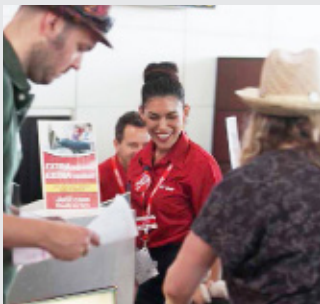


DART GROUP PLC

Annual Report 2015



Dart Group PLC is a Leisure Travel and Distribution & Logistics group

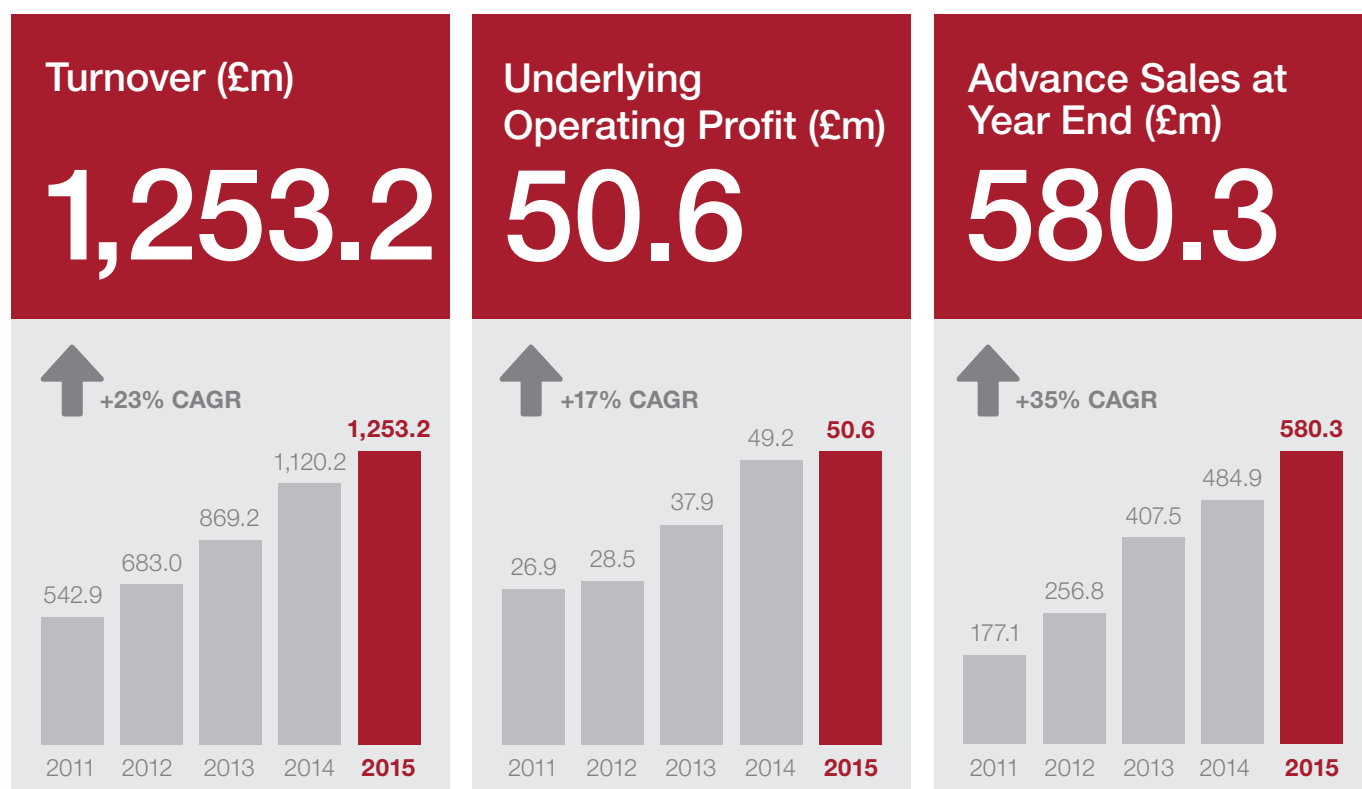


Dart Group PLC (“the Group”) is a **Leisure Travel and Distribution & Logistics** group specialising in:

- the provision of ATOL licensed package holidays by its tour operator **Jet2holidays** and scheduled leisure flights by its airline **Jet2.com**, to high volume leisure destinations in the Mediterranean, the Canary Islands and to European Leisure Cities; and
- the distribution throughout the UK, by **Fowler Welch**, of fresh produce, and temperature-controlled and ambient products on behalf of retailers, processors, growers and importers.



2015 Financial Highlights



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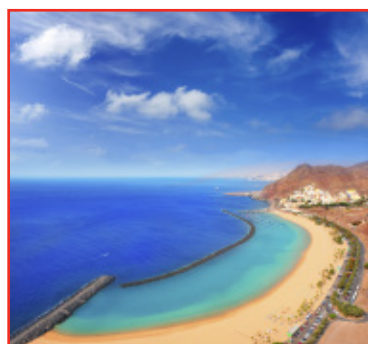
Our Destinations



BENIDORM



ALBUFEIRA



COSTA ADEJE

TENERIFE ■
GRAN CANARIA ■

■ LANZAROTE
■ FUERTEVENTURA

■ MADEIRA



SAN ANTONIO BAY



GLASGOW ✈ EDINBURGH
BELFAST ✈
NEWCASTLE ✈
MANCHESTER ✈ LEEDS BRADFORD ✈
EAST MIDLANDS ✈
AMSTERDAM ■
DÜSSELDORF ■
JERSEY ■
PARIS ■
GENEVA ■
NEW LYON ■
CHAMBERY ■
GRENOBLE ■
TURIN ■
NICE ■
TOULOUSE ■
NEW GIRONA ■
BARCELONA ■
REUS ■
MENORCA ■
MAJORCA ■
IBIZA ■
ALICANTE ■
MURCIA ■
MALAGA ■
ALGARVE (FARO) ■



■ PRAGUE

■ KRAKOW

■ VIENNA

■ SALZBURG

■ BUDAPEST

BUDAPEST

■ VERONA

■ SLOVENIA

■ VENICE

■ PULA

■ SPLIT

■ DUBROVNIK

■ MONTENEGRO

CAVTAT

■ PISA

■ ROME

NEW ■ NAPLES

■ CORFU

■ KEFALONIA
■ ZANTE

■ BODRUM

■ KOS

■ RHODES

■ CRETE

■ MALTA

■ ANTALYA

■ DALAMAN

■ PAPHOS

■ LARNACA

MARMARIS



NEAPOLITAN RIVIERA





Chairman's Statement

I am pleased to report that the Group has seen a small improvement in trading performance for the year ended 31 March 2015, as underlying operating profit increased by 3% to £50.6m (2014: £49.2m). Underlying profit before tax has risen by 36% to £57.2m (2014: £42.1m). However, after accounting for an exceptional provision of £17.0m, in relation to possible passenger compensation claims for historical flight delays under Regulation (EC) No 261/2004, Group profit before tax fell by 5% to £40.2m (2014: £42.1m). Whilst underlying basic earnings per share increased by 29% to 31.72p (2014: 24.68p), after accounting for the exceptional provision, basic earnings per share reduced by 9% to 22.42p.

In consideration of the Group's improved underlying trading performance, the Board is recommending a final dividend of 2.25p per share (2014: 2.14p) which will bring the total proposed dividend to 3.00p per share for the year to 31 March 2015 (2014: 2.74p), an increase of 9%. The final dividend, which is subject to shareholder approval at the Company's Annual General Meeting on 3 September 2015, will be payable on 16 October 2015 to shareholders on the register at the close of business on 11 September 2015.

The increase in underlying Group operating profit reflects improved trading and continued investment in our Leisure Travel business which combines both our package holiday (**Jet2holidays**) and flight-only (**Jet2.com**) products. This was despite the slower trading at the start of the financial year, as reported in our Preliminary Results Announcement of 26 June 2014.

Our Leisure Travel business took a total of 3.0m departing package holiday and flight-only customers to sun, city and ski destinations during the year, an increase of 8%. The growing demand for our package holiday product led to those customers making up 33% of the total (2014: 30%), resulting in both increased Leisure Travel revenues and aircraft load factors. As a result, turnover in our Leisure Travel business increased by 14% to £1,101.5m (2014: £967.0m) whilst underlying operating profit increased by 3% to £46.9m (2014: £45.6m).

Our Distribution & Logistics business, **Fowler Welch**, achieved a profit before tax of £3.3m (2014: £3.3m) after £0.4m of start up losses from its new joint venture at Teynham, Kent, which commenced operation in May 2014, storing, ripening and packing stone-fruit and exotic and organic fruits.

The Group generated net cash flow from operating activities of £116.1m (2014: £130.8m) out of which capital expenditure of £76.4m (2014: £83.5m) was incurred, primarily on long-term maintenance spend on aircraft and their engines and the purchase of two Boeing 737-800 aircraft for summer 2015 flying. The Group's capital investment was funded by internally generated EBITDA.

As at 31 March 2015, the Group's cash balances and money market deposits had increased by £39.1m (2014: £42.8m) to £302.8m (2014: £263.7m) which included advance payments from Leisure Travel customers of £318.7m (2014: £285.8m) in respect of their future holidays and flights.

Leisure Travel

Our Leisure Travel business takes both our package holiday and flight-only customers to high volume leisure destinations in the Mediterranean, the Canary Islands and to European Leisure Cities. We fly to 55 destination airports, serving 364 holiday resorts from our 7 Northern UK departure bases. Our customer volumes allow us to serve many destinations daily and others several times a week during the spring, summer and autumn months, offering a great choice of variable duration holidays at attractive prices. Whether our customers have arranged their own accommodation, or buy a complete package holiday from us, we recognise that this is one of the most important family experiences of the year and we do our best to ensure that we deliver a holiday that can be both eagerly anticipated and fondly remembered.



Holidays Sales

"Have a lovely holiday!"



Our Leeds Contact Centre, which includes our Sales, Service and Operational teams

The business has contractual relationships with over 2,400 hotels, committing to room allocations from as few as 4 beds a night, to over 300. We often place substantial deposits to ensure we have a dependable and competitive room offering in the most attractive hotels. Our buying power ensures we have a wide range of great value 2 and 3-star to 5-star hotel products for both families on a budget and those wanting more pampering. We employ substantial numbers of representatives in resort to look after our customers, backed up by 24-hour customer helplines giving practical assistance in the event of problems. Together with our airport-to-hotel coach transfer services, everything is organised to make our customers' holiday easy and carefree.

To support our package holidays growth, our commercial centre in Leeds employs nearly 700 commercial, marketing, revenue, IT and finance colleagues, including our 200+ strong call centre for sales and customer support. Our package holiday business, especially, gives us the opportunity to concentrate our efforts and enthusiasm into delivering a product that delights our customers. A great holiday experience engenders loyalty and many repeat bookings are made shortly after our customers return.

In response to the recent tragic events in Tunisia, we organised a rapid rescue operation to contact and repatriate nearly 700 of our package holidaymakers, who wished to return to the UK. The continuing tensions in Greece have also demanded our attention and presence. Senior staff were on site in Tunisia and Greece within hours of events unfolding, to ensure our customers' needs were met, backed up by our Leeds based emergency response organisation and teams. In this age of political and economic uncertainty more consumers are becoming aware of the wider benefits of a package holiday – where the tour operator has the responsibility for their wellbeing.

During the year, our airline operation expanded the fleet to 59 aircraft for summer 2015 flying (summer 2014: 55 aircraft) with commensurate increases in pilots, engineers and cabin crew. And, in May 2014 we were delighted to inaugurate our new flight simulator and training centre in Bradford. The centre provides a bespoke training facility for those pilots, engineers and cabin crew and will equip us with well trained colleagues as we continue to grow over the coming years.

Jet2holidays is now the UK's third largest ATOL licensed package holidays tour operator. Whilst our flight-only product remains very important, we believe our growing package holiday business has tremendous future potential. The package holiday is a very popular product, among young and old and families alike. Organising enjoyable and dependable holidays for our customers gives us the opportunity to personally delight them and for us to reap commensurate rewards in the future.

