS AND LOANS

COMPENSATION POLICIES

Compensation of the non-executive members of the Board of Directors comprises fixed compensation elements, as well as a possible variable remuneration element. Compensation of the members of the Executive Management may comprise fixed and variable compensation elements. Fixed compensation comprises the base salary and may comprise other compensation elements and benefits. Variable compensation may comprise short-term and long-term compensation elements.

The Board of Directors submits proposals to the General Assembly regarding the maximum amounts of the fixed and variable compensation elements. Within such limits, the Board of Directors, upon a proposal of the Remuneration Committee, decides upon the fixed and variable compensation elements, their components and the possible performance metrics. Compensation may be paid or granted in the form of cash, shares, other benefits or in kind; compensation to members of the Board of Directors and of the Executive Management may also be paid or granted in the form of financial instruments or similar products. The Board of Directors, upon proposal of the Remunera-

CORPORATE GOVERNANCE

tion Committee, determines grant, vesting, blocking, exercise and forfeiture conditions; it may provide for continuation, acceleration or removal of vesting and exercise conditions, for payment or grant of compensation assuming target achievement or for forfeiture, for example in the event of pre-determined events such as a termination of an employment or mandate agreement. Compensation may be paid by the Company or companies controlled by it. The Board of Directors evaluates compensation according to the principles that apply to the remuneration report.

The Chairman of the Board of Directors receives an annual fixed remuneration, subject to the possibility (not used in 2014) for the Board of Directors to grant a variable remuneration element. He is compensated in cash for all of his duties, including ordinary and extraordinary meetings, committee activities and other extraordinary activities. There is no remuneration for the other function of the Board of Directors (members, secretary). Out-of-pocket expenses are reimbursed.

COMPENSATION DISCLOSURES

Compensation

The following compensations have been paid to the Executive Management:

(in CHF '000)	2014	2013
Mr. Jean-Claude Roch, Chairman of BoD, CFO and CEO of Perfect Holding SA **	134	160
Mr. William Curtis, CEO of the Perfect Group operating companies (until August 31, 2013) *	-	216
Mr. Roderick Glassford, Director of the aircraft charter business of Oxygen Aviation *	272	259
Mr. Steven A Jack, Director of the aircraft charter business of Oxygen Aviation *	272	259
Mr. Mark Green, Director of the aircraft charter business of Oxygen Aviation *	272	259
	950	1'153

* Salaries and social charges

** Board membership fee (in 2013, CHF 31'000 as Executive consultancy fee and CHF 128'713 (including social charges) received as Board membership fee)

Board membership fees of CHF 18'000 had been paid to Mrs. Anouck Ansermoz in 2013 (nil in 2014). Apart from the fees paid to the Chairman and Mrs. Ansermoz, no Board membership fee has been paid to the other member of the Board of Directors.

SHAREHOLDINGS, LOANS

Loans and credits

At December 31, 2014 and at December 31, 2013, there were no loans and/or credits granted by any company of the Perfect Group to any current or former members of the Board of Directors or Executive Management.

Participations

At December 31, 2014 and at December 31, 2013, the participations held by members of the Board of Directors and Executive Management (including persons closely related to these members) were as follows:

(in nb of shares)	Dec. 31, 2014		Dec. 31, 2013	
	Shares	Option rights	Shares	Option rights
Mr. Stephen Grey, member of BoD	7'940'361	-	7'940'361	-
Mr. Roderick Glassford, Director of the aircraft charter business of Oxygen Aviation	11'311'476	-	11'311'476	-
Mr. Steven A Jack, Director of the aircraft charter business of Oxygen Aviation	11'311'476	-	11'311'476	-
Mr. Mark Green, Director of the aircraft charter business of Oxygen Aviation	11'311'476	-	11'311'476	-
	41'874'789	-	41'874'789	-

Apart from the shares held by Messrs. Stephen Grey, Mark Green, Steven A Jack and Rod Glassford (as specified in the section "Main Shareholders" and in the sub-section "Participations" above), no member of the Board of Directors and/or Executive Management holds any shares in the Company. No options have currently been issued to any member of the Board of Directors and/or Executive Management under any stock option plan.

6. VOTING RIGHTS AND PARTICIPATION AT SHAREHOLDERS' MEETINGS

Each share carries one vote at the shareholders' meetings of the Company. Voting rights may be exercised only after a shareholder has been registered in the Company's share register as a shareholder with voting rights. The deadline for registration in the Company's share register before a shareholders' meeting is in principle 15 working days prior to the meeting.

Subject to the registration of the shares in the share register,

the Articles of Association do not impose any restrictions on the voting rights of shareholders. Specifically, there is no limitation on the number of voting rights per shareholder.

The other aspects relating to voting rights as well as the procedure for the exercise of such rights, including the rules governing the rights for a shareholder to ask for the calling of a shareholders' meeting and/or to ask that an item be added to the agenda of a shareholders' meeting, are governed by the Articles of Association in accordance with the applicable provisions of the Swiss Code of Obligations. The Articles of Association do not contain any special rules in relation to quorums or qualified majorities or the calling of shareholders' meetings that derogate from the provisions of the Swiss Code of Obligations.

Each shareholder recorded in the share register with voting rights may be represented at the General Meeting by the independent representative or a third party.

■ 7. TAKEOVER AND DEFENSIVE MEANS

OPTING-OUT

Previously, in accordance with the applicable provisions of the Swiss Stock Exchanges and Securities Trading Act (Stock Exchange Act) and the Articles of Association, modified at the shareholders' meeting of April 29, 2005, whoever acquired shares of the Company, whether directly, indirectly or acting in concert with third parties, which, when added to the shares already held, exceeded the threshold of 49% of the voting rights (whether exercisable or not) of the Company was under an obligation to make an offer to acquire all listed shares of the Company.

However, at the shareholders' meeting held on April 27, 2007, the shareholders of the Company decided, in accordance with article 22 para. 3 of the Stock Exchange Act, to "opt out" from the provisions of the Stock Exchange Act dealing with the duty to submit takeover offers by adopting the following new wording of article 9 of the Articles of Association: "The obligation to submit a takeover offer within the meaning of article 32 of the Stock Exchanges and Securities Trading Act does not apply to the owners and acquirers of shares of the Company in accordance with article 22 para. 3 of such Act." (such clause being referred to as an "Opting-out"). The validity of this "Opting-out" clause was confirmed by the shareholders at the shareholders' meeting held on May 24, 2013 on the basis of a proposal to that effect made by the group of shareholders referred to as a group under "Main Shareholders" above following a decision of the Swiss Takeover Board of April 26, 2013. As a result, the Articles of Association no longer provide for a duty of any owner or acquirer of shares of the Company to make an offer to all other shareholders upon reaching any level of shareholding, regardless of the level of his/her/its participation.

■ 8. AUDITORS

DURATION OF CURRENT AUDIT MANDATE AND OF AUDIT RESPONSIBLE FUNCTION

PricewaterhouseCoopers SA has been appointed as the statutory auditor of Perfect Holding SA since 1997. The lead auditor since 2010 is Mr. Didier Ehret, Swiss Certified Public Accountant, partner.

AUDIT FEES

The fees for professional services related to the audit of the Perfect Group's annual accounts for the FY 2014 amounted to KCHF 118. This amount includes fees for the audit of Perfect Holding, of its subsidiaries and of the consolidated financial statements.

AUDIT RELATED FEES

No further audit related services were rendered by PricewaterhouseCoopers SA in 2014.

OTHER FEES

Other services (tax related) were rendered by PricewaterhouseCoopers SA for KCHF 12 in 2014.

ASSESSMENT OF EXTERNAL AUDIT

The assessment of the external auditors and supervision of their audit work is done by the Board of Directors. PricewaterhouseCoopers SA has been kept informed of the Board of Directors' feedback through the minutes of the Board of Directors and through some meetings with one or several members of the Board of Directors. PricewaterhouseCoopers has informed the Board of Directors about the audit work and conclusions by means of a "Detailed Report to the Board of Directors", remitted to the members of the Board of Directors during an audit closing meeting. During such audit closing meeting, the Board of Directors and the auditors reviewed together the financial statements of the Perfect Group and in particular of Perfect Holding. Two audit closing meetings are normally held per year, one for interim financial statements and one for annual financial statements.

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■ 9. FURTHER INFORMATION

The following source of information is available:

<http://www.perfect.aero/en/investor-relations>.

Interim reporting, as well as annual reports and any press releases are regularly published on the above internet site (<http://www.perfect.aero/en/investor-relations/annual-and-interim-reports>).

IMPORTANT DATES

29.05.2015 Ordinary Shareholders General Meeting

25.09.2015 Interim Half-Year 2015 Report

INVESTOR RELATIONS

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REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF PERFECT HOLDING SA, LAUSANNE

■ REPORT OF THE STATUTORY AUDITOR ON THE REMUNERATION REPORT

We have audited the accompanying remuneration report dated 23 March 2015 of Perfect Holding SA for the year ended 31 December 2014.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14-16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14-16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating

the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the remuneration report of Perfect Holding SA for the year ended 31 December 2014 complies with Swiss law and articles 14-16 of the Ordinance.



A handwritten signature in black ink, appearing to read "D. Ehret", written over a light gray background.

Didier Ehret
Audit expert
Auditor in charge

A handwritten signature in black ink, appearing to read "A. Joly", written over a light gray background.

Aude Joly
Audit expert

Lausanne, March 23, 2015

REMUNERATION REPORT

The remuneration report contains information about the principles of remuneration, procedures for determining remuneration and components of compensation for the Board of Directors and Executive Management of Perfect Holding SA. It is based on the provisions of the Articles of Association, the transparency requirements set out in Article 663b bis and Article 663c of the Swiss Code of Obligations, Articles 13-16 and Article 20 of the Swiss Ordinance against Excessive Remuneration at Listed Companies (OaEC), the SIX Swiss Exchange Directive on Information relating to Corporate Governance and the Swiss Code of Best Practice for Corporate Governance drawn up by Economiesuisse.

■ 1. REMUNERATION SYSTEM

PRINCIPLES

At the Annual General Meeting of May 29, 2015, the Board of Directors will ask shareholders to approve revised Articles of Association designed to implement the requirements of the OaEC. Amongst other things, the amended Articles of Association include the general principles regarding the elements of remuneration paid to Members of the Board of Directors and of the Executive Management. The amendments to the Articles of Association also set out the competencies of the Remuneration Committee, clarify the role of the independent representative and the possibility of electronic voting, as well as the duration of the employment contracts of the Board members and the Executive Management.

ORGANISATION AND COMPETENCIES

As from the shareholders' meeting held on May 23, 2014, a Remuneration Committee consisting of 2 members of the Board of Directors, Mr. Jean-Claude Roch (Chairman of the Board of Directors) and Mrs. Anouck Ansermoz (Board member) has been put in place. The members of such Remuneration Committee are elected individually by the shareholders' meeting for a term of office running until completion of the next annual General Meeting.

The Remuneration Committee assists the Board of Directors in establishing and periodically reviewing the Company's compensation strategy and guidelines as well as in preparing the proposals to the General Meeting regarding the compensation of the members of the Board of Directors and of the Executive Management. It may submit proposals and recommendations to the Board of Directors regarding other compensation-related issues. The Board of Directors may promulgate regulations to determine for which positions of the Board of Directors and of the Executive Management the Compensation Committee, together with the Chairman of the Board of Directors or on its own, shall submit proposals for the compensation, and for

which positions it shall determine the compensation in accordance with the Articles of Association and the compensation guidelines established by the Board of Directors. The Board of Directors may delegate further tasks and powers to the Remuneration Committee.

The Company's Board of Directors decides upon the Executives' and Directors' remunerations, including any entitlements under participation and/or share option plans, within the limits of the maximum amounts fixed by the General Meeting. Executives and Directors are remunerated in relation to their qualifications and responsibilities. The remuneration currently paid to the members of the Board of Directors and Executive Management consists exclusively of a fixed remuneration, subject to the possibility (not used in 2014) for the Board of Directors to grant variable remuneration components.

GENERAL COMPENSATION PRINCIPLES

Compensation of the non-executive members of the Board of Directors comprises a fixed compensation as well as a possible variable remuneration element. Compensation of the members of the Executive Management may comprise fixed and variable compensation elements. Fixed compensation comprises the base salary and may comprise other compensation elements and benefits. Variable compensation may comprise short-term and long-term compensation elements.