Distribution & Logistics

Our distribution business, **Fowler Welch**, is one of the UK's leading providers of distribution and logistics services to the food industry supply chain, serving retailers, processors, growers and importers through its distribution network.

The business operates from eight prime UK distribution sites, with major temperature-controlled operations in the key produce growing and importing areas of Spalding in Lincolnshire, Teynham and Paddock Wood in Kent, and Hilsea near Portsmouth. Ambient (non-temperature-controlled) consolidation and distribution services are provided at Desborough, Northamptonshire and at Heywood near Bury, Greater Manchester. It also operates two regional distribution sites at Washington, Tyne and Wear and at Newton Abbot, Devon.

Fowler Welch has a strong and experienced management team and a skilled workforce that prides itself on its high standards of customer service, critical in an arena where "just in time" optimum levels of on-shelf stock availability at retailers' stores are essential to satisfy and retain supermarket customers and their suppliers.

Increasingly, key customers are looking for creative, added value innovation from their service providers that can help their own supply chains to become more efficient. In May 2014, **Fowler Welch** commenced a joint venture operation at its Teynham facility in Kent, to provide a full range of fruit ripening and packing services to the produce sector for locally grown and imported fruits. The operation uses the latest technology and market-leading grading, sorting and packing equipment to

ensure that cost efficient, high quality standards are achieved for its customers. The packed product is then delivered through the **Fowler Welch** distribution network. This extension of the range of services available to **Fowler Welch** customers is a key strategic step.

We remain encouraged by the many business opportunities available to **Fowler Welch**. Though the marketplace remains extremely competitive, we believe that through its price-competitive, operational expertise, its dedication to achieving high service levels, and its ability to present customers with added value, innovative solutions, the outlook for **Fowler Welch** is encouraging.

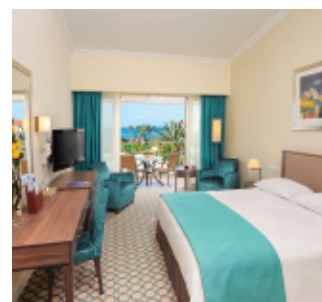
Outlook

Both our **Leisure Travel** and **Distribution & Logistics** businesses have got off to a good start to the new financial year, with strong demand for holidays and distribution business wins. Notwithstanding the tragedy in Tunisia and uncertainties in Greece, we are optimistic that Group performance for the financial year to 31 March 2016 will exceed current market expectations. Looking further ahead, we note the considerable increase in capacity planned by several low cost airlines over the next few years. We believe the continued expansion of our package holiday product, together with the development of our directly contracted sun and city hotel portfolio differentiates our Leisure Travel business, giving us confidence for our continued profitable growth.



Philip Meeson

Chairman
27 July 2015



Business & Financial Review:

Group Financial Performance

The Group's financial performance for the year to 31 March 2015 is reported in line with International Financial Reporting Standards ("IFRS"), as adopted by the EU, which were effective at 31 March 2015.

Summary Income Statement	2015 Before separately disclosed items £m	2015 Separately disclosed items £m	2015 Total £m	2014 Total £m	Change
Turnover	1,253.2	–	1,253.2	1,120.2	12%
Net operating expenses	(1,202.6)	(17.0)	(1,219.6)	(1,071.0)	(14%)
Operating profit	50.6	(17.0)	33.6	49.2	(32%)
Share of loss in joint ventures	(0.4)	–	(0.4)	–	–
Net financing income	0.6	–	0.6	–	–
Revaluation of derivative hedges	1.6	–	1.6	(3.3)	148%
Revaluation of foreign currency balances	4.8	–	4.8	(3.8)	226%
Net financing income/(costs)	7.0	–	7.0	(7.1)	199%
Group profit before tax	57.2	(17.0)	40.2	42.1	(5%)
Share of loss in joint ventures	0.4	–	0.4	–	–
Net financing income & Revaluations	(7.0)	–	(7.0)	7.1	(199%)
Depreciation	71.3	–	71.3	60.7	17%
EBITDA	121.9	(17.0)	104.9	109.9	(5%)
Operating profit margin	4.0%	–	2.7%	4.4%	(1.7ppts)
Group profit before tax margin	4.6%	–	3.2%	3.8%	(0.6 ppts)
EBITDA margin	9.7%	–	8.4%	9.8%	(1.4 ppts)

A slower than anticipated start to the financial year in our Leisure Travel business gave way to stronger consumer demand for both our package holidays and flight-only products in the late summer market, a momentum which continued through winter. As a result, the business achieved increased volumes of customers plus a small improvement in yields, which contributed to the Group's 12% increase in turnover to £1,253.2m (2014: £1,120.2m). The Distribution & Logistics business experienced a reduction in turnover of 1%.

An integrated approach to Leisure Travel revenue management, a focus on operational efficiency and considered cost investment ensured the Group delivered an improved underlying operating profit, which grew by 3% to £50.6m (2014: £49.2m). Following a Supreme Court ruling delivered on 31 October 2014, which refused **Jet2.com** permission to appeal against the Court of Appeal's earlier judgment in the case of *Huzar v Jet2.com* Limited relating to flight delay compensation under Regulation (EC) No 261/2004, the Group made an exceptional provision of £17.0m which led to operating profit falling by 32% to £33.6m.

Net financing income of £7.0m (2014: cost £7.1m) included £1.6m in relation to mark-to-market adjustments on certain ineffective derivative hedges and a positive £4.8m adjustment owing to the revaluation of foreign currency balances held

at year end. These mark-to-market adjustments reflect the maturing of certain hedges which, at the previous year end date, were deemed to be surplus to requirements. This was due to a disparity between the monthly phasing of those transactions and the Group's 2014/15 US dollar and euro requirement being hedged. The foreign currency revaluation principally relates to a US dollar surplus following a decision to deliver summer 2014 airline capacity growth by leasing aircraft, rather than the original intention of buying. This surplus is expected to be utilised during the year ending 31 March 2016.

As a result, the Group achieved a statutory profit before tax of £40.2m (2014: £42.1m). Underlying Group EBITDA increased by 11% to £121.9m (2014: £109.9m).

The Group's effective tax rate of 18% (2014: 15%) was lower than the headline rate of corporation tax of 21% as a consequence of reductions made in relation to its decreasing deferred tax liability. Underlying basic earnings per share increased by 29% to 31.72p (2014: 24.68p). However, after accounting for the exceptional provision of £17.0m, overall basic earnings per share reduced by 9% to 22.42p.

In consideration of the Group's improved underlying trading performance, the Board is recommending a final dividend of



Our Pilots, Engineers and Cabin Crew Training Centre

2.25p per share (2014: 2.14p). On 20 November 2014, the Board declared an interim dividend of 0.75p per share (2014: 0.60p), which, coupled with the proposed final dividend, equates to a full year dividend of 3.00p per share (2014: 2.74p).

Summary Cash Flow	2015 £m	2014 £m	Change
EBITDA	104.9	109.9	(5%)
Other P&L adjustments	0.1	0.4	(75%)
Movements in working capital	18.7	26.6	(30%)
Interest & taxes	(7.6)	(6.1)	(25%)
Net cash generated from operating activities	116.1	130.8	(11%)
Purchase of property, plant & equipment	(76.4)	(83.5)	9%
Other items	(0.6)	(4.5)	87%
Increase in net cash and money market deposits	39.1	42.8	(9%)

The Group generated net cash flow from operating activities of £116.1m (2014: £130.8m) out of which capital expenditure of £76.4m (2014: £83.5m) was incurred. Capital expenditure as a % of EBITDA fell to 73% (2014: 76%) as the Group invested in the long-term maintenance of its aircraft and engines and acquired two Boeing 737-800 aircraft for its summer 2015 flying programme.

The Group generated net cash inflows^(a) of £39.1m in the year (2014: £42.8m), resulting in a year end cash position, including money market deposits, of £302.8m (2014: £263.7m). The Group continues to be funded, in part, by payments received in advance of travel from its Leisure Travel customers, which at the reporting date amounted to £318.7m (2014: £285.8m).

Note (a): Cash flows are reported including the movement of money market deposits (cash deposits with maturity of more than three months from point of placement) to give readers an understanding of total cash generation. The Consolidated Cash Flow Statement reports net cash flow excluding these movements.

Note (b): Stated excluding cash and cash equivalents, money market deposits and deferred revenue.

Of these customer advances, £97.5m (2014: £133.3m) was considered restricted by the Group's merchant acquirers as collateral against a proportion of forward bookings paid for by credit or debit card. These balances become unrestricted once our customers have travelled. The business also had £51.7m (2014: £7.4m) of cash placed with various counterparties in the form of margin calls to cover out-of-the-money hedge instruments, primarily a result of the drop in the price of crude oil. The majority of these out-of-the-money positions are anticipated to run off through summer 2015 as the hedged instruments mature.

The Group is also required by the UK Civil Aviation Authority to maintain certain levels of "available liquidity", which is defined as free cash plus available undrawn banking facilities.

Summary Balance Sheet	2015 £m	2014 £m	Change
Non-current assets	303.6	298.8	2%
Net current assets ^(b)	175.6	145.2	21%
Deferred revenue	(580.3)	(484.9)	(20%)
Other liabilities	(44.5)	(41.2)	(8%)
Cash and money market deposits	302.8	263.7	15%
Total shareholders' equity	157.2	181.6	(13%)

Total shareholders' equity reduced by £24.4m as profit after tax of £32.8m (2014: £35.9m) was exceeded by adverse movements in the cash flow hedging reserve, a result of the net mark-to-market movements on jet fuel and currency forward contracts.

Business & Financial Review:

Leisure Travel

The Group's Leisure Travel business which incorporates **Jet2holidays**, our ATOL licensed package holidays operator, and **Jet2.com**, the North's leading leisure airline, concentrates on high volume leisure destinations in the Mediterranean, the Canary Islands and European Leisure Cities.

The business increased its departing customer numbers by 8% to 3.02m (2014: 2.81m). Of those, 1.00m (2014: 0.83m) chose our great value package holiday product, a growth of 20%, with the remaining 2.02m (2014: 1.98m) choosing to enjoy a flight only. Our customers continue to demand value and consistent quality, together with excellent customer service and therefore, the growth in our package holiday customers, to 33% of the total (2014: 30%), is particularly pleasing.

An integrated approach to revenue and demand management between the two products, plus the growing proportion of flying to the Canary Islands and Eastern Mediterranean, contributed to an improved load factor of 91.2% (2014: 91.0%); a 2% increase in net ticket price per passenger to £79.87 (2014: £78.39); and a 3% increase in the average price of a package holiday to £591 (2014: £572). The continued development and refinement of the **Jet2holidays** hotel products, ranging from 2-star self-catering through to luxury 5-star all-inclusive accommodation, plus an increasing number of people choosing 4 and 5-star packages, resulted in improved gross margin per package holiday compared to the prior year.

Non-ticket revenue per passenger, which is primarily discretionary in nature, increased by 5% to £30.91 (2014: £29.49). This revenue stream continues to be optimised through our customer contact programme as we focus on pre-departure (primarily hold bags and advanced seat assignment), in-flight (pre-ordered meals, drinks, snacks, cosmetics and perfumes) and ancillary products (car hire and travel insurance).

As a result, total Leisure Travel turnover grew by 14% to £1,101.5m (2014: £967.0m) whilst underlying operating profit grew 3% to £46.9m (2014: £45.6m).

Approximately 52% of our package holidays are sold online via **Jet2holidays.com**, 17% of holiday bookings are made through our call centre, based at our commercial centre in Leeds, and the balance via high street and online travel agents, whilst our flight-only seats are booked on the **Jet2.com** website. Technology and how the customer uses it, is perpetually evolving, and our websites and mobile applications are continuously developed and refined to ensure

that the search and booking experience is as smooth as possible whether the customer uses a PC, tablet or mobile phone. Increasingly, customers are looking to engage with the overall brand and product experience rather than merely making a booking. Recognising this, the business has invested in content management systems which provide the customer with personalised content and imagery from the moment they land on the website home page, improving the overall customer experience, engagement and ultimately, conversion.