The Board of Directors submits proposals to the General Assembly regarding the maximum amounts of the fixed and variable compensation elements. Within such limits, the Board of Directors, upon a proposal of the Remuneration Committee, decides upon the fixed and variable compensation elements, their components and the possible performance metrics. Compensation may be paid or granted in the form of cash, shares, other benefits or in kind; compensation to members of the Board of Directors and of the Executive Management may also be paid or granted in the form of financial instruments or similar products. The Board of Directors, upon proposal of the Remuneration Committee, determines grant, vesting, blocking, exercise and forfeiture conditions; it may provide for continuation, acceleration or removal of vesting and exercise conditions, for payment or grant of compensation assuming target achievement or for forfeiture, for example in the event of pre-determined events such as a termination of an employment or mandate agreement. Compensation may be paid by the Company or companies controlled by it. The Board of Directors evaluates compensation according to the principles that apply to the remuneration report.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

Currently, the members of the Board of Directors of the Company are as follows:

Jean-Claude Roch	Chairman
Stephen Grey	Member
Anouck Ansermoz	Member

The Chairman of the Board of Directors receives an annual fixed remuneration, subject to the possibility (not used in 2014) for the Board of Directors to grant a variable remuneration element. He is compensated in cash for all of his duties, including ordinary and extraordinary meetings, committee activities and other extraordinary activities. There was no remuneration paid for the other functions of the Board of Directors (members, secretary) in 2014. Out-of-pocket expenses are reimbursed.

Statutory and regulatory social security contributions due on the remuneration paid to the Chairman of the Board of Directors are paid by Perfect Holding SA.

REMUNERATION OF THE EXECUTIVE MANAGEMENT

Currently, the executive management team (the "Executive Management") is composed as follows:

Jean-Claude Roch	Chief Executive Officer and Chief Financial Officer of Perfect Holding
Roderick Glassford	Director of the aircraft charter business of Oxygen Aviation
Mark Green	Director of the aircraft charter business of Oxygen Aviation
Steven A Jack	Director of the aircraft charter business of Oxygen Aviation

Mr. Jean-Claude Roch's remuneration as CEO and CFO is included in his above-described remuneration as Chairman of the Board of Directors.

The compensation of the other members of the Executive Management is a fixed remuneration in cash, taking into account their qualifications, experience and area of responsibility, at prevailing market conditions. Remuneration borne by the group comprises also the employer's contribution to social insurance, as well as a participation to an individual pension plan.

EMPLOYMENT CONTRACTS

Members of the Executive Management, apart from Mr. Jean-Claude Roch who has only an oral agreement, have written permanent employment contracts that can be terminated on 6 months' notice.

There is no contractual provision regarding a severance pay for members of the Board of Directors or of the Executive Management.

2. COMPENSATION DISCLOSURES

COMPENSATION

The following compensations have been paid to the members of the Executive Management:

(in CHF '000)	2014	2013
Mr. Jean-Claude Roch, Chairman of the Board of Directors, CFO and CEO of Perfect Holding SA **	134	160
Mr. William Curtis, CEO of the Perfect Group operating companies (until August 31, 2013) *	-	216
Mr. Roderick Glassford, Director of the aircraft charter business of Oxygen Aviation *	272	259
Mr. Steven A Jack, Director of the aircraft charter business of Oxygen Aviation *	272	259
Mr. Mark Green, Director of the aircraft charter business of Oxygen Aviation *	272	259
	950	1'153

* Salaries and social charges

** Board membership fee (in 2013, CHF 31'000 as Executive consultancy fee and CHF 128'713 (including social charges) received as Board membership fee)

Mrs. Anouck Ansermoz, as an external consultant to Perfect Holding SA, received fixed monthly fees of CHF 10'000 during the year 2014 for specific tasks relating mainly to consolidation and corporate finance matters, in addition to her duties as member of the Board of Directors. She did not receive any board membership fee in 2014 (compared to a fee of CHF 18'000 during the year 2013).

Mr. Stephen Grey did not receive any remuneration for his tasks as member of the Board of Directors in 2014 or 2013.

REMUNERATION REPORT

■ 3. SHAREHOLDINGS, LOANS

LOANS AND CREDITS

At December 31, 2014 and at December 31, 2013, there were no loans and/or credits granted by any company of the Perfect Group to any current or former members of the Board of Directors or Executive Management.

PARTICIPATIONS

At December 31, 2014 and at December 31, 2013, the participations held by members of the Board of Directors and Executive Management (including persons closely related to these members) were as follows:

(in nb of shares)	Dec. 31, 2014		Dec. 31, 2013	
	Shares	Option rights	Shares	Option rights
Mr. Stephen Grey, member of the Board of Directors	7'940'361	-	7'940'361	-
Mr. Roderick Glassford, Director of the aircraft charter business of Oxygen Aviation	11'311'476	-	11'311'476	-
Mr. Steven A Jack, Director of the aircraft charter business of Oxygen Aviation	11'311'476	-	11'311'476	-
Mr. Mark Green, Director of the aircraft charter business of Oxygen Aviation	11'311'476	-	11'311'476	-
	41'874'789	-	41'874'789	-

Apart from the shares held by Messrs. Stephen Grey, Mark Green, Steven A Jack and Rod Glassford, no member of the Board of Directors and/or Executive Management holds any shares in the Company. No options have currently been issued to any member of the Board of Directors and/or Executive Management under any stock option plan.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF PERFECT HOLDING SA, LAUSANNE

■ REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

As statutory auditor, we have audited the consolidated financial statements of Perfect Holding SA, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes (pages 22 to 54), for the year ended December 31, 2014.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements for the year ended December 31, 2014 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

■ REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.



A handwritten signature in black ink, appearing to read 'D. Ehret'.

Didier Ehret
Audit expert
Auditor in charge

A handwritten signature in black ink, appearing to read 'A. Joly'.

Aude Joly
Audit expert

Lausanne, March 23, 2015

CONSOLIDATED INCOME STATEMENTS

(in CHF '000)	Notes	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
CONTINUING OPERATIONS			
Revenue	27	24'342	27'443
Cost of services sold		-21'548	-23'884
Gross profit		2'794	3'559
Aviation costs		-202	-194
Marketing & sales expenses		-1'571	-2'045
General & administrative expenses		-1'256	-1'920
Other operating income / (expenses)		-57	-116
Operating profit / (loss)		-292	-716
Finance income	7	74	88
Finance expenses	7	-43	-51
Exchange differences		-118	-74
Profit / (loss) before taxes		-379	-753
Income tax income / (expenses)	8	-442	103
Net profit / (loss) for the year from continuing operations		-821	-650
DISCONTINUED OPERATIONS			
Net profit / (loss) for the year from discontinued operations	9	-44	-2'334
Net profit / (loss) for the year		-865	-2'984
Attributable to:			
Owners of the parent		-865	-2'984
Non-controlling interests		-	-
Earnings per share			
	10		
<i>From continuing operations</i>			
Basic and diluted profit / (loss) per share (in CHF)		-0.005	-0.004
<i>From discontinued operations</i>			
Basic and diluted profit / (loss) per share (in CHF)		0.000	-0.013
<i>From continuing and discontinued operations</i>			
Basic and diluted profit / (loss) per share (in CHF)		-0.005	-0.017

The notes on pages 28 to 54 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in CHF '000)	Notes	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Net profit / (loss) for the year		-865	-2'984
Other comprehensive income / (loss):			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements on defined benefit plans, net of taxes	8	-9	15
Total items that will not be reclassified to profit or loss		-9	15
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences		65	72
Total items that may be reclassified subsequently to profit or loss		65	72
Other comprehensive income / (loss) for the year, net of tax		56	87
Total comprehensive income / (loss) for the year		-809	-2'897
Attributable to:			
Owners of the parent		-809	-2'897
Non-controlling interests		-	-

CONSOLIDATED BALANCE SHEETS

(in CHF '000)	Notes	Dec. 31, 2014	Dec. 31, 2013
ASSETS			
Current assets			
Cash and cash equivalents	11/16b	1'213	1'293
Trade account receivables	12/16b	1'553	2'002
Advances to suppliers		-	33
Current portion of long-term loan	17/16b	714	360
Other current assets	13	475	1'015
Total current assets		3'955	4'703
Non-current assets			
Property, plant and equipment	14	414	431
Intangible assets	15	4'492	4'663
Deferred tax assets	18	20	452
Long-term loan	17/16b	1'070	1'424
Total non-current assets		5'996	6'970
Total assets	27	9'951	11'673
LIABILITIES AND EQUITY			
Current liabilities			
Trade account payables		456	862
Other current liabilities	19	823	1'300
Income tax payables		70	43
Advances from customers		121	124
Current portion of long-term debt	21	23	21
Total current liabilities		1'493	2'350
Non-current liabilities			
Long-term debt	21/25	313	324
Deferred tax liabilities	18	154	200
Defined benefit liabilities	20	93	92
Total non-current liabilities		560	616
Total liabilities		2'053	2'966
Equity attributable to owners of the parent			
Share capital	22	18'102	18'102
Share premium	22	1'989	1'989
Other reserves		-214	-205
Cumulative translation adjustment		50	-15
Accumulated losses		-12'029	-11'164
Total equity		7'898	8'707
Total liabilities and equity		9'951	11'673

The notes on pages 28 to 54 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in CHF '000)	Notes	Attributable to owners of the parent					Total
		Share capital	Share premium	Other reserves	Cumulative translation adjustment	Accumulated losses	
January 1, 2013		18'102	1'989	-220	-87	-8'180	11'604
Net profit / (loss) for the year		-	-	-	-	-2'984	-2'984
Cumulative translation adjustment of disposed subsidiaries recycled to income statement	29	-	-	-	29	-	29
Translation adjustment		-	-	-	43	-	43
Remeasurements on defined benefit plans, net of taxes	8/20	-	-	15	-	-	15
<i>Total other comprehensive income / (loss), net of taxes</i>		-	-	15	43	-	58
Total comprehensive income / (loss) for the year		-	-	15	72	-2'984	-2'897
Total transactions with owners		-	-	-	-	-	-
December 31, 2013		18'102	1'989	-205	-15	-11'164	8'707
January 1, 2014		18'102	1'989	-205	-15	-11'164	8'707
Net profit / (loss) for the year		-	-	-	-	-865	-865
Translation adjustment		-	-	-	65	-	65
Remeasurements on defined benefit plans, net of taxes	8/20	-	-	-9	-	-	-9
<i>Total other comprehensive income / (loss), net of taxes</i>		-	-	-9	65	-	56
Total comprehensive income / (loss) for the year		-	-	-9	65	-865	-809
Total transactions with owners		-	-	-	-	-	-
December 31, 2014		18'102	1'989	-214	50	-12'029	7'898

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in CHF '000)	Notes	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Cash flows from operating activities			
Net profit / (loss) for the year (including discontinued operations)		-865	-2'984
Adjustments for non-monetary items:			
Financial restructuring result	29	-	69
Allocation to / (dissolution of) provision for receivables impairment	12	-42	55
Depreciation of property, plant and equipment	14	35	92
Amortisation and impairment of intangible assets	15	207	285
Result on disposals of fixed assets	14/15	-	28
Change in net defined benefit liabilities	20	-10	-129
Loss on sales of subsidiaries	29	-	359
Cumulative translation adjustment of disposed subsidiaries recycled to income statement	29	-	-29
Foreign exchange differences		-	99
Interest expense	7	43	65
Interest income	7	-74	-91
Income taxes	8	442	-103
Operating profit / (loss) before working capital changes		-264	-2'284
(Increase) / decrease in trade account receivables		544	2'210
(Increase) / decrease in other current assets		436	877
(Decrease) / increase in trade account payables		-415	-178
(Decrease) / increase in other current liabilities		-522	-2'069
Cash generated from / (used in) operating activities		-221	-1'444
Interest received	7	3	3
Interest paid	7	-33	-54
Tax received	8	169	-
Tax paid	8	-36	-262
Net cash generated from / (used in) operating activities		-118	-1'757

The notes on pages 28 to 54 form an integral part of these consolidated financial statements

Net cash generated from / (used in) operating activities		-118	-1'757
Cash flows from investing activities			
Purchases of property, plant and equipment	14	-3	-8
Purchases of intangible assets	15	-15	-
Disposals of fixed assets	14/15	-	8
Interest income on loan	7	68	-
Proceeds from loan reimbursement	17	-	250
Acquisition / (disposal) of subsidiaries, net of cash	28/29	-	-492
Net cash from / (used in) investing activities		50	-242
Cash flows from financing activities			
Repayments of borrowings	21	-22	-21
Interest expenses on borrowings		-10	-11
Net cash from / (used in) financing activities		-32	-32
Net increase / (decrease) in cash and cash equivalents		-100	-2'031
Exchange gains / (losses) on cash and cash equivalents		20	2
Cash and cash equivalents at beginning of year		1'293	3'322
Cash and cash equivalents at end of year	11/16b	1'213	1'293
Cash and cash equivalents comprise the following:			
Cash and bank balances		1'148	1'186
Customers security deposits, available for use under certain conditions		65	107
		1'213	1'293

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

■ 1. ACTIVITY AND GROUP STRUCTURE

Perfect Holding SA (Perfect Holding or the Company) was incorporated in Yverdon-les-Bains (Switzerland) as a Swiss limited company on April 8, 1997 with the Register of Commerce of the Canton of Vaud. The Company has its corporate legal headquarter at 3, Avenue de Florimont, 1006 Lausanne (formerly at 36, Route d'Allaman, 1163 Etoy), Switzerland. Its duration is undetermined. The corporate purpose of the Company, according to Article 2 of its Articles of Association, is the acquisition and the management of participations in other companies as well as any directly or indirectly related purposes.