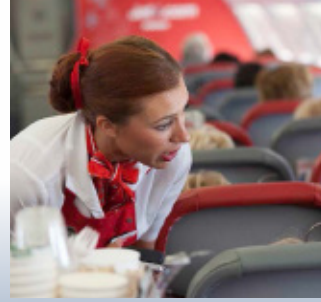
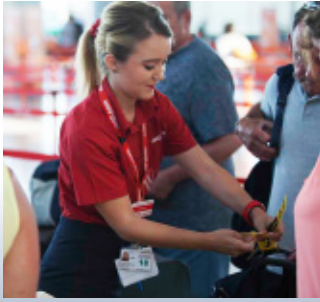
A smooth customer journey and experience are paramount whichever booking channel is chosen. Further investment has been made in our call centre to both handle the increasing volume of customer calls and to improve response times. Similarly, we are developing our post-booking information and assistance to customers, and have bolstered our pre-travel services teams.

Sales through travel agents remains an important distribution channel for the business, and our package holidays can be booked through all major travel agent chains, key multiples, homeworker companies and independent agents.

The delivery of great customer service is at the heart of our brand values. To ensure that every employee understands this ethos, the business has continued to invest in its all-employee engagement programme "Take Me There", with each and every colleague receiving training on the importance of delivering customer service excellence at every point in our customers' journey.

During the year, our leisure airline **Jet2.com** expanded its route network, operating a total of 217 routes (2014: 205). We also strengthened our cities product with the introduction of **Jet2CityBreaks** – offering a packaged flight and hotel product in leading European Leisure Cities. Being mindful of the weak demand environment experienced in early summer 2014, **Jet2.com** has tightened seat capacity on certain routes during early summer 2015. Peak summer seat capacity, however, remains unchanged, and the airline will fly 239 routes to 55 destinations.

Sustained levels of investment in product, brand and customer service excellence, plus the delivery of an attractive end-to-end product, engenders loyalty and repeat bookings and gives us the greatest opportunity to retain and attract customers, both existing and new. As a result, the business expects to see further growth in customer numbers and revenues.

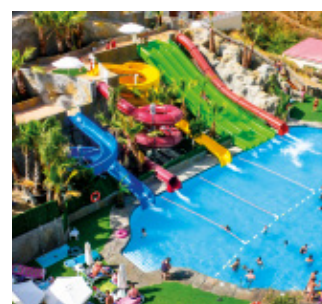
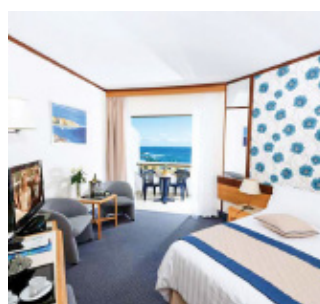


Parque Santiago, Playa De Las Americas, Tenerife where we have over 150 rooms

Leisure Travel Financials	2015 Before separately disclosed items £m	2015 Separately disclosed items £m	2015 Total £m	2014 Total £m	Change
Turnover	1,101.5	–	1,101.5	967.0	14%
Net operating expenses	(1,054.6)	(17.0)	(1,071.6)	(921.4)	(16%)
Operating profit	46.9	(17.0)	29.9	45.6	(34%)
Net financing income	0.6	–	0.6	0.3	100%
Revaluation of derivative hedges	1.6	–	1.6	(3.3)	148%
Revaluation of foreign currency balances	4.8	–	4.8	(3.8)	226%
Net financing income/(costs)	7.0	–	7.0	(6.8)	203%
Profit before tax	53.9	(17.0)	36.9	38.8	(5%)
Net financing income & Revaluations	(7.0)	–	(7.0)	6.8	(203%)
Depreciation	69.1	–	69.1	58.6	18%
EBITDA	116.0	(17.0)	99.0	104.2	(5%)
Operating profit margin	4.3%	–	2.7%	4.7%	(2.0 pts)
Profit before tax margin	4.9%	–	3.3%	4.0%	(0.7 pts)
EBITDA margin	10.5%	–	9.0%	10.8%	(1.8 pts)

Leisure Travel KPIs ^(c)	2015	2014	Change
Owned aircraft at 31 March	44	44	–
Aircraft on operating leases at 31 March	11	6	83%
Number of routes	217	205	6%
Leisure Travel sector seats available (capacity)	6.63m	6.16m	8%
Leisure Travel passenger sectors flown	6.05m	5.61m	8%
Leisure Travel load factor	91.2%	91.0%	0.2 pts
Flight-only passenger sectors flown	4.05m	3.95m	3%
Package holiday passenger sectors flown	2.00m	1.66m	20%
Package holiday customers	1.00m	0.83m	20%
Net ticket yield per passenger sector (excl. taxes)	£79.87	£78.39	2%
Average package holiday price	£590.69	£571.53	3%
Non-ticket revenue per passenger sector	£30.91	£29.49	5%
Average hedged price of fuel (US\$ per tonne)	\$922	\$961	4%
Fuel requirement hedged for 2015/16	98%	99%	(1 ppt)
Advance sales made as at 31 March	£580.3m	£484.9m	20%

(c) See Glossary of Terms on page 67 for further details.





Our package holidays offer
our customers a great time
in the sunshine



Business & Financial Review:

Distribution & Logistics

The Group's distribution business, **Fowler Welch**, is one of the UK's leading logistics providers to the food industry supply chain, serving retailers, processors, growers and importers across its network of eight sites, strategically located to meet demand. A full range of added value services is provided, including storage, case-level picking and packing and an award winning national distribution network.

Revenues decreased by 1% to £151.7m (2014: £153.2m) as the full year impact of closing its European operating base and a small regional support hub in 2014, plus the effect of lower fuel prices passed onto customers, were largely offset by new contract wins and organic growth. Operationally, the business performed well, handling seasonal volumes efficiently, though regulatory changes resulted in an industry-wide driver shortage which led to increased driver costs. These factors, in addition to considered cost investment, resulted in operating profit increasing by 3% to £3.7m (2014: £3.6m).

The Heywood Hub, **Fowler Welch's** 500,000 square foot ambient (non-temperature-controlled) shared user storage and distribution site located near Bury, Greater Manchester, increased revenues by 6% year-on-year, as it gained a number of new customers.

Spalding, our key distribution centre in the major growing region of Lincolnshire, built revenues by 18% year-on-year despite the fall in fuel prices. This was primarily due to the first full year of a new contract with a Danish-owned pork product processor for whom **Fowler Welch** provides a specialist distribution service.

The regional distribution sites at Washington, Tyne and Wear and at Newton Abbot, Devon provide direct store delivery services on behalf of retailer distribution networks and, combined, make time-sensitive deliveries to over 100 stores every day.

The recently refurbished Hilsea depot, which is located near to Portsmouth International Port, had a mixed year. New contract wins and growth with existing customers underlined the strength of the range of warehousing, consolidation and distribution services offered, but these were negated by the loss and associated closure costs of its Canary Islands tomatoes distribution contract. Further consolidation and distribution opportunities have been secured for the year ahead and these, together with the new contracts already implemented, see the site well placed for 2015/16.

Fowler Welch's Kent operations, at its Teynham and Paddock Wood distribution centres, sit in the heart of that county's fruit growing areas and provide distribution services for this important local industry and for businesses importing fruit and produce from across the English Channel.

During the year, operations commenced at Integrated Service Solutions ("ISS"), **Fowler Welch's** new joint venture, which stores, ripens and packs stone-fruit, and exotic and organic fruits at Teynham using the latest technology and market-

leading grading, sorting and packing equipment. **Fowler Welch's** share of post-tax start-up losses of £0.4m was anticipated. The operation continues to develop, with volumes and throughput increasing and margins encouraging as the mix of product and the productivity of the various packing lines improve. With volumes now committed for 2015/16, the operation is expected to generate a positive return in the coming 12 months. Since the reporting date, the business has been granted planning approval to extend the Teynham site in order to maximise ISS's and other opportunities. We expect this project to be completed in the first half of 2016.

Continued focus on building a quality revenue pipeline and developing creative added value services for its customers remains fundamental to **Fowler Welch's** growth strategy. In addition, further opportunities to increase the efficiency of the **Fowler Welch** distribution network are also being identified as it gains enhanced operational visibility through Enterprise, the new distribution, planning and transport operating system.

With its strong and committed team, a well positioned national network of sites and the expertise and flexibility to operate effectively in both the temperature-controlled (chill and produce) and ambient arenas, **Fowler Welch** has a strong operational foundation. The continued addition of better quality revenue streams, supplemented by added value, innovative supply services to key customers, such as those recently implemented by ISS, means the outlook for **Fowler Welch** is encouraging.

Distribution & Logistics Financials	2015 £m	2014 £m	Change
Turnover	151.7	153.2	(1%)
Operating expenses	(148.0)	(149.6)	1%
Operating profit	3.7	3.6	3%
Share of loss in joint ventures	(0.4)	–	–
Net financing costs	–	(0.3)	–
Profit before tax	3.3	3.3	–
Share of loss in joint ventures	0.4	–	–
Net financing costs	–	0.3	–
Depreciation	2.2	2.1	5%
EBITDA	5.9	5.7	4%
Operating profit margin	2.4%	2.3%	0.1 ppts
Profit before tax margin	2.2%	2.2%	–
EBITDA margin	3.9%	3.7%	0.2 ppts

Distribution & Logistics KPIs ^(d)	2015	2014	Change
Warehouse space (square feet)	847,000	847,000	–
Number of tractor units in operation	467	450	4%
Number of trailer units in operation	655	640	2%
Miles per gallon	9.2	8.9	3%
Annual fleet mileage	41.5m	42.6m	(3%)

(d) See Glossary of Terms on page 67 for further details.

Principal Risks and Uncertainties

The Group's strategy is to grow its business through a combination of organic expansion and, if appropriate, carefully planned acquisitions in areas related to its existing businesses and markets. This section describes the principal risks and uncertainties which may affect the Group's business operations, its reputation, financial results and strategic objectives. This list is not intended to be exhaustive.

Safety and security

The safety and security of our customers and our colleagues is a key priority. Failure to prevent or deal effectively with a major safety incident, including a security related threat, could adversely affect the Group's reputation, and operational and financial performance.

The assessment of health and safety risks in the hotels we feature, as well as the other holiday components we package, is part of our normal package holiday business routines; this is reflected in our package holiday Safety Management System. Supplier compliance is reviewed prior to any hotel being placed on sale or occupied by any Leisure Travel customer, and a compliance programme is in place for all featured hotels, including auditing and ongoing reviews of the safety of the programme. A Health and Safety Steering Committee reviews all activity undertaken, and recommends the health and safety strategy implemented by the Board.

Our airline business operates a robust Safety Management System based upon a 'Just Culture', which provides an environment where all colleagues are encouraged to report and submit safety related information in a timely manner. This enables proactive assessment and mitigation of risk associated with our operation, escalated via regular internal safety steering committees and action groups.

Compliant and effective Safety Management System oversight is provided by the appropriate use of occurrence report investigations, flight data management, risk management, health and safety and aviation security inspections, together with quality assurance audits across our operations.

All airline safety and security matters are managed by our Safety, Compliance and Assurance group which reports directly to the Accountable Manager and the Safety Management Board. This board, which meets quarterly, monitors trends and identifies any areas of risk that require closer attention.

Competition

The Group is impacted by competitor activity in each business area.

As a result, the Leisure Travel business will continue to focus on customer driven scheduling on popular routes to high volume leisure destinations in order to maximise Load Factor, Net Ticket Yield, Non-ticket Revenue and Average Package Holiday Price, whilst ensuring that our great value proposition remains attractive to our customers.

We continue to work alongside and invest in relationships with key hotel suppliers to ensure the availability of accommodation that meets our customers' requirements. The operation will continue to benefit from a number of sales channels – the web, through travel agencies and via tour operators – and from non-scheduled aircraft utilisation through its passenger and freight charter activities.

In the Distribution & Logistics business, the loss of a substantial customer is the largest financial risk facing the company. This is mitigated by **Fowler Welch's** focus on developing a pipeline of future business opportunities, together with the achievement of high service levels and careful cost control, in the chilled, produce and ambient market sectors.