Perfect Holding, the ultimate parent company, is listed on the SIX Swiss Exchange, SIX Main Standard. The Company is listed under the symbol "PRFN".

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Perfect Holding and its subsidiaries (the Perfect Group) are dedicated to the following services to the business aircraft market: world wide charters, aircraft acquisitions and sales, as well as aircraft consultancy.

These group consolidated financial statements were authorised for issue by the Board of Directors on March 23, 2015, but they are subject to approval of the shareholders' general meeting.

As at December 31, 2014, Perfect Holding's subsidiaries are:

	Registered office	Country	Currency	Share capital	Ownership Interest
Perfect Aviation SA	Lausanne	Switzerland	CHF	4'225'000	100%
Oxygen Aviation Ltd	Horsham	UK	GBP	360	100%

■ 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The Perfect Group consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations and comply with the provisions of commercial accounting as set out in the Swiss Code of Obligations prior to modifications effective since January 1, 2013, in compliance with the transitional provisions of the new accounting law. The consolidated financial statements have been prepared under the historical cost convention, except for items to be recorded at fair value.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

The following new standards, amendments to standards and interpretations are mandatory for the financial year beginning on January 1, 2014:

- IAS 32 (amendment) 'Offsetting financial assets and financial liabilities' (effective for annual periods beginning on or after January 1, 2014, retrospective application, earlier adoption permitted) clarifies some of the requirements for offsetting financial assets and liabilities. Offsetting on the face of the balance sheet is only required, when the entity has a legally enforceable right to set-off and intends either to settle the asset and liability on a net basis or to realise the asset and settle the liability simultaneously. Clarification, that the right to set-off must be available today (and not contingent on a future event). Further, the right to set-off must be legally enforceable in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The group has applied this amendment from January 1, 2014, but it had no impact on the group's financial statements, as the group has no position subject to possible offsetting.
- Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets' (effective January 1, 2014, retrospective application, earlier adoption permitted) corrects an amendment to IAS 36 when IFRS 13 was issued and introduced additional disclosures for measurements based on fair value less costs of disposal in case of an impairment or reversal of an impairment. The IASB has subsequently amended IAS 36 as follows:

- No requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible if there was no impairment.

- Disclosure of the recoverable amount when an impairment loss has been recognized or reversed.

- Detailed disclosure of how fair value less costs of disposal has been measured when impairment loss is recognized or reversed. The group has applied this amendment from January 1, 2014, but it had no impact on the group's financial statements.

The following new standards, amendments to standards and interpretations are mandatory for the financial year beginning on January 1, 2014, but are currently not relevant for the group:

- Amendments to IFRS 10, 12 and IAS 27 - 'Investment entities' (effective January 1, 2014)

- Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting' (effective January 1, 2014)

- IFRIC 21 'Levies' (effective January 1, 2014)

New standards, interpretations to existing standards and standards amendments that are not yet effective:

The group has not early adopted any other new standards, interpretations to existing standards and standards amendments which need adoption by January 1, 2015 or later. The group has commenced, but not yet completed, an assessment of the impact of the adoption of these new or amended standards on its consolidated financial statements and is currently of the view that the impact would not be significant other than certain additional disclosures. The relevant standards and amendments identified by the group to date relate to:

- IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after January 1, 2018, retrospective application, earlier application permitted) - The complete version of IFRS 9 'Financial Instruments' includes requirements on the classification and measurement of financial assets and liabilities; it defines three classification categories for debt instruments: amortised cost, fair value through other comprehensive income ('FVOCI') and fair value through profit or loss ('FVPL'). Classification for investments in debt instruments is driven by the entity's business model for managing financial assets and their contractual cash flows. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. No changes were introduced for the classification and measurement of financial liabilities, except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. IFRS 9 also contains a new impairment model which will result in earlier recognition of losses. The expected credit losses (ECL) model is a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In addition, the new standard contains amendments to general hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The group will apply IFRS 9 from January 1, 2018, and it is yet to assess IFRS 9's full impact.

▪ IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after January 1, 2017, retrospective application, earlier application permitted) - The new standard on the recognition of revenue from contracts with customers applies to all contracts with customers except those that are financial instruments, leases or insurance contracts.

IFRS 15 is based on a five step approach:

- 1) Identify the contract with the customer
- 2) Identify the separate performance obligations in the contract
- 3) Determine the transaction price
- 4) Allocate the transaction price to separate performance obligations

5) Recognize revenue when a performance obligation is satisfied. The new standard will require entities to redefine their revenue recognition, and consider adjustments to the invoicing and accounting systems and consider renegotiating contracts with their clients. Entities currently using industry-specific guidance may be more significantly affected. In addition, the amount of revenue-related disclosures will increase. The group will apply IFRS 15 from January 1, 2017, and it is assessing the impact of IFRS 15.

▪ Amendment to IAS 19 'Defined Benefit Plans: Employee Contributions' (effective for annual periods beginning on or after July 1, 2014, retrospective application, early application permitted) clarifies the application of IAS 19R to post-employment benefit plans that require employees or third parties to contribute towards the cost of benefits. The amendment allows (but does not require) contributions that are linked to service, and do not vary with length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided; e.g. contributions dependent on the employee's age or contributions that are a fixed percentage of the employee's salary. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the gross benefits. The amendment allows many entities to continue accounting for employee contributions using their accounting policy prior to IAS 19R. The group will apply this amendment from January 1, 2015, but it is not expected to have any significant impact on the group's financial statements.

▪ Amendment to IAS 27 'Separate financial statements' (effective for annual periods beginning on or after January 1, 2016, retrospective application, earlier application permitted) restores the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

An entity can now account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- a) at cost; or
- b) in accordance with IFRS 9; or
- c) using the equity method as described in IAS 28.

The IASB has also clarified the definition of separate financial statements as those produced in addition to:

- consolidated financial statements by an entity with subsidiaries; or
- financial statements prepared by an entity which has no subsidiaries but has investments in associates or joint ventures required to be equity accounted under IAS 28.

The group will apply this amendment from January 1, 2016, but it is not expected to have any significant impact on the group's financial statements.

The following relatively minor changes will be applied by the group from their effective date, but they are not expected to have any significant impact on the group's financial statements:

▪ Annual improvements 2012 - IFRS 13 'Fair value measurement' (effective date July 1, 2014)

The following new standards, amendments to standards and interpretations are not yet effective, and are currently not relevant for the group:

▪ Annual improvements 2012 - IFRS 2 'Share-based payment' (effective date July 1, 2014)

▪ Annual improvements 2012 - IFRS 3 'Business combinations' (effective date July 1, 2014)

▪ Annual improvements 2012 - IFRS 8 'Operating segments' (effective date July 1, 2014)

▪ Annual improvements 2012 - IAS 16 'Property, plant and equipment and IAS 38 'Intangible assets' (effective date July 1, 2014)

▪ Annual improvements 2012 - IFRS 24 'Related party disclosures' (effective date July 1, 2014)

▪ Annual improvements 2013 - IFRS 3 'Business combinations' (effective date July 1, 2014)

▪ Annual improvements 2013 - IFRS 13 'Fair value measurement' (effective date July 1, 2014)

▪ Annual improvements 2013 - IAS 40 'Investment property' (effective date July 1, 2014)

▪ Amendments to IFRS 11 'Accounting for Acquisitions of Interests in Joint Operations' (effective January 1, 2016)

▪ Amendments to IFRS 10 'Consolidated financial statements' and IAS 28 'Investments in associates and joint ventures' (effective date January 1, 2016)

▪ Amendment to IAS 16 and IAS 38 'Clarification of Acceptable Methods of Depreciation and Amortisation' (effective date January 1, 2016)

▪ Amendments to IAS 16 and IAS 41 'Agriculture: Bearer plants' (effective date January 1, 2016)

▪ IFRS 14 'Regulatory Deferral Accounts' (effective date January 1, 2016)

2.2 CONSOLIDATION

The annual closing date of the individual financial statements is December 31.

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Swiss francs ("CHF" or "Swiss francs"), which is the Company's functional and the group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

All foreign exchange gains and losses are presented in the income statement within "Exchange differences".

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates; and
- (iii) all resulting exchange differences are recognised in other comprehensive income, under "Cumulative translation adjustment".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On consolidation, exchange difference arising from the translation of the net investment in foreign operations are taken to "Cumulative translation adjustment" in other comprehensive income. On the disposal of a foreign operation (that is, a disposal of the group's entire interest in a foreign operation), all of the exchange differences accumulated in equity (in other comprehensive income) in respect of that operation attributable to the equity holders of the Company are reclassified to the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at nominal value. Cash and cash equivalents include cash in hand, other short-term highly liquid investments with original maturities of three months or less. This position is readily convertible to known amounts of cash. Restricted cash (which comprises customers security deposits) is included in "Cash and cash equivalents".

2.6 TRADE ACCOUNT RECEIVABLES

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 180 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement in "Marketing & sales expenses". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "Marketing & sales expenses" in the income statement.

2.7 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and when the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to their residual values over their estimated useful lives, as follows:

Building	25 years
Equipments	5 years
Office equipment	3 - 10 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see accounting policy 2.9 Impairment of non-financial assets).

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within "Other operating income / expenses" in the income statement.

2.8 INTANGIBLE ASSETS

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill on acquisitions of subsidiaries is included in "Intangible assets". Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored

for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Customer relationship

Customer relationship has been identified in the business combination as of May 21, 2012. It has been recognised at fair value at the acquisition date and classified under "Customer relationship" in intangible assets. Such customer relationship has an estimated useful life of 5 years. Amortisation is calculated using the straight-line method to allocate the cost of this asset over its estimated useful life.

Software

Software cost relating to the implementation of the Enterprise resource planning system costs are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, i.e. over three years from the completion date. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred, because not meeting recognition criteria.

Other intangible assets

Other intangible assets consist of "Perfect Aviation" trademark registration, shown at historical cost. This trademark has an indefinite useful life.

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal of the impairment at each reporting date.

2.10 FINANCIAL ASSETS

Classification

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The financial assets of the group consist of loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise trade account receivables, short and long-term loan and cash and cash equivalents in the balance sheet (see accounting policies 2.5 and 2.6).

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2.11 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.12 IMPAIRMENT OF FINANCIAL ASSETS

Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal pay-

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ments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Impairment testing of trade receivables is described in the accounting policy 2.6.

2.13 TRADE ACCOUNTS PAYABLE

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 PROVISIONS

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

2.15 EMPLOYEE BENEFITS

Pension obligations

Group companies operate defined benefit and defined contribution pension schemes in accordance with the local conditions and practices in the countries in which they operate. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to

employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year.

Past service costs, resulting from a plan amendment or curtailment, are recognised immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the company has no further payment obligations. The contributions are recognised as employee benefit expense when they are due and are included in staff costs. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.16 SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, reduce the proceeds from the equity issue and are recognised directly in equity.

2.17 LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.18 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable for the sale of services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of services

The group sells services to the business aircraft market: aircraft management and operations (activities disposed of and stopped since end of August 2013), world wide charter, brokerage of aircraft acquisition and sales.

For sales of services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Charters

Revenue from charters is recognised when the group entity has delivered its services to its customers, i.e. when the concerned flight has occurred. In addition, revenue from charter business is recognised in applying the proper "agent VS principal" rule of IAS 18 revenue recognition. In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of

commission. Determining whether an entity is acting as a principal or as an agent requires judgement and consideration of all relevant facts and circumstances.