IT system dependency and information security

The Group is reliant on a number of key IT systems, their scalability and ongoing development. The Leisure Travel business is dependent on the internet and receives the majority of its revenues through online debit and credit card transactions. Further revenues are received at departure airports and on our flights via Chip & PIN-secured devices. The primary IT risks to the Group are a loss of systems, unauthorised access to facilities, or a security breach, which could lead to disruption that has an operational, a reputational and/or a financial impact. To mitigate these risks and to ensure any potential loss of functionality is minimised, the Group regularly tests its disaster recovery plan in relation to its IT infrastructure, which would be activated should a loss of functionality occur. The Group also operates a formal IT Change Management process that directs and controls changes to its data processing environment. In addition, the Group is engaged in regular information security reviews and updates its policies and procedures in line with industry best practices and standards and business requirements. This ensures that the Group has in place systems, controls and processes to protect its network from external and internal security threats.

Exposure to fluctuations in fuel prices and exchange rates

The cost of fuel remains a material element of the cost base of the Leisure Travel business, and the effective management of fuel price variation will continue to be important.

The Group's strategy is to manage fuel price risk, via forward contracts, with the aim of limiting exposure to sudden increases in oil prices, whilst ensuring the business remains competitive. The Distribution & Logistics business is not directly affected by such price rises, since contracts allow for increases to be passed on to its customers.

The Group, particularly the Leisure Travel business, incurs considerable operational costs which are euro and US dollar denominated and is therefore exposed to sudden movements in exchange rates. To protect against such fluctuations, the Group uses forward currency contracts with approved counterparties.

Further information on hedging, which is our key mitigation to these risks, is contained within the treasury management section on pages 17 and 18 and in note 22 to the Consolidated Financial Statements.

Economic conditions

Whilst we believe that UK consumers regard their summer holiday as a very important element of the annual household budget, ultimately, economic conditions are likely to have an impact on the level of demand for the Group's Leisure Travel services. To mitigate this risk, the Group will continue to focus on serving its customers' demand for great value package holidays in, and flights to, high volume leisure destinations in the Mediterranean, the Canary Islands and European Leisure Cities.

Environmental risks

As evidenced in recent years, the Leisure Travel business is at potential risk of disruption from the force of nature, such as extreme weather conditions and volcanic activity, and through other external factors, such as: acts of terrorism; epidemics; pandemics; and strike action.

The business mitigates this risk by regularly updating a carefully planned response to be implemented by a team of experts should there be significant disruption to our Leisure Travel activities. The Group also maintains prudent levels of liquid funds to enable the business to continue to operate through a period of sustained disruption.

In addition, the investment in our commercial centre in Leeds means that we have the ability to run our business from more than one site, which supports our established Business Continuity Plan.

Government policy and regulatory intervention

The airline industry is heavily regulated, with recent intervention including, most notably, passenger compensation in relation to flight delays and cancellations under Regulation (EC) No 261/2004.

There is a continuing risk that the imposition of taxes and charges, which are levied by regulatory decision rather than by commercial negotiation at levels in excess of economic cost, may result in reduced passenger demand or adversely impact our cost base. In this regard, the Group will maintain its focus on delivering a great value package holiday product, the careful management of its route network, on-time performance and will continue to engage with policy setters and regulators to encourage legislation that is fit for purpose.

Treasury management

Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient funds to meet its financial obligations as they fall due. As at the year end, the Group had significant cash balances, together with a range of unutilised banking facilities, in relation to which all covenants had been met. The Group's strategy for managing liquidity risk is to maintain cash balances in an appropriately liquid form and in accordance with approved counterparty limits, whilst securing the continuity and flexibility of funding through the use of committed banking facilities. Additionally, short-term cash flow risk in relation to margin calls in respect of fuel and foreign exchange hedge positions is minimised through diversification of counterparties together with appropriate credit thresholds. The Group seeks to match long-term assets with long-term liabilities wherever possible. In addition, a regular assessment is made of future banking facility covenant compliance and headroom.

Fuel, currency and carbon hedging

The Group utilises foreign exchange forward contracts and monthly fuel swaps to hedge its exposure to movements in euro and US dollar exchange rates, and its exposure to jet fuel price movements that arise through its Leisure Travel activities. The Group's Hedging Policy permits the use of such instruments to manage fuel price and currency risk only. The Board reviews and agrees this policy for managing each of these risks at least annually; these policies have been consistent during the year. It is the Group's policy that no trading in financial instruments shall be undertaken for speculative purposes.

Details on derivative transactions outstanding at the year end relating to forward currency contracts and aviation fuel swaps are detailed in note 22 to the consolidated financial statements.

Principal Risks and Uncertainties

The policy in relation to fuel and foreign currency hedging is summarised below:

Aviation fuel price risk

The Group's policy is to forward cover up to 90% of future fuel requirements, up to thirty months in advance. Further information in relation to aviation fuel swaps held is given in note 22 to the consolidated financial statements. As at 31 March 2015, the Group had hedged substantially all of its forecast fuel requirements for the 2015/16 year and a proportion of its requirements for the subsequent year, in line with the Board's policy.

Foreign currency risk

The Group has significant transactional foreign currency exposure, primarily relating to the euro and the US dollar.

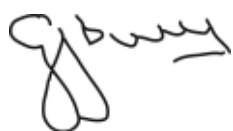
Transactional currency exposures primarily arise as a result of purchases denominated in foreign currency undertaken in the ordinary course of business, in particular related to expenditure on aviation fuel, aircraft maintenance, air traffic control, airport charges and hotel accommodation. The Group's policy is to cover up to 90% of its expected requirements for a period of up to thirty months in advance, using forward foreign exchange contracts. As at 31 March 2015, the Group had hedged a significant proportion of its forecast foreign exchange requirements for the 2015/16 year. Further information in relation to foreign currency exchange risk is given in note 22 to the consolidated financial statements.

Carbon risk

The Group also hedges its carbon exposure in relation to its obligations under the EU Emissions Trading Scheme. As at 31 March 2015, the Group has acquired its entire requirement for the year ending 31 December 2015 and a substantial portion of the following year's requirement.

Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern whilst providing a return to shareholders. The Group's multi-year planning process gives clear visibility of earnings and liquidity to ensure continued operation well within banking facility covenant levels.



Gary Brown

Group Chief Financial Officer
27 July 2015

Directors' Report

The Directors present their Annual Report on the affairs of the Group together with the financial statements and Auditor's Report for the year ended 31 March 2015. The Corporate Governance Statement set out on pages 26 to 27 forms part of this report.

Business review

The Company is required by the Companies Act 2006 to include a business review in this report. The information that fulfils the requirements of the business review can be found in the following sections of the Annual Report, which are incorporated into this report by cross-reference:

- Business and Financial Review: pages 8 to 18;
- Current Directors' details and Directors who served through the year: page 19;
- Directors' remuneration: pages 23 to 25; and
- Details of financial instruments and exposure to relevant risks: note 22 to the consolidated financial statements.

Results and dividends

The results for the year are set out in the Consolidated Income Statement and show an underlying profit after taxation of £46.4m (2014: £35.9m). After accounting for an exceptional provision of £17.0m in relation to possible passenger compensation claims for historical flight delays under Regulation (EC) No 261/2004, profit after tax fell 8.6% to £32.8m.

An interim dividend of 0.75p per share was paid on 2 February 2015 (2014: 0.60p).

In consideration of the Group's improved underlying trading performance, the Directors recommend the payment of a final dividend for the year ended 31 March 2015 of 2.25p per share (2014: 2.14p), making a total of 3.00p per share for the year (2014: 2.74p). The final dividend, which is subject to shareholder approval at the Company's Annual General Meeting on 3 September 2015, will be payable on 16 October 2015 to shareholders on the register at the close of business on 11 September 2015.

Board of Directors

Philip Meeson: Group Chairman and Chief Executive

Gary Brown: Group Chief Financial Officer

Stephen Heapy: Executive Director

Mark Laurence: Independent Non-Executive Director

Secretary to the Board

Ian Day: Group Company Secretary

Executive Directors

Philip Meeson is Chairman and Chief Executive of Dart Group PLC and Executive Chairman of the Leisure Travel and Distribution & Logistics businesses.

In April 1983, his private company purchased the Channel Express Group which, at that time, distributed Channel Islands grown flowers to wholesale markets throughout the UK, and freight from the UK into the Channel Islands. From that original business, he has developed the Group into a leading UK logistics operator and the North's leading leisure travel provider.

Having decided that the Company needed wider access to funding in order to accelerate its growth, Channel Express Group PLC was floated on the USM in 1988. In 1991, it changed its name to Dart Group PLC and moved to a full listing on the London Stock Exchange before moving to AIM in 2005. For information on the history of Dart Group PLC please visit the following page of the Group's website: www.dartgroup.co.uk/Dart-Group-history.

Gary Brown, Group Chief Financial Officer, joined Dart Group PLC in April 2013 and was appointed to the Board as an Executive Director in June 2013. Gary has significant experience in the retail and consumer goods sectors, having held a number of senior finance positions at J Sainsbury PLC, Matalan PLC, and Instore PLC, where he was Group Finance Director. Prior to joining Dart Group PLC, Gary was Global Chief Financial Officer of Umbro PLC and subsequently, following the sale of the Umbro business to Nike Inc., Umbro International Limited. Gary is a Member of the Institute of Chartered Accountants of England and Wales.

Stephen Heapy, Executive Director, joined the Board in June 2013. He has been with Dart Group PLC since 2009 and is the Chief Executive Officer of **Jet2holidays** and **Jet2.com**. He has extensive experience in the travel industry, having held roles with My Travel PLC, Thomas Cook and Libra Holidays. Stephen is a Fellow of the Institute for Travel and Tourism, a Chartered Company Secretary and is a Member of the Institute for Turnaround.

Non-Executive Director

Mark Laurence joined the Company on 28 May 2009 as a Non-Executive Director and was recognised at the 2014 Grant Thornton Quoted Company Awards as Non-Executive Director of the Year. Mark began his career as a transport sector investment analyst at Kitcat and Aitken, WI Carr and Merrill Lynch (formerly Smith New Court plc) where the team was ranked No.1 in the 1995 Extel Financial Survey of UK Investment Analysts. In 1997, he joined Collins Stewart plc and helped develop the group leading up to its MBO in 1998 and IPO in 1999. Since 2001, Mark has pursued a career in fund management, most recently as a founding partner of Fundsmith. Mark is also vice-chairman of the endowment investment committee of King's College University and a governor of Bryanston School in Dorset.

Directors' Report

Directors' interests

The Directors who held office at 31 March 2015 had the following interests in the ordinary shares of the Company:

	Ordinary shares 31 March 2015	Ordinary shares 31 March 2014
Philip Meeson	56,240,000	56,240,000
Mark Laurence	200,000	175,000
Stephen Heapy	95,136	65,136

No Directors have a non-beneficial interest in the shares of the Company. Interests in options to acquire ordinary shares are given in the Report on Directors' Remuneration on pages 23 to 25. Directors' interests have not changed since 31 March 2015.

None of the Directors have any direct or indirect interest in any contract or arrangement subsisting at the date of these accounts that is significant in relation to the business of the Group or the individual and that is not otherwise disclosed.

Material holdings

Apart from the interest of Philip Meeson in the capital of the Company, the Directors are aware that the following entities were interested, directly or indirectly, in 3% or more of the issued share capital of the Company as at 30 June 2015:

Schroder Investment Management (Institutional Group)	12.9%
Silver Point Capital	7.6%
Acadian Asset Management	3.6%
Hargreave Hale	3.0%

Issued share capital

Issued share capital was increased by 1,229,392 (2014: 1,061,113) 1.25 pence ordinary shares following the exercise of their rights by holders of share options granted on the following dates:

Grant Date	Number of options exercised	Scheme
23-Nov-05	59,000	Approved
03-Aug-07	35,000	Approved
18-Dec-07	10,000	Approved
04-Sep-08	754,949	Approved
10-Sep-09	65,393	Approved
16-Dec-09	3,750	Approved
05-Aug-10	16,250	Approved
23-Dec-10	12,500	Approved
04-Aug-11	15,000	Approved
22-Dec-11	51,250	Approved
21-Nov-05	40,000	Unapproved
04-Sep-08	81,300	Unapproved
05-Aug-10	25,000	Unapproved
04-Aug-11	60,000	Unapproved
Total	1,229,392	

Details of the increases in issued share capital are given in note 23 to the consolidated financial statements.