An entity is acting as a principal when it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. Features that indicate that an entity is acting as a principal include:

- (a) the entity has the primary responsibility for providing the goods or services to the customer or for fulfilling the order, for example by being responsible for the acceptability of the products or services ordered or purchased by the customer;
- (b) the entity has inventory risk before or after the customer order, during shipping or on return;
- (c) the entity has latitude in establishing prices, either directly or indirectly, for example by providing additional goods or services; and
- (d) the entity bears the customer's credit risk for the amount receivable from the customer.

An entity is acting as an agent when it does not have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. One feature indicating that an entity is acting as an agent is that the amount the entity earns is predetermined, being either a fixed fee per transaction or a stated percentage of the amount billed to the customer.

The group is acting almost exclusively as a principal in this charter business, as it has the exposure to the significant risks and rewards associated with the rendering of those services. Accordingly, the amount invoiced to the final customer is recognised in the income statement in "Revenue"; the amount for the purchase of the flight from an aircraft owner whose aircraft is under our management ('charter') or from an external operator ('subcharter') is recognised in "Cost of services sold".

The only case when the group is acting as an agent is when the group acts as an intermediate and recommends an operator to a customer and vice versa. In such situation, the group will get a commission, which is recognised in "Revenue" in the income statement, when the concerned flight has occurred.

Brokerage

Revenue from brokerage on acquisition and sales of aircrafts, which corresponds to commissions, is recognised when the sub-jacent transaction has taken place.

Aircraft management

Revenue from aircraft management is recognised on a monthly basis, in accordance with the aircraft management agreements signed with the aircraft owners. Revenue from aircraft management is recognised in applying the proper "agent VS principal" rule of IAS 18 revenue recognition (see above).

The different services included in the aircraft management have been examined separately into details in order to determine whether the group is acting as a principal (it is the case for the crew management and all its related expenses, such as

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salaries, training, etc.) or as an agent (it is the case for fuel, insurance, maintenance, travel, handling, etc.).

2.20 INTEREST INCOME

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2.21 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Taxes on income are accrued in the same periods as the revenues and expenses to which they relate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries,

associates and joint arrangements only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

■ 3. FINANCIAL RISK MANAGEMENT

3.1 RISK ASSESSMENT (AS REQUIRED BY SWISS CODE OF OBLIGATIONS)

In the context of the group Internal Control System, the Board of Directors has performed a risk assessment of the Company and of its subsidiaries.

The identification and the risk evaluation have been carried out by taking into consideration the degree of importance of the different processes - applicable to each group company - on the financial and operating risks.

The Board has prepared a detailed risk assessment, and defined the necessary measures to be taken. The Board has taken the short and long-term measures necessary to cover the identified risks. The objectives are the systematic identification of the risks, their assessment, the classification by priority level, the determination of their impact on the Company, as well as the adoption and controlling of measures taken in order to eliminate or reduce those risks. Such risk assessment, measures follow-up and action plan is performed at least once a year.

3.2 FINANCIAL RISK FACTORS

The group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group does not use derivative financial instruments to hedge these exposures.

Through the group's internal control system, the Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas. It also performs the risk assessment, defines the adequate measures and ensures the monitoring of the internal control system.

Foreign exchange risk

Transaction exposure arises because the amount of local currency paid or received in transactions denominated in foreign currencies may vary due to changes in exchange rates. The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Euros, British pounds and US dollars. Foreign exchange risk arises from:

- forecast revenue and costs denominated in a currency other than the entity's functional currency;
- recognised assets and liabilities; and
- net investments in foreign operations.

The foreign currency transaction exposure is limited by aligning the revenue streams to currencies that match the cost base. The group ensures that its net exposure is kept to a minimum level: group companies are responsible for their own cash management and they are invoicing revenue and paying expenses as much as possible in their local currency. The remaining exposure is related to the recognised assets and liabilities, which are denominated in a currency that is not the entity's functional currency. This exposure is kept as low as possible by compensating the risk on invoices in other currencies by purchasing some goods and services in these other currencies.

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from these net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At December 31, 2014, if the CHF had already weakened / strengthened by 15% (impact percentage of the abolition of the floor on the exchange rate CHF/EUR by the SNB) against the EUR with all other variables held constant, the pre-tax result for the year would have been KCHF 217 higher / lower, mainly as a result of foreign exchange gains / losses on translation of EUR-denominated trade account receivables, bank accounts and trade account payables (2013: KCHF 243).

At December 31, 2014, if the CHF had weakened / strengthened by 10% against the GBP with all other variables held constant, the pre-tax result for the year would have been KCHF 146 higher / lower, mainly as a result of foreign exchange gains / losses on translation of GBP-denominated group net assets (2013: KCHF 173).

At December 31, 2014, if the CHF had weakened / strengthened by 10% against the USD with all other variables held constant, the pre-tax result for the year would have been KCHF 74 higher / lower, mainly as a result of foreign exchange gains / losses on translation of USD-denominated trade account receivables and bank accounts (2013: KCHF 47).

Profit is a bit less sensitive to movement in currency / EUR exchange rates in 2014 than in 2013 because of the reduced amount of EUR-denominated trade account receivables and bank accounts.

Interest rate risk

Interest rate risk arises from movements in interest rates which could have adverse effects on the group's net income or financial position. Changes in interest rates cause variations in interest income and expenses on interest-bearing assets and liabilities.

The group's net income and financial position are independent of changes in market interest rates as the group has only interest-bearing assets and liabilities with fixed rates.

Credit risk

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and terms and conditions are offered. Credit risk arises from credit exposures to customers, including outstanding receivables. There is some concentrations of credit risk on trade receivables (see Notes 12 and 16b). Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The credit quality of receivables past due is assessed on an individual basis and on the customer's history of defaults. The group has policies in place to ensure that sales are made to customers by means of advance payment requests as well as use of major credit cards, especially for charters business. Otherwise, the group only gives credit to reputable companies and to certain individuals of high credit quality.

For banks and financial institutions, the group works with different banks in each country.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecast of the group's liquidity requirements to ensure sufficient cash is available to meet operational needs. Weekly cash reports are used to monitor the available cash, the outstanding trade account receivables and payables. Prudent liquidity risk management implies maintaining sufficient cash to cover working capital requirements. Individual companies are responsible for their own cash management, under the supervision of the group management, which is in charge of balancing the subsidiaries cash needs and / or cash surplus.

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The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(in CHF '000)	Notes	Less than 3 months	Between 3 months and 1 year	More than 1 year
Trade accounts payable		862	-	-
Current portion of long-term debt	21	-	21	-
Long-term debt	21	-	-	324
At December 31, 2013		862	21	324
Trade accounts payable		456	-	-
Current portion of long-term debt	21	-	23	-
Long-term debt	21	-	-	313
At December 31, 2014		456	23	313

3.3 CAPITAL MANAGEMENT

The group considers equity as equivalent to the IFRS equity on the balance sheet.

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern. The objective of the group is to avoid, as much as possible, resorting on external loans. At December 31, 2014, the group has no external financing, apart from the mortgage on the building located in Horsham (see Note 21).

3.4 FAIR VALUE ESTIMATION

The nominal values less any estimated credit adjustments for the following financial assets and liabilities are assumed to approximate their fair values:

- Cash and cash equivalents
- Trade account receivables
- Long-term loan (including current portion) (see Note 17)
- Trade account payables
- Current portion of long-term debt
- Long-term debt (see Note 21)

In 2014, there were no significant changes in the business or economic circumstances that affect the fair value of the group's financial assets and financial liabilities. In 2014, there were no reclassifications of financial assets.

■ 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy 2.8 Intangible assets. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see Note 15). The recoverable amount of the goodwill on Oxygen Aviation being higher than its carrying amount, no impairment has been recorded. If the estimated margin percentage used for the CGU had been 0.5% lower than management's estimates (for example 9.5% instead of 10%), the group would have recognised an impairment of KGBP 132. In case of impairment, it would be first allocated to customer relationship and then to goodwill.

4.2 CRITICAL JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

Deferred tax assets related to tax losses to be carried-forward

As defined in accounting policy 2.21 Current and deferred income tax, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be realised against which the temporary differences or the unused tax losses can be utilised. The probability of future taxable profit needs management judgements and estimates to be determined. As a large part of the tax losses to be carried-forward will expire in 2015 and due to the volatility of the result of the group company benefiting from tax losses, the management has decided not to recognise any deferred income tax assets at December 31, 2014. Had the group estimated that all available tax losses could be used, the effect would have been an additional income of KCHF 2'549 as of December 31, 2014 (2013: KCHF 5'123).

Recoverability of long-term loan

The group has granted a loan to the company Mondema SA (see Note 17). The balance of the loan amounts to KCHF 1'784 at December 31, 2014 (2013: KCHF 1'784). The

group management has been informed that Mondema is pursuing its strategic goal, as manufacturer of specific high-value-added machines, for large customers in the medical, luxury and food sectors. As indicated in Note 17, the repayment schedule had been updated in 2014 and the loan should be reimbursed within 5 years. The first reimbursement instalment has been received on February 9, 2015. It remains however an uncertainty regarding the repayment of the loan due as scheduled. Management is following up the ability of the company to respect the repayment plan.

■ 5. EMPLOYEE BENEFIT EXPENSES

(in CHF '000)	Notes	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Wages, salaries and other costs		1'476	1'797
Social security costs		166	172
Defined benefit plan - pension costs / (income)	20	-2	33
Defined contribution plan - pension costs		22	26
Employee benefit expenses (from continuing operations)		1'662	2'028

■ 6. INCOME / EXPENSES BY NATURE

(in CHF '000)	Notes	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Aviation costs		21'548	23'232
Employee benefit expenses	5	1'662	2'028
Depreciation	14	35	59
Amortisation	15	207	268
Administrative costs		846	1'546
Office expenses		59	67
Marketing, representation and travel expenses		220	487
Other operating expenses / (income)		57	472
Total expenses by nature (from continuing operations)		24'634	28'159

The total income / expenses by nature correspond to the total of the following income / expenses by function: cost of services sold, aviation costs, marketing & sales expenses, general & administrative expenses and other operating income / expenses.

■ 7. FINANCE INCOME AND EXPENSES

(in CHF '000)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Interest income on long-term loan (Note 17)	71	88
Other financial income	3	-
Finance income	74	88
Interest and financial expenses	-43	-51
Finance expenses	-43	-51
Finance income, net (from continuing operations)	31	37

■ 8. INCOME TAX EXPENSES

(in CHF '000)	Notes	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Current tax		-61	-40
Deferred tax	18	-381	-50
Tax relating to prior years		-	193
Income tax income / (expenses) (from continuing operations)		-442	103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The group's expected tax expenses for each year is based using the applicable tax rate in each individual jurisdiction, which in 2014 ranged between 8% and 22% (2013: between 8% and 22%), in the tax jurisdictions in which the group operates. The tax on the group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

(in CHF '000)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Profit / (loss) before taxes (from continuing operations)	-379	-753
Tax calculated at tax domestic rates applicable to profits in the respective countries	15	50
Tax effects of:		
▪ Tax losses for which no deferred income tax asset was recognised	-11	-137
▪ Utilisation of previously unrecognised tax losses	19	9
▪ Change in deferred tax liabilities / assets	-381	-50
▪ Income not subject to tax / (expenses not deductible for tax purposes) (incl. restructuring result)	-75	76
▪ Tax relating to prior years	-	193
▪ Other	-9	-38
Income tax income / (expenses) (from continuing operations)	-442	103

The weighted average applicable tax rate was 10% (2013: 16%). The decrease is partly caused by the impact of the reduction in the UK tax rate and also by the changes in the mix of the taxable results of the individual group companies.

The tax (charge) / credit relating to components of other comprehensive income is as follows:

(in CHF '000)	2014		
	Before tax	Tax (charge) /credit	After tax
Remeasurements on defined benefit plans	-11	-2	-9
Other comprehensive income	-11	-2	-9
Current tax		-	
Deferred tax		-2	
		-2	

(in CHF '000)	2013		
	Before tax	Tax (charge) /credit	After tax
Remeasurements on defined benefit plans	19	4	15
Other comprehensive income	19	4	15
Current tax		-	
Deferred tax		4	
		4	

Further information is presented in Note 18 about deferred income taxes.

■ 9. DISCONTINUED OPERATIONS

With the sale of its two subsidiaries, Perfect Aviation Portugal, S.A. and Perfect Aviation UK Ltd active in the aircraft management business, in July and September 2013 respectively, Perfect Holding SA had completed the disposal of its aircraft management activities. The disposal of the aircraft management operations is consistent with the group's strategy to concentrate on the less regulated sectors of the aviation business, i.e. charters, aircraft acquisitions and sales and aircraft consultancy.

The results of the discontinued operations (i.e. aircraft management business) included in the profit for the year are set out below:

(in CHF '000)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS		
Revenue	23	3'840
Cost of services sold	-67	-3'550
Gross profit	-44	290
Aviation costs	-	-1'595
Marketing & sales expenses	-	-196
General & administrative expenses	-	-361
Operating profit / (loss)	-44	-1'862
Finance income	-	3
Finance expenses	-	-14
Exchange differences	-	-102
Profit / (loss) before taxes	-44	-1'975
Income tax income / (expenses)	-	-
Profit / (loss) for the year from discontinued operations	-44	-1'975
Loss on disposal of subsidiaries	-	-359
Net profit / (loss) for the year from discontinued operations	-44	-2'334
CASH FLOWS FROM DISCONTINUED OPERATIONS		
Net cash used in operating activities	-44	-1'788
Net cash used in investing activities	-	-492
Net cash provided by financing activities	-	969
Net decrease in cash and cash equivalents	-44	-1'311

■ 10. EARNINGS PER SHARE

(in CHF '000)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
CONTINUING OPERATIONS		
Net profit / (loss) from continuing operations attributable to shareholders (in CHF '000)	-821	-650
Weighted average number of ordinary shares in issue	181'018'281	181'018'281
Basic and diluted profit / (loss) per share (in CHF)	-0.005	-0.004

DISCONTINUED OPERATIONS		
Net profit / (loss) from discontinued operations attributable to shareholders (in CHF '000)	-44	-2'334
Weighted average number of ordinary shares in issue	181'018'281	181'018'281
Basic and diluted profit / (loss) per share (in CHF)	0.000	-0.013

Basic profit per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

The diluted profit per share is equivalent to the basic profit per share, as there are no dilutive elements to be taken into consideration at December 31, 2014 and 2013.

■ 11. CASH AND CASH EQUIVALENTS

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Cash and bank balances	1'148	1'186
Customers security deposits, available for use under certain conditions	65	107
	1'213	1'293

The customers security deposits correspond to the deposits advanced by aircraft management customers. The counterpart can be found in "Advances from customers". These deposits are denominated in Euros (EUR).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

■ 12. TRADE ACCOUNT RECEIVABLES

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Trade account receivables	1'570	2'659
Less: Provision for receivables impairment	-17	-657
Trade account receivables, net	1'553	2'002

Trade receivables that are less than six months past due are not considered impaired. As of December 31, 2014, trade receivables of KCHF 402 (2013: KCHF 1'024) are past due but not impaired. These relate to a number of independent customers for whom there is no recent history of defaults. The ageing analysis of the trade receivables not impaired is as follows:

(in CHF '000)	Notes	Dec. 31, 2014	Dec. 31, 2013
Neither past due nor impaired	16b	1'151	977
Up to 6 months past due but not impaired		226	537
6 to 12 months past due but not impaired		109	488
Over 12 months past due but not impaired		67	-
		1'553	2'002

As at December 31, 2014, trade receivables of KCHF 17 (2013: KCHF 657) are impaired and provided for. The amount of provision is KCHF 17 as of December 31, 2014 (2013: KCHF 657). The individually impaired receivables relate to subcharter customers. The ageing analysis of these receivables is as follows:

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Up to 6 months	-	-
6 to 12 months	-	-
Over 12 months	17	657
	17	657

The carrying amounts of the group's trade accounts receivables are denominated in the following currencies:

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
CHF Swiss francs	79	1'100
USD US dollars	639	61
EUR Euros	839	1'528
GBP British pounds	13	-30
	1'570	2'659

Movements on the group provision for impairment on trade receivables are as follows:

(in CHF '000)	2014	2013
January 1	657	1'431
Allocation to provision for receivables impairment	16	56
Receivables written off during the year as uncollectible	-600	-8
Unused amounts reversed	-58	-1
Disposal of subsidiaries	-	-822
Exchange difference	2	1
December 31	17	657

The creation and release of provision for impaired receivables have been included in "Marketing & sales expenses" in the income statement. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

■ 13. OTHER CURRENT ASSETS

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
VAT receivable, net	16	80
Prepaid expenses	352	629
Income tax receivables	-	167
Other current assets	107	139
	475	1'015

The above other current assets are mainly denominated in British pounds (GBP) and in Swiss francs (CHF).

This class of assets does not contain impaired assets.

■ 14. PROPERTY, PLANT AND EQUIPMENT

(in CHF '000)	Building	Equipments	Office equipment	Vehicles	Total
COST					
January 1, 2013	515	107	440	10	1'072
Additions	-	-	1	7	8
Disposal of subsidiaries (Note 29)	-	-102	-144	-	-246
Disposals and scrapping	-	-	-201	-10	-211
Exchange difference	-8	-4	-1	-	-13
December 31, 2013	507	1	95	7	610
Additions	-	-	3	-	3
Disposals and scrapping	-	-	-2	-	-2
Exchange difference	19	-	2	-	21
December 31, 2014	526	1	98	7	632
ACCUMULATED DEPRECIATION					
January 1, 2013	87	30	282	10	409
Depreciation charge	20	21	50	1	92
Disposal of subsidiaries (Note 29)	-	-49	-90	-	-139
Disposals and scrapping	-	-	-168	-10	-178
Exchange difference	-1	-1	-3	-	-5
December 31, 2013	106	1	71	1	179
Depreciation charge	21	-	12	2	35
Disposals and scrapping	-	-	-2	-	-2
Exchange difference	4	-	2	-	6
December 31, 2014	131	1	83	3	218
NET BOOK AMOUNT					
December 31, 2013	401	-	24	6	431
December 31, 2014	395	-	15	4	414

Depreciation expense has been recorded to the following functional lines in the income statement:

(in CHF '000)	Notes	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Marketing & sales expenses		-	7
General & administrative expenses		35	52
Net profit / (loss) from discontinued operations	9	-	33
		35	92

The fire insurance value of property, plant and equipment is as follows:

	Dec. 31, 2014	Dec. 31, 2013
Fire insurance value	672	566

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■ 15. INTANGIBLE ASSETS

(in CHF '000)	Goodwill	Customer relationship	Licences	Software	Other intangible assets	Total
COST						
January 1, 2013	3'984	1'007	1'051	3'436	9	9'487
Disposal of subsidiaries (Note 29)	-	-	-1'051	-16	-	-1'067
Disposals and scrapping	-	-	-	-77	-	-77
Exchange difference	-	-14	-	-	-	-14
December 31, 2013	3'984	993	-	3'343	9	8'329
Additions	-	-	-	15	-	15
Disposals and scrapping	-	-	-	-3'341	-	-3'341
Exchange difference	-	25	-	-	-	25
December 31, 2014	3'984	1'018	-	17	9	5'028
ACCUMULATED AMORTISATION						
January 1, 2013	-	126	1'051	3'332	-	4'509
Amortisation charge	-	194	-	91	-	285
Disposal of subsidiaries (Note 29)	-	-	-1'051	-7	-	-1'058
Disposals and scrapping	-	-	-	-74	-	-74
Exchange difference	-	4	-	-	-	4
December 31, 2013	-	324	-	3'342	-	3'666
Amortisation charge	-	202	-	5	-	207
Disposals and scrapping	-	-	-	-3'341	-	-3'341
Exchange difference	-	4	-	-	-	4
December 31, 2014	-	530	-	6	-	536
NET BOOK AMOUNT						
December 31, 2013	3'984	669	-	1	9	4'663
December 31, 2014	3'984	488	-	11	9	4'492

Amortisation has been recorded to the following functional lines in the income statement:

(in CHF '000)	Notes	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Aviation costs		202	194
Marketing & sales expenses		-	25
General & administrative expenses		5	49
Net profit / (loss) from discontinued operations	9	-	17
		207	285

Goodwill

The group tests annually whether goodwill has suffered any impairment, irrespective of indicators of impairment. The carrying value of the CGU containing the goodwill is compared to

the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. The group is relying on the estimation of value in use. Estimating value in use is a matter of judgement, not fact, requiring estimates of cash flows many years into the future and determining appropriate discount rates to bring them back to their present values.

Regarding the impairment of the goodwill, this latter is attributed to the cash-generating unit corresponding to the UK entity Oxygen Aviation Ltd. The recoverable amount of this CGU has been determined based on value-in-use calculations. These calculations use the Discounted Cash Flow method, for the 5-year period from 2015 until 2019. 2015 figures have been taken from the group projections, and then, the following key assumptions have been used:

- revenues growth: +4.5% per year (based on management's expectations of market development)
- margin: 10.0% (based on past performance and current industry trends in the concerned markets)

- staff expenses: +1% per year (management forecasts these costs based on the current structure of the business, adjusting only for inflationary increases)
 - operating expenses: +1% per year (those costs are fixed costs and do not vary significantly with sales volumes)
 - long-term average growth rate: 1%
- A discount rate of 11% has been used.

The recoverable amount calculated based on value-in-use exceeded carrying value by KGBP 628; therefore no impairment arose. A decrease in margin to 9.5% or a fall in annual revenues growth to 3.5% would remove the remaining headroom.

■ 16A. FINANCIAL INSTRUMENTS BY CLASS AND BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

(in CHF '000)	Notes	Dec. 31, 2014	Dec. 31, 2013
Financial assets - loans and receivables			
Cash and cash equivalents	11	1'213	1'293
Trade account receivables	12	1'553	2'002
Long-term loan (including current portion)	17	1'784	1'784
Total financial assets		4'550	5'079
Financial liabilities - other financial liabilities at amortised cost			
Trade account payables		456	862
Current portion of long-term debt	21	23	21
Long-term debt	21	313	324
Total financial liabilities		792	1'207
Net financial position		3'758	3'872
of which at fair value		-	-

As indicated in Note 3.4, carrying amount of these instruments is a reasonable approximation of their fair value. For long-term loan, included in financial assets, see Note 17, and for long-term debt, included in financial liabilities, see Note 21.

■ 16B. CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit rating (if available) or to historical information about counterparty default rates:

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Cash and cash equivalents		
AA	361	753
A	852	540
	1'213	1'293

Trade account receivables (without external credit rating)		
Group 1	6	139
Group 2	1'145	830
Group 3	-	8
	1'151	977

Long-term loan (including current portion)		
Group 3	1'784	1'784
	1'784	1'784

Group 1 - new customers / counterparties (less than 12 months)

Group 2 - existing customers / counterparties (more than 12 months) with no defaults in the past

Group 3 - existing customers / counterparties (more than 12 months) with some defaults in the past. All defaults were fully recovered.

■ 17. LONG-TERM LOAN (INCLUDING CURRENT PORTION)

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Current portion of long-term loan	714	360
	714	360
Long-term loan	1'070	1'424
	1'070	1'424

The Company had entered into an agreement concerning the sale of certain assets and liabilities, as well as the transfer of its leased facilities and certain contracts in relation to the production of its optical disc manufacturing machines, with effect as of December 31, 2008, to the company Mondema SA. The consideration for such sale was a loan to Mondema SA for an amount of KCHF 1'733. As defined in the assets' sale agreement between the Company and Mondema SA, an additional working capital loan of KCHF 600 had been granted to Mondema SA in spring 2009. The total loan of KCHF 2'333,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

denominated in Swiss francs (CHF), was bearing interest at 4.50% until December 31, 2013. The loan amounts to KCHF 1'784 as at December 31, 2014. The repayment schedule and the interest rate have been updated and this loan, bearing interest at 4.00% since January 1, 2014, should be reimbursed within 5 years. On February 9, 2015, Mondema SA has paid KCHF 448, consisting of 2014 reimbursement instalment, remaining balance of 2013 interest, as well as 2014 accrued interest. Please refer to Note 4.2 for additional information.

This loan is secured by the following guarantees:

- promissory notes for a total of KCHF 1'784 issued by Mondema SA
- personal guarantee of Mondema SA's shareholder for KCHF 100
- pledge of some shares of Mondema SA with a total nominal value of CHF 250'000, as well as pledge of the shares of another company owned by Mondema SA's shareholder (with a total nominal value of CHF 609'500)
- pledge of Mondema SA's receivables.