Special business at the Annual General Meeting

At the Annual General Meeting to be held on 3 September 2015, Resolutions 1 to 6 (inclusive) will be ordinary business and Resolutions 7 and 8 will be special business. Ordinary Resolution 6 deals with the Directors' authority to allot ordinary shares pursuant to section 551 of the Companies Act 2006 up to an aggregate nominal amount of £160,776, such authority to expire on 1 December 2016 or, if earlier, on the close of the 2016 Annual General Meeting. Special Resolution 7 deals with the Directors' authority to allot, on a non pre-emptive basis, equity securities for cash up to a maximum aggregate nominal amount equal to 10% of the issued share capital of the Company at 30 June 2015. Special Resolution 8 deals with the authority of the Company to buy back its own shares up to a maximum aggregate nominal amount equal to 10% of the issued share capital of the Company at 30 June 2015. Further explanatory notes in relation to these resolutions can be found on pages 73 and 74.

Corporate social responsibility

The environment

Protection of the environment and the effects of burning fossil fuels continue to be a major focus for the Leisure Travel and Distribution & Logistics businesses.

The Group takes its responsibility to the environment seriously, with fuel emissions being an important issue for both businesses. It is in our own and our customers' interest to ensure we operate in the most efficient and environmentally friendly way, minimising noise and emissions on every flight, and minimising the carbon impact per unit of product delivered.

During 2015, **Jet2.com**, like all airlines operating within, or into and out of EU airports, continued its reporting under the regulatory mandate of the European Emissions Trading Scheme (EU ETS). The airline supports the aims of this scheme, which include a reduction of greenhouse gas emissions of 20% by 2020 compared to 1990 levels.

As part of a continuous drive to operate more efficiently, **Jet2.com** continues to reduce its fuel consumption per flown mile by means of its "efficient flying" programme. This programme looks at all aspects of the airline's operation which can influence or directly impact the efficiency of its flying activities, including Single Engine Taxi Operations, further winglet investment and the operation of efficient descent profiles for the growing B737-800 fleet. The combined effects of all the elements of this scheme are estimated to have saved the airline over 2,076 (2014: 12,260) tonnes of greenhouse gas emissions in the year.

Our aircraft exceed the International Civil Aviation Organisation's requirements for minimising air pollution. Twenty one of our aircraft are fitted with winglets, which improve performance during take-off, climb, and cruise elements of flights.

As a supplier to the food sector, **Fowler Welch** is focused on supporting its customers' targets under the Food and Drink Federation's "20/20 Vision for Growth", which, amongst other things, targets a 35% reduction in the industry's carbon emissions by 2020.

For **Fowler Welch**, diesel consumption continues to be the major contributor to its carbon footprint and the business has made good progress in this area with Miles per Gallon improving a further 3% year-on-year. This benefit follows ongoing fleet renewal, investment in telemetry across the fleet and in management resource to focus training and development on those drivers that have the greatest need. This focus has also contributed to a significant reduction in the value of insurance claims involving our heavy goods fleet. As well as investing in driver training, the business continues to concentrate on the design of its fleet and component parts. A low resistance tyre trial has been extended and the business is working closely with its tyre supplier to assess the cost and carbon benefit of the latest tyre technology. This will also include the introduction of nitrogen-filled tyres at one of our main depots. We continually assess aerodynamic aids and other opportunities to improve the efficiency of our fleet.

We are 17% more efficient than the national average mpg, which is equivalent to over 7,000 metric tonnes of CO₂ per year. In our warehouses we invest in lighting and refrigeration unit efficiency. This is part of a strategy of continuous investment in state-of-the-art energy-saving technologies and methodologies and has delivered a reduction equivalent to 174 metric tonnes of CO₂, putting us well on the way to achieving the targeted 35% reduction in overall carbon emissions. As well as direct energy reduction benefits, we also utilise the latest generation refrigerants ensuring low Global Warming Potential.

Culture

We continue to expand our non-operational environmental awareness programme across each of our sites. This includes initiatives such as installing low energy lighting, a "Think Before You Print" campaign, recycling waste, reducing our reliance on office air conditioning, and the publishing of a quarterly e-newsletter for colleagues with an environmental focus.

Employee involvement

The Group recognises the importance of promoting and maintaining good communications with colleagues. Its policy is to keep colleagues regularly informed on matters relating to their employment through a variety of weekly and monthly information bulletins and newsletters covering a wide range of topics. These are supplemented by annual presentations at each business location by the senior management team.

Our Leisure Travel business has an in-house recognition and reward scheme named "A Great Deal Friendlier". The scheme recognises teams and individuals who have provided excellent service and gone the extra mile for both internal and external customers. Nomination volumes continue to grow, including those from our customers in relation to the excellent service they have received. This scheme is embedded in the business and underpins our customer focus principles.

The business recognises that as it grows it is increasingly important that colleagues communicate well and that everyone works together as one team. Senior management must understand the views and thoughts of colleagues and it is crucial that colleagues understand the reasons for key decisions and, when appropriate, are consulted about planned change. Consequently, building on the success of the existing Flight Deck and Cabin Crew consultative bodies, an Information and Consultation Agreement and Protocol covering every UK employee has been established. The five agreements that make up the Information and Consultation Agreement and Protocol were approved by the negotiating representatives and set out how the Company will inform and consult with colleagues as well as how the groups will work, including how representatives are elected.

Fowler Welch has a well established framework of colleague representative forums. These forums are a vehicle for two-way communication, the resolution of workplace issues and the progression of suggestions for improvements to working practices. This is supplemented by regular communication with colleagues via regular business briefings and management conferences. A colleague recognition scheme ("STAR") was introduced last year, providing both monthly and quarterly awards for behaviour and successes that deserve special acknowledgement.

Health, safety and quality

The responsibility for the health and safety of all colleagues and customers, whilst in our care, is a key priority for the Group and is described in more detail on page 16 above.

In addition, **Fowler Welch** is proud to make known its network-wide British Retail Consortium ("BRC") accreditation, which continues to be the safety and quality standard for product manufacturing and handling in the UK and beyond.

Equality and diversity

The Group is committed to promoting diversity and ensuring equality of opportunity for all within the workplace, regardless of race, gender, age, sexual orientation, marital or civil partnership status, pregnancy, religion, belief or disability. The Group is also committed to ensuring that its procedures and selection processes in respect of recruitment, terms and conditions of employment, access to training and promotion and the terms upon which it offers access to facilities and services are free from discrimination.

Directors' Report

Our communities

Across the Group, we endeavour to support our local communities in a variety of ways. In addition to providing prizes for local fundraising activities, we act as sponsors of local sports teams, and support our colleagues in community work. The Company has a chosen charity, Hope for Children, which it continues to support.

Going concern

The Directors have prepared financial forecasts for the Group, comprising operating profit, balance sheets and cash flows through to 31 March 2018.

For the purposes of their assessment of the appropriateness of the preparation of the Group's accounts on a going concern basis, the Directors have considered the current cash position, the availability of banking facilities, the Group's net current liability position, and forecasts of future trading through to 31 March 2018, including performance against financial covenants and the assessment of principal areas of uncertainty and risk.

Having considered the points outlined above, the Directors have a reasonable expectation that the Company and the Group will be able to operate within the levels of available banking facilities and cash for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2015.

Disclosure of information to Auditor

Each of the persons who are Directors at the date of approval of this Annual Report confirms that:

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

Auditor

In accordance with s489 of the Companies Act 2006, a resolution for the reappointment of KPMG LLP as Auditor of the Company will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Gary Brown

Group Chief Financial Officer
27 July 2015

Report on Directors' Remuneration

Remuneration Committee and advisers

During the year ended 31 March 2015, the Group's Remuneration Committee (the "Committee") was chaired by Mark Laurence. The Committee makes recommendations to the Board, within agreed terms of reference, on an overall remuneration package for Executive Directors.

When required, Herbert Smith Freehills LLP provides legal and regulatory advice on executive incentive arrangements and the operation of share plans. Philip Meeson, Group Chairman and Chief Executive, provides advice in relation to the remuneration of other Executive and Non-Executive Directors.

Remuneration policy

The Company's policy in relation to Directors' remuneration in 2014/15 and subsequent financial years is that the overall remuneration package should be sufficiently competitive to attract, retain and motivate high quality executives capable of achieving the Group's objectives, and thereby enhancing shareholder value. The potential package consists of basic salary, benefits, share schemes, share options and performance related bonuses. In constructing the remuneration packages, the Committee aims to achieve a balance between fixed and variable remuneration. Consideration is given to pay and employment policies elsewhere in the Group, especially when determining annual salary increases.

Executive remuneration package

The Committee, having taken external advice, believes that the value of the total employment packages of the Directors and senior managers, and the extent of performance related elements within this, is appropriate when compared to analysis of comparable companies. The details of individual components of the remuneration package and service contracts are discussed below.

Basic salary and benefits

Base salaries for each Executive Director are determined by individual performance and reference to external market data. The salary and benefits are reviewed annually. The base salary is the only element of remuneration that is pensionable. Benefits principally comprise a car, pension contributions and private healthcare.

Share options

Share options under the Unapproved Share Option Plan 2005 (the "Unapproved Plan") are awarded periodically (subject to eligibility and available headroom) by the Committee to Directors and senior managers. Profit targets are deemed the most appropriate measure to reflect the performance of senior management.

Other than for share options granted under the Unapproved Plan, listed below, there are no performance targets linked to the exercise of options once awarded.

For options granted on 10 September 2009, Group earnings must increase by at least an average of 5% over RPI per annum over performance periods of three and six financial years (in respect of 50% of the unapproved options in each case), starting from (for both performance periods) the adjusted base financial year 2008/9 net profit figure of £28.8m.

For options granted on 5 August 2010, Group earnings must increase by at least an average of 5% over RPI per annum over performance periods of three and six financial years (in respect of 50% of the unapproved options in each case), starting from (for both performance periods) the adjusted base financial year 2009/10 net profit figure of £19.1m.

For options granted on 4 August 2011, Group earnings must increase by at least an average of 5% over RPI per annum over performance periods of three and six financial years (in respect of 50% of the unapproved options in each case), starting from (for both performance periods) the adjusted base financial year 2010/11 net profit figure of £25.9m.

Where the performance condition is not satisfied at the end of its respective three or six year performance period, the relevant 50% of share options granted shall then immediately lapse.

HMRC approved schemes

Under the Dart Group PLC Approved Share Option Plan 2005, the Dart Group Company Share Option Scheme and the Dart Group Executive Share Option Scheme, the maximum value (by option exercise price) of options granted to any individual, including Directors, at any one time is £30,000, the current statutory limit.

All share options granted are exercisable at the higher of (a) the nominal value of the shares and (b) the market value of the shares at the date of grant.

If an option holder ceases to be an employee of either Dart Group PLC or one of its subsidiary companies, their options will normally lapse immediately. However, at the discretion of the Directors, and in certain other defined circumstances, the options may be wholly or partially exercised.

Dart Group PLC Unapproved Share Option Plan 2005

The Unapproved Plan was adopted by the Board on 8 November 2005. Options may be granted to employees, but not Non-Executive Directors of Dart Group PLC, selected at the discretion of the Board. Further details of the Unapproved Plan are summarised below.

Report on Directors' Remuneration

1. Overall limit

- 1.1 The maximum number of shares which may on any day be placed under option for subscription under the Unapproved Plan, when added to the number of shares previously placed under option for subscription under the Plan or allocated for subscription in the preceding ten years under any other employees' share scheme adopted by the Company, shall not exceed 10% of the Company's issued share capital on that day.
- 1.2 For the purpose of the above limits, options which have lapsed are disregarded.