The long-term loan has not been discounted, as the impact is not significant.

■ 18. DEFERRED INCOME TAXES

The analysis of deferred tax assets and deferred tax liabilities is as follows:

(in CHF '000)	Employee benefits (IAS 19)	Tax losses to be carried-forward	Total
Deferred tax assets			
January 1, 2013	52	432	484
Debited to other comprehensive income	-4	-	-4
Credited/(charged) to income statement	-28	-	-28
December 31, 2013	20	432	452
Credited to other comprehensive income	2	-	2
Credited/(charged) to income statement	-2	-432	-434
December 31, 2014	20	-	20

(in CHF '000)	Building	Customer relationship (intangible assets)	Total
Deferred tax liabilities			
January 1, 2013	-	-182	-182
Credited/(charged) to income statement	-75	53	-22
Exchange difference (CTA)	-	4	4
December 31, 2013	-75	-125	-200
Credited/(charged) to income statement	9	44	53
Exchange difference (CTA)	-3	-4	-7
December 31, 2014	-69	-85	-154

The gross movement on the net deferred income tax account is as follows:

(in CHF '000)	2014	2013
January 1	252	302
Tax charge / (credit) relating to components of other comprehensive income (Note 8)	2	-4
Income statement credit / (charge) (Note 8)	-381	-50
Exchange difference (CTA)	-7	4
December 31	-134	252

Deferred income tax assets were recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits was probable. As a large part of the tax losses to be carried-forward will expire in 2015 and due to the volatility of the result of the group company benefiting from tax losses, the management has decided not to recognise any deferred income tax assets at December 31, 2014.

Tax losses to be carried-forward (in CHF '000):

(in CHF '000)	Years of expiry	Not recognised
	2015	13'485
	2016	200
	2017	-
	2018	-
	Beyond 2019	4'765
		18'450

Out of these CHF 18 million, CHF 10 million relate to Perfect Holding SA, which benefits of a holding status. In 2014, unused tax losses of CHF 23 million have expired (2013: CHF 25 million).

■ 19. OTHER CURRENT LIABILITIES

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Accrued operating expenses	212	325
Payroll and social charges	119	105
Commissions	-	29
Professional expenses	128	70
Deferred income	333	715
Various taxes	26	21
Other	5	35
	823	1'300

■ 20. PENSION OBLIGATIONS

In Switzerland, the pension plan is classifying as defined benefit plan. The employees of the operating company in the UK are mainly covered by local social security schemes. Those benefit plans are not considered as material, and pension costs for these plans are charged to the income statement when incurred.

The Swiss defined benefit plan scheme is valued by independent actuaries every year using the projected unit credit method. The latest actuarial valuation was carried out as at December 31, 2014.

The amounts recognised in the balance sheet are as follows:

(in CHF '000)	Dec. 31 2014	Dec. 31 2013
Defined benefit assets	-	-
Defined benefit liabilities	93	92
Net (asset) / liability in the balance sheet	93	92

This net amount is composed as follows:

(in CHF '000)	Dec. 31 2014	Dec. 31 2013
Present value of defined benefit obligations for funded plan	218	231
Fair value of plan assets	-125	-139
Deficit of funded plans: liability in the balance sheet	93	92

The movement in the net defined benefit obligations over the year, including discontinued operations, is as follows:

(in CHF '000)	Present value of obligation	Fair value of plan assets	Total
January 1, 2013	551	-311	240
Defined benefit plan - pension costs:			
Curtailement	-390	218	-172
Current service cost	75	-	75
Interest cost / (income)	7	-4	3
Defined benefit plan - pension costs	-308	214	-94
Employee contributions	35	-35	-
Employer contributions	-	-35	-35
Benefits paid	-31	31	-
	4	-39	-35
Remeasurements:			
Change in financial assumptions	-11	-	-11
Other actuarial (gains) / losses	-5	-	-5
Plan assets gains / (losses)	-	-3	-3
Remeasurements	-16	-3	-19
December 31, 2013	231	-139	92
Defined benefit plan - pension costs:			
Curtailement	-54	28	-26
Current service cost	22	-	22
Interest cost / (income)	4	-2	2
Defined benefit plan - pension costs	-28	26	-2
Employee contributions	8	-8	-
Employer contributions	-	-8	-8
Benefits payments	-4	4	-
	4	-12	-8
Remeasurements:			
Change in financial assumptions	23	-	23
Other actuarial (gains) / losses	-12	-	-12
Plan assets gains / (losses)	-	-	-
Remeasurements	11	-	11
December 31, 2014	218	-125	93

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A curtailment gain was incurred due to the departure of the last crew member and the size reduction of the Swiss staff. In 2013, a curtailment gain had been incurred due to a reduction in the number of employees under the Swiss scheme, in connection with the disposal of the aircraft management activities and the related departure of employees (crew).

As at the last valuation date, the present value of the defined benefit obligation was related to 1 active employee.

The principal actuarial assumptions used for accounting purposes are as follows for all periods presented:

	2014	2013
Discount rate	1.25%	2.20%
Interest credited on savings accounts	1.25%	2.20%
Future salary increases	1.00%	2.00%
Future pension increases	0.50%	0.50%

Assumptions regarding future mortality experience are set based on advice in accordance with published statistics and experience in each territory.

Mortality assumptions for Switzerland are based on the following mortality generational table: the average expectancy of life after retirement (LPP 2010) in years of a pensioner retiring at age 65 (male) and 64 (female) on the balance sheet date is as follows:

	2014	2013
Male	18.93	18.93
Female	22.29	22.29

The sensitivity of the defined benefit obligations and of the service cost to changes in the weighted principal assumption is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 12.8%	Increase by 15.5%
Salary increase	0.50%	Increase by 3.3%	Decrease by 3.0%
Pension increase	0.50%	Increase by 6.5%	Decrease by 5.8%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when

calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

Expected employer contributions to defined benefit plan for the year ending December 31, 2015 amount to KCHF 8.

The weighted average duration of the defined benefit obligation is 28.5 years.

Features of the plan and associated risks

Perfect Aviation SA is affiliated to the Swiss Life Collective BVG Foundation (contract no. 5B4F63) based in Zurich for the provision of occupational benefits. All benefits in accordance with the regulations are reinsured in their entirety with Swiss Life Ltd within the framework of the corresponding contract.

This pension solution fully reinsures the risks of disability, death and longevity with Swiss Life. Swiss Life invests the vested pension capital and provides a 100% capital and interest guarantee. In 2013, the guaranteed interest was 1.5% for mandatory retirement savings and 1.25% for supplementary retirement savings. The pension plan is entitled to an annual bonus from Swiss Life comprising the effective savings, risk and cost results.

The technical administration and management of the savings account are guaranteed by Swiss Life on behalf of the collective foundation. Insurance benefits due are paid directly to the entitled persons by Swiss Life in the name of and for the account of the collective foundation. Perfect Aviation SA has committed itself to pay the annual contributions and costs due under the pension fund regulations.

The contract of affiliation between Perfect Aviation SA and the collective foundation can be terminated by either side. In the event of a termination recipients of retirement and survivors' benefits would remain with the collective foundation. Perfect Aviation SA hereby commits itself to transfer its active insured members and recipients of disability benefits to the new employee benefits institution, thus releasing the collective foundation from all obligations.

The treatment of so-called "fully insured" BVG plans under IAS 19 has been thoroughly analysed by the Swiss Auditing Chamber's Auditing Practice Committee. As a result of these consultations, the Swiss Auditing Chamber and its Accounting Practice Subcommittee have concluded that for IAS 19 purposes "fully insured" BVG plans shall be considered as defined benefit plans. The reasons are as follows:

- In the event of contract cancellation there is no guarantee that the employee benefits can be continued under the same conditions,
- The risk and cost premiums are charged at different levels.

The valuation of employee benefits obligations in accordance with international accounting standards is carried out regardless of the legal configuration of the pension plans and

employee benefits institutions. The standards influence solely the financial result of the company and not that of the employee benefits institution. These results are not relevant for an actuarial assessment in accordance with Article 52e, BVG.

Asset-liability strategy

The risks of disability, death and longevity are reinsured in their entirety with Swiss Life Ltd. Asset liability management strategy and asset allocation are outsourced to Swiss Life Ltd. Swiss Life manages investments in such a way that the economic risk capital is efficiently used in line with its risk appetite. The company's asset and liability management (ALM) is applied for this purpose, and the investment strategy is based on these risk assessment findings. The aim is to be in a position to pay benefits whenever they fall due and always to have sufficient equity to absorb fluctuations in the value of assets and liabilities. Clearly defined criteria on security, yield and liquidity are taken into account when policyholder assets, the company's free reserves and shareholders' equity are invested (this information is taken from Swiss Life 2013 Annual Report - 2014 Annual Report will be published in May 2015).

Funding levels

The coverage of the contract with the Swiss Life Collective BVG Foundation is 100%.

Investments by asset class

As at December 31, 2014, investments by asset class are as follows:

Cash	1.50%
Bonds	83.80%
Shares	2.60%
Real estates	12.00%
Alternative investments	0.10%
	100.00%

21. BORROWINGS

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Current portion of long-term debt	23	21
Long-term debt	313	324
Mortgage debt	336	345

The above mortgage debt, due by Oxygen Aviation Ltd, is secured by one mortgage on the Horsham building (see Note 14). The applicable interest rate a fixed interest rate of 3.11% (2013: 3.11%).

The mortgage debt is denominated in British pounds (GBP).

The long-term debt has not been discounted, as the impact is not significant.

22. SHARE CAPITAL

(in CHF '000)	Number of shares	Ordinary shares	Share premium	Total
Jan. 1, 2013	181'018'281	18'102	1'989	20'091
Movements in 2013	-	-	-	-
Dec. 31, 2013	181'018'281	18'102	1'989	20'091
Movements in 2014	-	-	-	-
Dec. 31, 2014	181'018'281	18'102	1'989	20'091

At December 31, 2014, the share capital amounts to CHF 18'101'828.10, consisting of 181'018'281 issued and fully paid-in registered shares with a nominal value of CHF 0.10 each.

Each share carries one vote at the shareholders' meetings. Voting rights may be exercised only after a shareholder has been registered in the Company's share register as a shareholder with voting rights.

Authorised capital

At the shareholders' general meeting held on May 23, 2014, the shareholders had accepted the Board's proposal to create, in order to dispose of a maximum flexibility for the development of the group's business and possible external growth transactions, an authorised capital of a maximum amount of CHF 9'050'914 (divided into a maximum of 90'509'140 registered shares of CHF 0.10 nominal value each), for (i) the acquisition of businesses or participations in businesses and/or (ii) the financing of the development of the business and/or the acquisitions of the company and its subsidiaries, for a 2-year period until 23 May 2016, with the possibility for the Board of Directors to suppress and/or restrict the preferential subscription rights of the shareholders in respect of the new shares to be issued in connection with any acquisitions of businesses and/or participations in businesses.

Conditional share capital

The conditional share capital of the Company represents an amount of CHF 9'050'000 and is divided into the two following components:

Conditional capital reserved for share option plans

At December 31, 2014, the conditional capital of the Company amounts to CHF 60'000 (divided into a maximum of 600'000 registered shares of a nominal value of CHF 0.10 each, to be fully paid up). The conditional capital is reserved for the issuance of new shares to managers and employees of the Perfect Group upon exercise of option rights to be granted by the Board of Directors in the context of option plans. The Articles of Association provide that the preferential subscription rights of the shareholders may be suppressed in connection with

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

the new shares to be issued out of the conditional share capital. Currently, there is no option plan in place in the group.

Conditional capital reserved for convertible loans

At the shareholders' general meeting of May 24, 2013, a conditional capital of maximum CHF 8'990'000 (divided into a maximum of 89'900'000 registered shares of a nominal value of CHF 0.10 each, to be fully paid up) had been created in order to secure the exercise of conversion rights that may be issued under future convertible loans of the Company. The new shares may be acquired by creditors of future convertible loans of the Company. The preferential subscription right of shareholders is suppressed for these new shares. The Board of Directors may decide to restrict the preferential right of shareholders to subscribe to such convertible loans by setting minimum individual loan tranches of CHF 50'000. The conversion right can only be exercised for up to 3 years from the date of issuance of the convertible loan. The issuance of the new shares is subject to the applicable conditions of conversion, whereby the conversion price must correspond to the nominal value of the shares.

Significant shareholders

The main shareholders of the Company are as follows:

	Dec. 31, 2014	Dec. 31, 2013
Haute Vision SA, Mauritius	37.90%	37.90%
Grover Ventures Inc, British Virgin Islands	6.85%	7.18%
Roderick Glassford	6.25%	6.25%
Mark Green	6.25%	6.25%
Steven A Jack	6.25%	6.25%
Nicholas Grey	5.39%	5.39%
Stephen Grey	4.39%	4.39%

Mr. Stephen Grey, Mr. Nicholas Grey, Haute Vision SA and Grover Ventures Inc, who are deemed to form a group based on their family and business relationships and voting agreement (as disclosed in the Swiss Official Gazette of Commerce of August 6, 2008), hold in aggregate 98'704'873 shares (2013: 99'304'873 shares), i.e. 54.53% (2013: 54.86%) of the current share capital of CHF 18'101'828.10 (divided into 181'018'281 shares with a nominal value of CHF 0.10 each).

Dividend

At the Annual General Meeting on May 29, 2015, the Board of Directors will not propose any dividend in respect of fiscal year 2014 (2013: nil).

■ 23. LEASES

The future minimum lease payments under non cancellable operating leases are as follows:

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Not later than 1 year	19	19
Later than 1 year and not later than 5 years	13	23
More than 5 years	-	-
	32	42

These operating leases mainly concern office and vehicle rentals. Lease payments incurred during 2014 from continuing operations (office and vehicle rentals) and recorded in the income statement amount to KCHF 31 (2013: KCHF 50).

■ 24. CONTINGENT LIABILITIES

The group has contingent liabilities in respect of legal claims arising in the ordinary course of business. In management's opinion, it is not anticipated that any material liabilities will arise from the contingent liabilities (2013: idem).

■ 25. ASSETS PLEDGED

As explained in Note 21, there is a charge on the building registered as security against the company Oxygen Aviation Ltd under a loan agreement with Lloyds TSB Plc (2013: idem).

■ 26. RELATED PARTIES

The following transactions were carried out with related parties.

Key management compensation:

Key management composition is described in Note 30. The compensation paid to key management is shown below:

(in CHF '000)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Salaries and other short-term employee benefits (including KCHF 27 of pension costs)	950	1'153

In 2014 (and in 2013), no other compensation elements were granted to key management (neither share options, nor any other compensation).

Sales of services:

(in CHF '000)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Revenue from brokerage	491	500
Revenue from aircraft management (from discontinued operations)	-	69
Revenue from charters	45	16

Year-end balances:

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Included in:		
Trade account receivables	610	500

The receivables from related parties arise mainly from revenue from brokerage. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties.

27. SEGMENT INFORMATION

The strategic steering committee is the group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the strategic steering committee for the purpose of allocating resources and assessing performance.

The committee considers the business from a service perspective. Management assesses the performance of the following segments:

- charters
- brokerage

The aircraft management operations have been discontinued in 2013. The segment information reported below does not include any amounts for these discontinued operations, which are described in Note 9.

The strategic steering committee assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA). This measurement basis excludes the effects of non-recurring expenditure from the operating segments, such as restructuring costs, legal expenses and impairments when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are not included in the result for

each operating segment that is reviewed by the strategic steering committee. Other information provided, except as noted below, to the strategic steering committee is measured in a manner consistent with that in the financial statements.

Total segments' assets exclude certain current assets and certain financial assets (including liquidity).

The segment information from continuing operations provided to the strategic steering committee for the reportable segments is as follows:

(in CHF '000)	Charters	Brokerage	Total
2013 (from continuing operations)			
Total revenue	26'478	965	27'443
Intersegment revenue	-	-	-
Revenue from external customers	26'478	965	27'443
Adjusted EBITDA	196	965	1'161
Depreciation/amortisation/impairment	-258	-	-258
2014 (from continuing operations)			
Total revenue	23'851	491	24'342
Inter-segment revenue	-	-	-
Revenue from external customers	23'851	491	24'342
Adjusted EBITDA	385	491	876
Depreciation/amortisation/impairment	-234	-	-234
TOTAL ASSETS			
December 31, 2013	7'083	500	7'583
December 31, 2014	6'140	544	6'684

The revenue from external customers reported to the strategic steering committee is measured in a manner consistent with that presented in the income statement.

There are no differences from the last annual financial statements in the basis of measurement of segment profit or loss.

OTHER SEGMENT INFORMATION FROM CONTINUING OPERATIONS

The acquisition of property, plant and equipment and the acquisition of intangible assets amount respectively to KCHF 3 and 15 in 2014 (KCHF 9 and nil in 2013).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A reconciliation of total adjusted EBITDA to operating result (from continuing operations) is provided as follows:

(in CHF '000)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Adjusted EBITDA for reportable segments (from continuing operations)	876	1'161
Corporate overheads	-926	-1'550
Depreciation	-35	-59
Amortisation	-207	-268
Operating profit / (loss)	-292	-716
Finance income, net	31	37
Exchange differences	-118	-74
Profit / (loss) before taxes (from continuing operations)	-379	-753

A reconciliation of total segments' assets from continuing operations to group assets is provided as follows:

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Total segments' assets	6'684	7'583
Assets relating to discontinued operations	56	72
Unallocated amounts:		
Cash and cash equivalents	1'213	1'293
Loan (long-term, current portion and accrued interest)	1'875	1'872
Property, plant and equipment (part of)	7	10
Intangible assets (part of)	19	9
Deferred tax assets	20	452
Advances to suppliers	-	33
Trade account receivables (part of)	26	-
Other current assets (part of)	51	349
Group assets	9'951	11'673

Breakdown of the revenue from all segments from continuing operations is as follows:

(in CHF '000)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Revenue from services	24'342	27'443
	24'342	27'443

The Company, as well as one of its subsidiaries, is domiciled in Switzerland. The result of its revenue from continuing operations from external customers in Switzerland is KCHF 569 (2013: KCHF 1'082) and the results of its revenue from continuing

operations from external customers in United Kingdom is KCHF 23'773 (2013: KCHF 26'362).

The total of non-current assets (there are no financial instruments) located in Switzerland is KCHF 1'116 (2013: KCHF 1'623) and the total of the non-current assets located in the UK is KCHF 407 (2013: KCHF 421).

In 2014, the group has realised more than 10% of 2014 revenues with one customer from the charter segment (KCHF 2'818). In 2013, the group has realised more than 10% of 2013 revenues with one customer from the charter segment (KCHF 5'057).

■ 28. CONTINGENT CONSIDERATION

On May 21, 2012, Perfect Holding SA had completed the acquisition of the entire share capital (100%) of a UK company, Oxygen Aviation Ltd, Horsham (UK). The purchase price of the shares of Oxygen Aviation Ltd had been settled mainly in the form of new shares of Perfect Holding SA (issued out of its authorised capital) and in cash for the balance. As a result, the nominal value of the share capital of Perfect Holding SA had been increased through contribution in kind.

The consideration for this transaction was valued at KGBP 4'275, payable partly in cash for KGBP 675 and partly in shares for KGBP 3'600. The corresponding CHF values, at acquisition date, were a total consideration of KCHF 6'391, composed of a cash consideration of KCHF 1'009 (of which KCHF 269 had been paid in June 2012, KCHF 471 in August 2012 and KCHF 269 in September 2012) and a consideration in shares of KCHF 5'382.

The consideration payable to the former shareholders of Oxygen Aviation Ltd had been set on the basis of the assumption that the acquired business would achieve certain performance criteria during the 3 business years following the acquisition. Accordingly, a portion corresponding to 30% of the total consideration (i.e. 30% of KGBP 4'275, the equivalent of a fair value in CHF at date of acquisition of KCHF 1'917), withheld exclusively from the component of the consideration paid in the form of Perfect Holding SA's shares, had been put in escrow at the acquisition date in accordance with the share purchase agreement, for holding (in the name of the designated escrow agent) and release of the escrowed shares by the escrow agent in favour of the former shareholders of Oxygen Aviation Ltd in three identical 1/3 instalments subject (in respect of each instalment) to the satisfaction of an increase of 3% per year over a defined-baseline profit.

The fair value of the contingent consideration had been estimated by considering that the performance criteria will be entirely met. For the financial year 2012, the performance criteria had been met. For 2013, further to performance lower than

fixed criteria, the Board of Directors of Perfect Holding SA had decided to amend the share purchase agreement and therefore to extend and move the performance check by one year until 2015 (instead of 2014). For the financial year 2014, the performance criteria is not met; however, the check of performance will be processed on audited statutory accounts, later in Spring 2015.

■ 29. DISPOSAL OF SUBSIDIARIES

During the second semester of 2013, Perfect Holding SA had completed the disposal of its aircraft management activities by selling its two operating companies active in the aircraft management, Perfect Aviation Portugal, S.A., Lisbon and Perfect Aviation UK Ltd, Biggin Hill.

Disposal of Perfect Aviation Portugal, S.A., Lisbon (Portugal)

Perfect Holding SA had concluded an agreement for the sale - at a price of EUR 40'000 - of its Portuguese subsidiary, Perfect Aviation Portugal, S.A., Lisbon, to a local operator which has taken over Perfect Aviation Portugal's business and its operating certificates issued by the Portuguese Civil Aviation Authority, INAC.

According to the group accounting principles, subsidiaries are de-consolidated from the date that control ceases. The disposal of Perfect Aviation Portugal, S.A. had been signed on July 10, 2013. This company had been de-consolidated since June 30, 2013. The results of Perfect Aviation Portugal, S.A. for the six months period ended June 30, 2013 had been incorporated in these consolidated income statements.

Details of the sale were as follows:

(in CHF '000)	
Sale consideration:	
• consideration received in cash	50
Cumulative translation adjustment of disposed subsidiary recycled to income statement	-66
Fair value of net assets sold	-233
Loss on disposal of subsidiary	-249

The loss on disposal was included in the profit / (loss) for the year from discontinued operations (see Note 9).

Consideration received in cash	50
Cash and cash equivalents sold	-397
Total cash inflow, net of cash sold	-347

The book values of the assets and liabilities sold were as follows:

(in CHF '000)	Book values
Cash and cash equivalents	397
Trade account receivables	3
Other current assets	180
Income taxes receivable	67
Advances to suppliers	20
Property, plant and equipment	20
Trade account payables	-13
Other current liabilities	-247
Advances from customers	-125
Provision for restructuring	-69
Net value of assets and liabilities	233

Disposal of Perfect Aviation UK Ltd, Biggin Hill (UK)

At the beginning of September 2013, Perfect Holding SA had completed the disposal of its aircraft management activities with the sale of the entire share capital of its UK subsidiary active in this industry, Perfect Aviation UK Limited, to a UK investor interested in entering the market via the AOC operating certificate, staff, know-how and premises of Perfect Aviation UK Limited.

According to the group accounting principles, subsidiaries are de-consolidated from the date that control ceases. The disposal of Perfect Aviation UK Ltd had been signed on September 5, 2013. This company had been de-consolidated since August 31, 2013. The results of Perfect Aviation UK Ltd for the eight months period ended August 31, 2013 had been incorporated in these consolidated income statements.

Details of the sale were as follows:

(in CHF '000)	
Sale consideration:	
• consideration payable (included in "Other current liabilities")	-40
Cumulative translation adjustment of disposed subsidiary recycled to income statement	37
Fair value of net assets sold	-107
Loss on disposal of subsidiary	-110

The loss on disposal was included in the profit / (loss) for the year from discontinued operations (see Note 9).

Consideration received in cash	-
Cash and cash equivalents sold	-146
Total cash inflow, net of cash sold	-146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The book values of the assets and liabilities sold were as follows:

(in CHF '000)	Book values
Cash and cash equivalents	146
Trade account receivables	1'055
Other current assets	249
Inventories	82
Advances to suppliers	48
Property, plant and equipment	87
Intangible assets	9
Trade account payables	-805
Other current liabilities	-359
Advances from customers	-405
Net value of assets and liabilities	107

■ 30. COMPENSATION IN ACCORDANCE WITH SWISS CODE OF OBLIGATIONS

Compensation

The following compensations have been paid to the Executive Management:

(in CHF '000)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Mr. Jean-Claude Roch, Chairman of BoD, CFO and CEO of Perfect Holding SA **	134	160
Mr. William Curtis, CEO of the Perfect Group operating companies (until August 31, 2013) *	-	216
Mr. Roderick Glassford, Director of the aircraft charter business of Oxygen Aviation *	272	259
Mr. Steven A Jack, Director of the aircraft charter business of Oxygen Aviation *	272	259
Mr. Mark Green, Director of the aircraft charter business of Oxygen Aviation *	272	259
	950	1'153

* Salaries and social charges

** Board membership fee (in 2013, KCHF 31 as Executive consultancy fee and KCHF 129 (including social charges) received as Board membership fee)

Board membership fees of KCHF 18 have been paid to Mrs. Anouck Ansermoz in 2013 (2014: nil). Apart from the Chairman and Mrs. Ansermoz, no Board membership fee has been paid to the other member of the Board of Directors in 2014 or in 2013.