2. Grant of options

- 2.1 The Unapproved Plan allows for the grant of options to take place at any time during the period of 42 days after the announcement by the Company of its results.
- 2.2 The grant of options will be subject to the discretion of the Directors based upon the satisfaction of performance conditions. Performance conditions will be in relation to Group profitability.
- 2.3 No option may be granted more than ten years after the adoption of the Unapproved Plan.
- 2.4 Options are personal to the option holder and may not be transferred or assigned. Options will be non-pensionable. No payment will be required for the grant of any option.

3. Option price

The holder of an option will be entitled to acquire ordinary shares at a price per share to be determined by the Board at the time when the option is granted. The option price will not be less than the nominal value of an ordinary share over which the option is granted.

4. Exercise of options

- 4.1 Unless the Board decides otherwise, options will be exercisable as follows:
 - 4.1.1 as to 50% of the shares originally comprised in the option on or after the third anniversary of the date of grant; and
 - 4.1.2 as to the remaining 50% of the shares originally comprised in the option on or after the sixth anniversary of the date of grant.
- 4.2 If an option holder ceases to be an employee of either Dart Group PLC or one of its subsidiary companies, their options will normally lapse immediately. However, at the discretion of the Directors, the eligible portion of the options may be exercised within six months of such cessation.

- 4.3 If the option holder dies, their personal representatives will have up to 12 months from date of death in which to exercise the eligible portion of the options.

- 4.4 No option may be exercised more than ten years after the date of grant of the option.

5. Voting, dividend, transfer and other rights

- 5.1 Until options are exercised, option holders have no voting or dividend rights in respect of the shares to which their options relate.
- 5.2 Shares issued and allotted under the Unapproved Plan following the exercise of an option will rank *pari passu* in all respects with the then existing shares of the same class of the Company, with the exception of rights attaching by reference to a record date on or before the date of allotment.

Fees

Non-Executive Director fees are determined by the Executive Directors, having taken advice where necessary on appropriate levels. The Non-Executive Director is not involved in any discussions or decisions about his own remuneration.

Performance related bonuses

Performance related remuneration is available under the Senior Executive Incentive Plan.

In the financial year ended 31 March 2015, the Group Chief Financial Officer and Executive Director will receive a bonus equating to 80% of basic salary. Part of the bonus amount will be paid in cash after the reporting date, and part will be awarded in the form of a deferred award over shares.

Receipt of the cash element is subject to the participants remaining in employment, and not giving or receiving notice, until the payment date, and receipt of the shares under the deferred award is subject to the participants remaining in employment, and not giving or receiving notice, until the vesting date of the deferred award in 2018 (subject to certain permitted leaver provisions).

Pensions

Where applicable, the Executive Directors are members of a money purchase pension scheme. The Company does not have any final salary pension schemes.

Service contracts

Philip Meeson's service contract, dated 20 May 2003, contains a rolling notice period of six months. Gary Brown and Stephen Heapy's service contracts, dated 29 April 2013 and 17 June 2013 respectively, contain a 12 month rolling notice period for notice given by the Company and a six month rolling notice period for notice given by the individual. Gary Brown retires from the Board at the Annual General Meeting and, being eligible, offers himself for re-election.

Mark Laurence, the Non-Executive Director, has a formal letter of engagement containing a three month rolling notice period for notice given by either party.

There are no predetermined special provisions for Executive or Non-Executive Directors with regard to compensation in the event of loss of office. The Committee considers the circumstances of individual cases of early termination and determines compensation payments accordingly.

Directors' emoluments during the year

	Basic salary and fees £000	Benefits ¹ £000	Senior Executive Incentive Plan (Cash Award) £000	Senior Executive Incentive Plan ² (Deferred Award) £000	Pension ³ £000	Total 2015 £000	Total 2014 £000
Executive Directors:							
Philip Meeson	421	15	–	–	25	461	449
Gary Brown	333	1	181	108	40	663	552
Stephen Heapy	349	16	195	116	42	718	642
Non-Executive Director:							
Mark Laurence	45	–	–	–	–	45	41
Total	1,148	32	376	224	107	1,887	1,684

Notes:

1. The remuneration package of each Executive Director includes one or more of the following non-cash benefits: the provision of a company car; fuel allowance; and private healthcare.
2. Deferred share awards relate to the financial performance period ended 31 March 2015 and are valued at 31 March 2015.
3. Stephen Heapy received £14k in exchange for sacrificing salary into the Group's pension scheme. Gary Brown received a total of £5k in lieu of employer pension contributions due to his pension limits being reached. Both amounts are included within "Basic salary and fees".

Interests in options

The Company has four share option schemes by which Executive Directors and other senior executives are able to subscribe for ordinary shares in the Company and acquire shares in the Company.

The interests of the Directors who served during the year were as follows:

	Share scheme	Exercise price	At 31 March 2014 No.	Exercised during the year No.	Lapsed in the year No.	At 31 March 2015 No.
Stephen Heapy	Approved	46.75p	25,000	–	–	25,000
Stephen Heapy	Approved	67.00p	4,944	–	–	4,944
Stephen Heapy	Unapproved	67.00p	20,056	–	–	20,056
Stephen Heapy	Unapproved	85.00p	60,000	(30,000)	–	30,000

The share based payment charge to the Group profit and loss account in respect of the above share options amounted to £3,429 (2014: £5,846). The aggregate emoluments disclosed above do not include any amounts for the fair value of options to acquire ordinary shares in the Company granted to, or held by, the Directors.

The mid-market price of the Company's shares on 31 March 2015 was 362.00 pence per 1.25 pence ordinary share. The highest and lowest closing mid-market prices during the year were 369.00 pence and 190.00 pence respectively.

The interests of the Directors to subscribe for or acquire ordinary shares have not changed since the year end.

On behalf of the Board

Mark Laurence

Director, Chairman of the Remuneration Committee
27 July 2015

Corporate Governance Statement

The Group is committed to the principles of corporate governance contained in the UK Corporate Governance Code, issued by the Financial Reporting Council (the “Code”). A copy of the Code can be found at: www.frc.org.uk/Our-Work/Codes-Standards/Corporate-governance.aspx.

As the Group is listed on AIM, it is not required to comply with the Code but throughout the year ended 31 March 2015, the Board considers that it, and the Group, has been in compliance with its main principles and supporting principles. An explanation of how the Group has complied with these principles is set out below and in the Directors’ Remuneration Report and Audit Committee Report. The extent to which the Group does not comply with the more detailed provisions of the Code is also set out below.

The Board

The Board currently comprises: Philip Meeson, who owns 38.22% of the issued share capital of Dart Group PLC and performs the role of Group Chairman and Chief Executive; Gary Brown, the Group Chief Financial Officer; Stephen Heapy, Executive Director; and one independent Non-Executive Director, Mark Laurence.

The biographies of the Directors appear on page 19 of this Annual Report. The Directors demonstrate a range of experience and calibre to bring independent judgement on issues of strategy, performance, resources and standards of conduct which is vital to the success of the Group. The Board is collectively responsible to shareholders for the proper management of the Group. A statement of the Directors’ responsibilities in respect of the Annual Report and financial statements is set out on page 30 and a statement on going concern is given within note 2 to the consolidated financial statements on page 37.

Executive responsibility for the day-to-day running of the Group’s Leisure Travel business, comprising the operating subsidiaries **Jet2holidays** Limited and **Jet2.com** Limited, sits with its Chief Executive Officer, Stephen Heapy, and for **Fowler Welch**, with its Managing Director, Nicholas Hay. In addition, the Board has a formal schedule of matters specifically reserved to it for decision. All Directors have access to the advice and services of the Group Company Secretary, Ian Day, who is responsible to the Board for ensuring that Board procedures are followed, that applicable rules and regulations are complied with and also that the Directors receive appropriate training as necessary. The appointment and removal of the Group Company Secretary is a matter for the Board as a whole.

The Board meets at least four times a year in order to review trading performance, ensure adequate funding and to set and monitor strategy. To enable the Board to discharge its duties, all Directors receive appropriate and timely information, and in the months when the Board does not meet, the Directors receive a formal written report in relation to trading performance.

Due to the size and composition of the Board, the Group does not operate a nomination committee. New Director appointments are therefore a matter for the Board as a whole.

The following committees deal with the specific aspects of the Group’s affairs:

Board committees

The number of full Board meetings and committee meetings scheduled, held and attended by each Director during the year was as follows:

	Board meetings	Remuneration Committee meetings	Audit Committee meetings
Philip Meeson, Group Chairman and Chief Executive	5	2*	–
Gary Brown, Group Chief Financial Officer	5	–	2*
Stephen Heapy, Executive Director	5	–	1*
Mark Laurence, Independent Non-Executive Director	5	2	2

* by invitation

Remuneration Committee

During the year, the Group’s Remuneration Committee was chaired by Mark Laurence. It is responsible for making recommendations to the Board, within agreed terms of reference, on the Company’s framework of executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for the Executive Directors, including performance related bonus schemes, pension rights and compensation payments.

Audit Committee

A detailed Audit Committee Report is set out on pages 28 and 29.

The Audit Committee is chaired by Mark Laurence, a Non-Executive Director, and meets not less than twice per year. All of the Executive Directors, the Group Legal Director and Company Secretary, the Group Financial Controller as well as the external and internal auditors are invited to attend meetings.

The Board is satisfied that the Chairman of the Committee has recent and relevant financial experience having held executive roles in the financial services industry.

The Audit Committee Chairman regularly engages with both the external and internal auditors, without the Executive Directors or members of the finance team present. Since 2005, the Audit Committee has met at least twice a year.

Internal control

The Board of Directors is responsible for the Group's system of internal control and for reviewing its effectiveness. Any such system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has maintained its processes for the year and, up to the date of the signing of the accounts, for identifying, evaluating and managing the significant risks faced by the Group and confirms that these accord with the Turnbull Guidance for Directors on internal control.

In order to ensure compliance with laws and regulations, and promote effective and efficient operations, the Board has established an organisational structure with clear operating procedures, lines of responsibility and delegated authority. Comprehensive guidance on financial and non-financial matters for all managers and employees is given in the Group Management Manual. In particular, there are clear procedures for:

- approval of invoices before authorisation for their payment;
- capital investment, with detailed appraisal, authorisation and post-investment review; and
- financial reporting, within a comprehensive financial planning, budgeting, reporting and accounting framework.

The Group has an independent Internal Audit department, which performs full and regular monitoring of the Group's procedures, promotes robustness of controls, highlights significant departures from procedures and suggests relevant KPIs for future monitoring. Other areas of risk assessment and monitoring which may normally be carried out by an internal audit department are, in the main, covered by the Board either as a whole or within the various meetings highlighted.

Relations with shareholders

Communications with shareholders are given high priority. The Business and Financial Review on pages 8 to 18 includes a detailed review of the Group's business and future developments. There is regular dialogue with institutional shareholders, including presentations after the announcement of the Group's half-year and preliminary full year results.

The Board uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation. The Group Chairman and Chief Executive aims to ensure that the chairman of the Audit and Remuneration Committees is available at Annual General Meetings to answer questions. Details of resolutions to be proposed at the Annual General Meeting on 3 September 2015 can be found in the notice of the meeting.

The Dart Group PLC website (www.dartgroup.co.uk) is regularly updated with news and information, including this Annual Report and Accounts document.

Audit Committee Report

I am pleased to present the Audit Committee's report for the year. During the year, the Committee met twice with our focus being on Financial Reporting, Going Concern, Risk Management & Internal Control, Internal Audit and External Audit.

Our primary function is to assist the Board in fulfilling its responsibilities to protect the interests of the Shareholders by ensuring the integrity of financial reporting. To achieve this, the Committee:

- monitors and makes judgements and recommendations on the financial reporting process and the integrity and clarity of the financial statements;
- agrees the scope of internal audit work for the year and monitors the same;
- reviews and monitors the adequacy and effectiveness of the internal control and risk management policies and systems in place;
- considers the appointment of the external auditor and their remuneration including reviewing and monitoring of independence and objectivity and agreeing and monitoring the extent of the non-audit work that may be undertaken; and
- reports to the Board on how it has discharged its responsibilities.

Financial reporting

As part of our work to ensure the integrity of financial reporting, we focused on the following during the year:

- reviewed the appropriateness of the Annual Report for the year ended 31 March 2015, and also the interim financial statements for the half year ended 30 September 2014 with a focus on, amongst other matters, the quality and acceptability of accounting policies and procedures, material areas where significant judgements have been applied or there has been a significant discussion with the Group's external auditors, KPMG LLP, and the clarity of disclosures and compliance with financial reporting standards;
- reviewed and discussed with management the accounting treatment and level of judgement required in relation to the provision for historical passenger claims under Regulation EU261;

- considered and approved the Group's tax policy, which outlines the Group's attitude to tax and risk, our relationship with HMRC and relationships with external tax advisors; and
- considered the Group's treasury policy that covers those transactions involving interaction with banks, other financial institutions and the wider capital markets and recommended to the Board for approval.

Going concern

We have reviewed the going concern basis on which the Annual Report is prepared. The Group has sufficient financial resourcing and financing facilities. Following consideration of the detailed business plans prepared by the Group together with sensitivity analyses which stress test key assumptions, the Committee is satisfied that it is appropriate for the Group to continue to adopt the going concern basis in preparing the Annual Report and Accounts of the Group.

Risk management and internal control

The Board has overall responsibility for risk management and the system of internal control and for reviewing their effectiveness. The Audit Committee oversees the risk management process and provides oversight of internal controls on the Board's behalf.

During the year, the risk management process has been developed to provide further insight into specific risks and progress made in addressing each risk.

In addition, with regard to internal controls, the Committee has reviewed and considered the Internal Audit reports in relation to completed audits and follow-up action plans to address areas of control weakness.

Internal Audit

Internal Audit has for many years been a key function within the business focused on ensuring the effectiveness of internal controls and risk management. Internal Audit have led the development of the risk management process and worked with senior management and the Board to ensure that there is appropriate alignment and understanding of the key risks and risk appetite.

Internal Audit is invited to attend Audit Committee meetings, updating on progress against the audit plan throughout the year, key action points to address control weaknesses identified and the process of risk management across the Group.

The Committee regularly engages directly with Internal Audit, who have had separate meetings with KPMG LLP, also without management present.

The audit reports issued for FY15 included a number of priority findings for management attention and actions have been developed to address these. The reports and related findings and actions have been discussed by the Committee and priority actions will be tracked to completion.

External audit

The Committee carefully considers key judgements applied in the preparation of the consolidated financial statements that are set out on pages 32 to 59.

The Committee works closely with the Group's auditor, KPMG LLP, who attended all committee meetings during the year. The Committee reviewed the audit engagement letter, proposed fees and KPMG LLP's audit plan, including key audit risks. This plan was reviewed and, where applicable, challenged by the Committee. Having considered the results of both the 2014/15 year end audit and the 2014/15 half-year end review, the Committee was satisfied that the approach adopted was robust and sufficient.

In assessing the effectiveness and independence of the external auditors, the Committee considered relevant professional, ethical and regulatory requirements and the relationship with the auditor.

Key audit risks

In order to discharge its responsibility to consider accounting integrity, the Committee carefully considers key judgements applied in the preparation of the consolidated financial statements. At the start of the year, KPMG LLP presented their audit plan to the Committee, identifying what they considered to be the key audit risks for the year ahead and the planned scope of work to be performed through the year.

These key risks were as follows:

Aircraft accounting/fleet strategy

The Committee reviewed the accounting treatment in relation to aircraft and note that this has been applied appropriately. It also reviewed the value in use calculation prepared by management to support the carrying value of the aircraft fleet and considered a sensitivity analysis over the key assumptions. No indications of impairment in respect of the fleet were noted.

Revenue recognition/deferred and accrued revenue

The Committee discussed with KPMG LLP the business's calculation of revenue and deferred revenue balances and is satisfied that revenue has been recognised appropriately.

Accruals and provisions

The Committee reviewed the work performed by management in calculating provisions in relation to possible passenger compensation claims for historical flight delays under Regulation (EC) No 261/2004, aircraft maintenance and hotel advances and note that management have exercised sensible, prudent judgement.

Treasury/hedging

The Committee discussed with KPMG LLP the criteria required in order for the Group to apply hedge accounting. No issues were noted by the Committee and the value of the hedges in place at 31 March 2015 was verified with external sources.

Taxation

The Committee discussed with KPMG LLP their review of the tax computations prepared by management and formed the view that the tax treatment has been applied appropriately.

IT/control environment

The Committee considered control of access to the business's IT systems and noted significant improvement has taken place in managing leavers and joiners, giving confidence in data integrity going forwards, and that work to formalise procedures would be ongoing.

Conclusion

We continue to seek further improvements in the Group's accounting systems and controls and 2015/16 will see further investment in IT to automate processes which involve manual intervention. The rolling programme of internal audit continues to drive cultural adoption of best practices and the Committee are thankful to the work of the Internal Audit team in achieving this.

Since year-end, based on reviews from internal and external audit and discussions with management, we reported to the Board that the Committee considers the Annual Report for the year ended 31 March 2015 to be fair, balanced and understandable and provides the information necessary for shareholders to assess our strategy, business model and performance.

Mark Laurence

Director, Chairman of the Audit Committee
27 July 2015

Statement of Directors' Responsibilities

in respect of the Annual Report and the financial statements

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

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

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

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

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

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

The Directors have decided to prepare voluntarily a Corporate Governance Statement.

By order of the Board

Philip Meeson

Group Chairman and
Chief Executive
27 July 2015

Gary Brown

Group Chief Financial
Officer
27 July 2015

Independent Auditor's Report

to the members of Dart Group PLC

We have audited the financial statements of Dart Group PLC for the year ended 31 March 2015 set out on pages 32 to 66. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Adrian Stone (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
27 July 2015

Consolidated Income Statement

for the year ended 31 March 2015

	Note	Results before separately disclosed items £m	Separately disclosed items £m	Results for the year ended 31 March 2015 Total £m	Results for the year ended 31 March 2014 Total £m
Turnover	5	1,253.2	–	1,253.2	1,120.2
Net operating expenses	6	(1,202.6)	(17.0)	(1,219.6)	(1,071.0)
Operating profit	5, 7	50.6	(17.0)	33.6	49.2
Share of loss in joint ventures	28	(0.4)	–	(0.4)	–
Finance income		1.7	–	1.7	1.4
Finance costs		(1.1)	–	(1.1)	(1.4)
Revaluation of derivative hedges		1.6	–	1.6	(3.3)
Revaluation of foreign currency balances		4.8	–	4.8	(3.8)
Net financing income/(costs)	8	7.0	–	7.0	(7.1)
Profit before taxation		57.2	(17.0)	40.2	42.1
Taxation	10	(10.8)	3.4	(7.4)	(6.2)
Profit for the year (all attributable to equity shareholders of the parent)		46.4	(13.6)	32.8	35.9
Earnings per share					
– basic	12	31.72p	(9.30)p	22.42p	24.68p
– diluted	12	31.40p	(9.20)p	22.20p	24.28p

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2015

	Year ended 31 March 2015 £m	Year ended 31 March 2014 £m
Profit for the year	32.8	35.9
Effective portion of fair value movements in cash flow hedges	(98.7)	(33.8)
Net change in fair value of effective cash flow hedges transferred to profit	32.0	(16.9)
Taxation on components of other comprehensive income	13.1	11.5
Other comprehensive income and expense for the period, net of taxation	(53.6)	(39.2)
Total comprehensive income and expense for the period (all attributable to equity shareholders of the parent)	(20.8)	(3.3)

Consolidated Balance Sheet

at 31 March 2015

	Note	Year ended 31 March 2015 £m	Year ended 31 March 2014 £m
Non-current assets			
Goodwill	13	6.8	6.8
Property, plant and equipment	14	295.3	291.6
Derivative financial instruments	22	1.5	0.4
		303.6	298.8
Current assets			
Inventories	15	2.0	3.1
Trade and other receivables	17	365.6	285.9
Derivative financial instruments	22	27.0	1.4
Money market deposits	16	65.5	52.5
Cash and cash equivalents	16	237.3	211.2
		697.4	554.1
Total assets		1,001.0	852.9
Current liabilities			
Trade and other payables	18	85.3	107.0
Deferred revenue		579.6	484.5
Borrowings	20	0.8	0.8
Interest in joint ventures	28	0.4	–
Provisions	21	28.7	2.4
Derivative financial instruments	22	103.8	35.0
		798.6	629.7
Non-current liabilities			
Other non-current liabilities	19	0.5	10.3
Deferred revenue		0.7	0.4
Borrowings	20	8.2	9.0
Derivative financial instruments	22	25.1	2.2
Deferred tax liabilities	10	10.7	19.7
		45.2	41.6
Total liabilities		843.8	671.3
Net assets		157.2	181.6
Shareholders' equity			
Share capital	23	1.8	1.8
Share premium		11.9	11.4
Cash flow hedging reserve	23	(80.4)	(26.8)
Retained earnings		223.9	195.2
Total shareholders' equity		157.2	181.6

The accounts on pages 32 to 66 were approved by the Board of Directors at a meeting held on 27 July 2015 and were signed on its behalf by:

Gary Brown

Director

Dart Group PLC

Registered no. 01295221

Consolidated Cash Flow Statement

for the year ended 31 March 2015

	Note	Year ended 31 March 2015 £m	Year ended 31 March 2014 £m
Cash flows from operating activities:			
Profit on ordinary activities before taxation		40.2	42.1
Finance income	8	(1.7)	(1.4)
Finance costs	8	1.1	1.4
Revaluation of derivative hedges	8	(1.6)	3.3
Revaluation of foreign currency balances	8	(4.8)	3.8
Depreciation	14	71.3	60.7
Share of loss in joint ventures	28	0.4	–
Equity settled share based payments	23	0.1	0.4
Operating cash flows before movements in working capital		105.0	110.3
Decrease/(increase) in inventories		1.1	(1.8)
Increase in trade and other receivables		(79.4)	(59.7)
(Decrease)/increase in trade and other payables		(24.7)	10.3
Increase in deferred revenue		95.4	77.5
Increase in provisions		26.3	0.3
Cash generated from operations		123.7	136.9
Interest received		1.7	1.4
Interest paid		(1.1)	(1.4)
Income taxes paid		(8.2)	(6.1)
Net cash from operating activities		116.1	130.8
Cash flows used in investing activities			
Purchase of property, plant and equipment	14	(76.4)	(83.5)
Proceeds from sale of property, plant and equipment		–	0.2
Net increase in money market deposits	16	(13.0)	(22.5)
Net cash used in investing activities		(89.4)	(105.8)
Cash used in financing activities			
Repayment of borrowings		(0.8)	(8.7)
New loans advanced		–	10.0
Proceeds on issue of shares		0.5	0.7
Equity dividends paid	11	(4.2)	(2.8)
Net cash used in financing activities		(4.5)	(0.8)
Effect of foreign exchange rate changes		3.9	(3.9)
Net increase in cash in the year	26	26.1	20.3
Cash and cash equivalents at beginning of year	26	211.2	190.9
Cash and cash equivalents at end of year	26	237.3	211.2

Consolidated Statement of Changes in Equity

at 31 March 2015

	Share capital £m	Share premium £m	Cash flow hedging reserve £m	Retained earnings £m	Total shareholders' equity £m
Balance at 31 March 2013	1.8	10.7	12.4	161.7	186.6
Total comprehensive income for the year	—	—	(39.2)	35.9	(3.3)
Issue of share capital	—	0.7	—	—	0.7
Dividends paid in the year	—	—	—	(2.8)	(2.8)
Share based payments	—	—	—	0.4	0.4
Balance at 31 March 2014	1.8	11.4	(26.8)	195.2	181.6
Total comprehensive income for the year	—	—	(53.6)	32.8	(20.8)
Issue of share capital	—	0.5	—	—	0.5
Dividends paid in the year	—	—	—	(4.2)	(4.2)
Share based payments	—	—	—	0.1	0.1
Balance at 31 March 2015	1.8	11.9	(80.4)	223.9	157.2

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

1. Authorisation of financial statements and statement of compliance

The Group's financial statements for the year ended 31 March 2015 were authorised by the Board of Directors on 27 July 2015 and the balance sheet was signed on the Board's behalf by Gary Brown, Group Chief Financial Officer. Dart Group PLC is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM.