Loans and credits

At December 31, 2014 and at December 31, 2013, there were no loans and credits granted to any current or former members of the Board of Directors or the Executive Management.

Participations

At December 31, 2014 and at December 31, 2013, the participations held by members of the Board of Directors and the Executive Management (including persons closely related to these members) were as follows:

	Dec. 31, 2014		Dec. 31, 2013	
(in thousands)	Shares	Option rights	Shares	Option rights
Mr. Stephen Grey, member of BoD	7'940	-	7'940	-
Mr. Roderick Glassford, Director of the aircraft charter business of Oxygen Aviation	11'311	-	11'311	-
Mr. Steven A Jack, Director of the aircraft charter business of Oxygen Aviation	11'311	-	11'311	-
Mr. Mark Green, Director of the aircraft charter business of Oxygen Aviation	11'311	-	11'311	-
	41'873	-	41'873	-

■ 31. EVENTS AFTER THE REPORTING DATE

Mid-January 2015, further to the abolition of the floor on the exchange rate CHF/EUR by the SNB, the CHF/EUR rate has decreased from 1.20 to approximately 1.00. Consequently, the CHF has strengthened by 15% (see Note 3.2 for sensitivity analysis on EUR exchange rate).

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF PERFECT HOLDING SA, LAUSANNE

■ REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

As statutory auditor, we have audited the financial statements of Perfect Holding SA, which comprise the income statement, balance sheet and notes (pages 58 to 62), for the year ended December 31, 2014.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements for the year ended December 31, 2014 comply with Swiss law and the company's articles of incorporation.

■ REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.



A handwritten signature in black ink, appearing to read "D. Ehret".

Didier Ehret
Audit expert
Auditor in charge

A handwritten signature in black ink, appearing to read "A. Joly".

Aude Joly
Audit expert

Lausanne, March 23, 2015

INCOME STATEMENTS

(in CHF '000)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
INCOME		
Dividends from subsidiaries	384	2'324
Management fees from subsidiaries	-	321
	384	2'645
EXPENSES		
Staff expenses	-134	-129
General and administrative expenses	-341	-702
Other operating expenses	-17	-58
Allocation to provision/write-off of investments in subsidiaries	-	-342
Allocation to provision/write-off of receivables from subsidiaries	-	-1'265
Profit/(loss) made on sales of subsidiaries, net	-	9
Exchange differences, net	-3	-6
Current taxes	-32	-32
	-527	-2'525
Net profit / (loss)	-143	120

BALANCE SHEETS

(in CHF '000)	December 31, 2014	December 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	154	109
Receivables from subsidiaries, net	42	130
Other current assets	34	45
Total current assets	230	284
Long-term assets		
Investments in subsidiaries, net	12'891	12'891
Total long-term assets	12'891	12'891
Total assets	13'121	13'175
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade account payables	11	432
Other current liabilities	70	55
Total current liabilities	81	487
Non-current liabilities		
Loan from subsidiaries	2'805	2'310
Total non-current liabilities	2'805	2'310
Total liabilities	2'886	2'797
Shareholders' equity		
Share capital	18'102	18'102
Share premium	1'989	1'989
Accumulated losses	-9'713	-9'833
Net profit / (loss) for the year	-143	120
Total shareholders' equity	10'235	10'378
Total liabilities and shareholders' equity	13'121	13'175

NOTES TO THE FINANCIAL STATEMENTS

■ 1. INDICATIONS ACCORDING TO SWISS CODE OF OBLIGATIONS

1.1 SIGNIFICANT INVESTMENTS

Perfect Holding's subsidiaries are:

		Dec. 31 2014	Dec. 31 2013
	Share capital	Ownership Interest	Ownership Interest
Perfect Aviation SA, Lausanne, Switzerland	CHF 4'225'000	100%	100%
Oxygen Aviation Ltd, Horsham, UK	GBP 360	100%	100%

In July 2013, Perfect Holding SA had concluded an agreement for the sale of its Portuguese subsidiary, Perfect Aviation Portugal, S.A., Lisbon, to a local operator which has taken over Perfect Aviation Portugal's business and its operating certificates issued by the Portuguese Civil Aviation Authority, INAC.

At the beginning of September 2013, Perfect Holding SA had completed the disposal of its aircraft management activities with the sale of the entire share capital of its UK subsidiary active in this industry, Perfect Aviation UK Limited, to a UK investor interested in entering the market via the AOC operating certificate, staff, know-how and premises of Perfect Aviation UK Limited.

Investments are valued at cost less any necessary depreciation.

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Perfect Aviation SA, Lausanne, Switzerland (100%):		
Gross book value	10'699	10'699
Provision on investment	-4'199	-4'199
Net book value	6'500	6'500
Oxygen Aviation Ltd, Horsham, UK (100%):		
	6'391	6'391
	12'891	12'891

Perfect Holding and its subsidiaries (the Perfect Group) are dedicated to the following services to the business aircraft market: world wide charters, aircraft acquisitions and sales, as well as aircraft consultancy.

1.2 AUTHORISED CAPITAL

At the shareholders' general meeting held on May 23, 2014, the shareholders had accepted the Board's proposal to create, in order to dispose of a maximum flexibility for the development of the group's business and possible external growth transactions, an authorised capital of a maximum amount of KCHF 9'051 (divided into a maximum of 90'509'140 registered shares of CHF 0.10 nominal value each), for (i) the acquisition of businesses or participations in businesses and/or (ii) the financing of the development of the business and/or the acquisitions of the company and its subsidiaries, for a 2-year period until 23 May 2016, with the possibility for the Board of Directors to suppress and/or restrict the preferential subscription rights of the shareholders in respect of the new shares to be issued in connection with any acquisitions of businesses and/or participations in businesses.

1.3 CONDITIONAL SHARE CAPITAL

The conditional share capital of the Company represents an amount of KCHF 9'050 and is divided into the two following components:

Conditional capital reserved for share option plans

At December 31, 2014, the conditional capital of the Company amounts to KCHF 60 (divided into a maximum of 600'000 registered shares of a nominal value of CHF 0.10 each, to be fully paid up). The conditional capital is reserved for the issuance of new shares to managers and employees of the Perfect Group upon exercise of option rights to be granted by the Board of Directors in the context of option plans. The Articles of incorporation provide that the preferential subscription rights of the shareholders may be suppressed in connection with the new shares to be issued out of the conditional share capital. Currently, there is no option plan in place in the group.

Conditional capital reserved for convertible loans

At the shareholders' general meeting of May 24, 2013, a conditional capital of maximum KCHF 8'990 (divided into a maximum of 89'900'000 registered shares of a nominal value of CHF 0.10 each, to be fully paid up) has been created in order to secure the exercise of conversion rights that may be issued under future convertible loans of the Company. The new shares may be acquired by creditors of future convertible loans of the Company. The preferential subscription right of shareholders is suppressed for these new shares. The Board of Directors may decide to restrict the preferential right of shareholders to subscribe to such convertible loans by setting minimum individual loan tranches of KCHF 50. The conversion right can only be exercised for up to 3 years from the date of issuance of the convertible loan. The issuance of the new shares is subject to the applicable conditions of conversion, whereby the conversion price must correspond to the nominal value of the shares.

1.4 SIGNIFICANT SHAREHOLDERS

The following shareholders are considered as significant:

(in % of share capital)	Dec. 31, 2014	Dec. 31, 2013
Haute Vision SA, Mauritius	37.90%	37.90%
Grover Ventures Inc, British Virgin Islands	6.85%	7.18%
Roderick Glassford	6.25%	6.25%
Mark Green	6.25%	6.25%
Steven A Jack	6.25%	6.25%
Nicholas Grey	5.39%	5.39%
Stephen Grey	4.39%	4.39%

Mr. Stephen Grey, Mr. Nicholas Grey, Haute Vision SA and Grover Ventures Inc, who are deemed to form a group based on their family and business relationships and voting agreement (as disclosed in the Swiss Official Gazette of Commerce of August 6, 2008), hold in aggregate 98'704'873 shares (2013: 99'304'873), i.e. 54.53% (2013: 54.86%) of the current share capital of CHF 18'101'828.10 (divided into 181'018'281 shares with a nominal value of CHF 0.10 each).

1.5 ADDITIONAL BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT DISCLOSURES

Compensation

The following compensations have been paid to the Executive management:

(in CHF '000)	2014	2013
Mr. Jean-Claude Roch, Chairman of BoD, CFO and CEO of Perfect Holding SA **	134	160
Mr. William Curtis, CEO of the Perfect Group operating companies (until August 31, 2013) *	-	216
Mr. Roderick Glassford, Director of the aircraft charter business of Oxygen Aviation *	272	259
Mr. Steven A Jack, Director of the aircraft charter business of Oxygen Aviation *	272	259
Mr. Mark Green, Director of the aircraft charter business of Oxygen Aviation *	272	259
	950	1'153

* Salaries and social charges

** Board membership fee (in 2013, KCHF 31 as Executive consultancy fee and KCHF 129 (including social charges) -received as Board membership fee)

Board membership fees of KCHF 18 had been paid to Mrs. Anouck Ansermoz in 2013 (2014: nil). Apart from the Chairman and Mrs. Ansermoz, no Board membership fee has been paid to the other member of the Board of Directors.

Loans and credits

At December 31, 2014, there were no loans and/or credits granted by any company of the Perfect Group to any current or former members of the Board of Directors or Executive management (at December 31, 2013: no loans and/or credits granted).

Participations

At December 31, 2014 and at December 31, 2013, the participations held by members of the Board of Directors and the Executive Management (including persons closely related to these members) were as follows:

(in thousands)	Dec. 31, 2014		Dec. 31, 2013	
	Shares	Option rights	Shares	Option rights
Mr. Stephen Grey, member of BoD	7'940	-	7'940	-
Mr. Roderick Glassford, Director of the aircraft charter business of Oxygen Aviation	11'311	-	11'311	-
Mr. Steven A Jack, Director of the aircraft charter business of Oxygen Aviation	11'311	-	11'311	-
Mr. Mark Green, Director of the aircraft charter business of Oxygen Aviation	11'311	-	11'311	-
	41'873	-	41'873	-

1.6 RISK ASSESSMENT

In the context of the group Internal Control System, the Board of Directors has performed a risk assessment of the Company and of its subsidiaries.

The identification and the risk evaluation have been carried out by taking into consideration the degree of importance of the different processes - applicable to each group company - on the financial and operating risks.

The Board has prepared a detailed risk assessment, and define the necessary measures to be taken. The Board has taken the short and long-term measures necessary to cover the identified risks. The objectives are the systematic identification of the risks, their assessment, the classification by priority level, the determination of their impact on the Company, as well as the adoption and controlling of measures taken in order to eliminate or reduce those risks. Such risk assessment, measures follow-up and action plan is performed at least once a year.

NOTES TO THE FINANCIAL STATEMENTS

■ 2. OTHER INDICATIONS

2.1 RECEIVABLES FROM SUBSIDIARIES

(in CHF '000)	Dec. 31, 2014	Dec. 31, 2013
Oxygen Aviation Ltd, Horsham, UK	42	130
	42	130

In 2013, Perfect Holding had written off net KCHF 184 of receivables against Perfect Aviation Portugal S.A. and net KCHF 1'081 of receivables against Perfect Aviation UK Ltd, for a total write-off of receivables amounting to KCHF 1'265.

2.2 CONTINGENT LIABILITIES DUE TO VAT GROUP

From the VAT point of view (art. 22 LTVA), the Swiss companies of Perfect Group are considered as one and sole company.

In case of insolvency of a group company, the other group companies are jointly responsible for the VAT liabilities (art. 32e LTVA).

2.3 NEW ACCOUNTING LAW

These financial statements are prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations prior to modifications effective since January 1, 2013, in compliance with the transitional provisions of the new accounting law.

IMPORTANT DATES IN 2015

29.05.2015	Ordinary Shareholders General Meeting
25.09.2015	Interim Half-Year 2015 Report



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