The Group's financial statements consolidate the financial statements of Dart Group PLC and its subsidiaries.

2. Accounting policies

The Group's financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union ("Adopted IFRS").

The Company has elected to prepare its Parent Company financial statements in accordance with UK GAAP; these are presented on pages 60 to 66.

The Group's and the Parent Company's financial statements are presented in pounds sterling and all values are rounded to the nearest £100,000, except where indicated otherwise.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention except for all derivative financial instruments that have been measured at fair value.

The Group uses forward foreign currency contracts and aviation fuel swaps to hedge exposure to foreign exchange rates and aviation fuel price volatility. The Group also uses forward EU Allowance contracts and forward Certified Emissions Reduction contracts to hedge exposure to Carbon Emissions Allowance price volatility. Such derivative financial instruments are stated at fair value.

Going concern

The Directors have prepared financial forecasts for the Group, comprising operating profit, balance sheets and cash flows through to 31 March 2018.

For the purposes of their assessment of the appropriateness of the preparation of the Group's accounts on a going concern basis, the Directors have considered the current cash position, the availability of banking facilities, the Group's net current liability position, and forecasts of future trading through to 31 March 2018, including performance against financial covenants and the assessment of principal areas of uncertainty and risk.

Having considered the points outlined above, the Directors have a reasonable expectation that the Company and the Group will be able to operate within the levels of available banking facilities and cash for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2015.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences and until the date that control ceases.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

2. Accounting policies – continued

Revenue

Turnover (which excludes Value Added Tax and Air Passenger Duty) arises from package holidays, passenger aircraft operations, retail activities, charter and cargo aircraft operations and warehousing and distribution activities.

Revenue from package holidays and ticket sales for scheduled passenger flights is recognised at the date of departure. Charter aircraft income is recognised in the period in which the service is provided. Non-ticket revenues from hold baggage charges, advanced seat assignment fees, extra leg room charges and in-flight sales are also recognised once the associated flight has departed, or holiday started. In order to match the timing of the costs incurred, separately identified incremental call centre booking fees are recognised at the date of booking, and booking change fees when the change is made. Commission earned from car hire bookings is recognised on departure and from travel insurance on booking, reflecting the point when services are performed.

Cash amounts received from customers for whom revenue has not yet been recognised are recorded in the balance sheet as deferred revenue within current liabilities, or within other non-current liabilities if the Group's services are expected to be performed more than twelve months from the reporting date.

Distribution revenue relating to deliveries is recognised when the delivery has been completed. Warehousing revenue is spread evenly over the period to which it relates.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date, and differences arising are recognised in the Consolidated Income Statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations, and of related qualifying hedges, are taken directly to the translation reserve. They are released into the income statement upon disposal.

Investments

Investments are recorded at cost, less provision for impairment in value where appropriate.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment. Interest attributable to the purchase of aircraft and other assets and progress payments on account is capitalised and added to the cost of the asset concerned. Interest is capitalised at rates equal to the rates paid on the financial instruments used to finance the purchase of aircraft.

Depreciation is calculated to write the cost of property, plant and equipment down to each asset's estimated residual value using the straight-line method over its estimated useful economic life, or the estimated useful economic life of individual major components, as follows:

Freehold property	25–30 years
Freehold land	Not depreciated
Short leasehold property	Over the life of the lease
Aircraft, engines and other components	2–30 years
Plant, vehicles and equipment	3–7 years

2. Accounting policies – continued

An element of the cost of acquired aircraft is attributed, on acquisition, to its major components and to the prepaid maintenance of its engines and airframes, and is amortised over the period until the next maintenance event. Subsequent costs incurred which lend enhancement to future periods, such as long-term scheduled maintenance and the major overhaul of aircraft and engines, are capitalised and amortised over the expected period of benefit. The element of the cost of acquired aircraft not attributed to major components is depreciated to its expected residual value over its remaining useful life, which is assumed to end 24–30 years from original build date depending on the type of aircraft. Where aircraft are subject to specific life extension expenditure, the cost of such work is depreciated over the remaining extended life and the non-component value of the aircraft is depreciated to this same date. All other maintenance costs are expensed to the income statement as incurred.

Residual values are reviewed annually at the balance sheet date and compared to prevailing market rates of equivalently aged assets; depreciation rates are adjusted accordingly on a prospective basis. Carrying values are reviewed for impairment if events or changes in circumstances indicate that the carrying values may not be recoverable.

Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. Goodwill is allocated to cash-generating units and is not amortised but is subject to an impairment test both annually and when indications of impairment arise. Goodwill is stated at cost less any accumulated impairment losses.

Prior to 1 April 2006, goodwill was amortised over its estimated useful life; such amortisation ceased on 31 March 2006. Goodwill previously written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not taken into account in calculating any profit or loss on disposal of a business. Goodwill is allocated to a cash-generating unit for the purpose of impairment testing. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets, or groups of assets. Impairment of goodwill is not reversed.

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated second hand value.

Aircraft spares, held for long-term use, are classified within property, plant and equipment.

Aircraft maintenance provisions

The Group operates a power by the hour contract for the maintenance of the majority of its B737-300 engines. This contract fixes the maintenance costs for the overhaul of these engines and payments are made to the maintenance provider to reflect usage.

Amounts payable under this contract are held in the balance sheet until an individual engine overhaul is undertaken. Subsequently, a notional cost of overhaul is capitalised and then depreciated in line with usage.

Owned aircraft

The accounting for maintenance expenditure on owned aircraft, other than that performed under power by the hour contracts, is as set out under property, plant and equipment above.

Leased aircraft

Provision is made for the estimated future costs of major overhauls of leased airframes, engines and auxiliary power units by making appropriate charges to the income statement, calculated by reference to the number of hours or cycles operated during the year, as a consequence of aircraft rectification obligations arising from the operating lease agreements.

Cash and cash equivalents

Cash and cash equivalents are defined as including short-term deposits maturing within three months of deposit and restricted cash paid over to various counterparties as collateral against relevant exposures. For the purposes of the Consolidated Cash Flow Statement, bank overdrafts which are repayable on demand, and form an integral part of the Group's cash management activities, are included as a component of cash and cash equivalents.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

2. Accounting policies – continued

Money market deposits

Money market deposits comprise deposits with a maturity of more than three months at the point of placement.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments. To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium accounts exclude amounts in relation to those shares. Finance payments associated with financial liabilities are dealt with as part of the financing costs. Finance payments associated with financial instruments that are classified as equity are dividends and recorded directly in equity.

Financial instruments

Trade and other receivables and payables

Trade and other receivables and payables are recognised at fair value and subsequently measured at amortised cost based on their respective effective interest rate.

Interest bearing loans and borrowings

All loans and borrowings are initially recorded at fair value less any directly attributable transaction costs and premium or discount. The loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Derivative financial instruments and hedging

The Group uses forward foreign currency contracts and monthly aviation fuel swaps to hedge its exposure to foreign exchange rates and aviation fuel price volatility. It also uses forward EU Allowance contracts and Certified Emissions Reduction contracts to hedge exposure to Carbon Emissions Allowance price volatility. Such derivative financial instruments are stated at fair value.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective portion of the gain or loss on the hedging instrument from the inception of the hedging relationship is recognised directly in the cash flow hedging reserve within equity. Any ineffective portion is recognised within the Consolidated Income Statement.

For all other cash flow hedges, the recycling of the cash flow hedge is taken to the Consolidated Income Statement in the same period in which the hedged transaction begins to affect profit or loss.

Leases

Rental charges on operating leases are charged to the Consolidated Income Statement on a straight-line basis over the life of the lease.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement or the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case the tax is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2. Accounting policies – continued

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Employee benefits

Share based payments

The Company issues equity settled share based payments to certain employees. The fair value of these option plans is measured at the date of grant of the option using the binomial valuation model. The resulting cost, as adjusted for the expected and actual level of vesting of the options, is charged to income over the period in which the options vest. At each balance sheet date, before vesting, the cumulative expense is calculated based on the extent to which the vesting period has expired and management's best estimate of the achievement of non-market vesting conditions, and hence the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement. The Group has applied the exemption available under IFRS 1 to apply IFRS 2 only to those options granted after 7 November 2002 which were unvested as of 1 April 2006.

Defined contribution plans

All Group pensions are provided from the proceeds of money purchase schemes. The charge to the income statement represents the payments due during the year.

3. Accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Such estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

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

Judgements made by the Directors in the application of the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below.

Goodwill

Goodwill is tested for impairment annually and is attributable to one cash-generating unit: **Fowler Welch**, whose principal activity is the distribution, throughout the UK, of fresh produce, and temperature-controlled and ambient products on behalf of retailers, processors, growers and importers. Impairment reviews take account of the recoverable amount of cash-generating units, which is based on a value in use calculation utilising the unit's annual budget for the forthcoming year and forecasts for the following two years. Thereafter, a growth rate of 2% (2014: 2%) has been assumed. Projected cash flows have been discounted utilising a discount rate of 10% (2014: 10%). The key assumptions used in the impairment review relate to sales growth, the retention of existing business, and operating margins. The key sensitivity in this calculation is the discount rate used, although the Directors consider that it is unlikely that any currently foreseeable change in the discount rate would give rise to further impairment. The discount rate assumed uses external sources of information, such as peer group data published in the financial press, and reflects current market assessments of the time value of money and the risks specific to the asset.

The carrying amount of goodwill with an indefinite life at the balance sheet date was £6.8m (2014: £6.8m).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

3. Accounting estimates and judgements – continued

Impairment of assets excluding goodwill

Aircraft carrying values were tested for impairment on transition to IFRS. Thereafter, where there is a risk that carrying values are impaired, a full impairment review is undertaken. The smallest cash-generating unit to which this can be applied is aircraft fleet type. The carrying amounts of aircraft were £240.8m (2014: £236.7m). There was no indication of impairment during the year and therefore no impairment losses were recorded.

Residual value of tangible fixed assets

Judgements have been made in respect of the residual values of aircraft included in Property, plant and equipment. These judgements determine the amount of depreciation charged in the Consolidated Income Statement.

4. New IFRS and amendments to IAS and interpretations

The IASB has issued the following standards and interpretations, with an effective date after the date of these financial statements. Their adoption, where applicable, is not expected to have a material effect on the financial statements of the Group unless otherwise stated below.

International Financial Reporting Standards	Applies to periods beginning after
Disclosure Initiative (Amendments to IAS 1)	January 2016
IFRS 15 Revenue from Contracts with Customers	January 2017
IFRS 15 prescribes a new model of revenue recognition in relation to contracts with customers so that revenue reflects the consideration to which an entity expects to be entitled given an exchange for contracted goods or services. This is a converged standard on revenue recognition which replaces IAS 18 “Revenue”, IAS 11 “Construction contracts” and related interpretations. The Group is currently assessing the impact of the new standard.	
IFRS 9 Financial Instruments	January 2018

5. Segmental reporting

Business segments

The Chief Operating Decision Maker (“CODM”) is responsible for the overall resource allocation and performance assessment of the Group. The Board of Directors approves major capital expenditure, assesses the performance of the Group and also determines key financing decisions. Consequently, the Board of Directors is considered to be the CODM.

The Group’s operating segments have been identified based on the internal reporting information provided to the CODM in order for the CODM to formulate allocation of resources to segments and assess their performance. Previously, the Leisure Airline, Package Holidays and Distribution & Logistics businesses were determined to represent operating segments. However, the Leisure Airline and Package Holidays businesses have been working progressively closer together as one Leisure Travel business and, following on from changes in the operational structure of the business, internal financial reporting to the CODM now represents one Leisure Travel operating segment. Consequently, the Group now has two operating segments: Leisure Travel and Distribution & Logistics.

The Leisure Travel business serves its customers’ demand for package holidays in, and flights to, high volume leisure destinations in the Mediterranean, the Canary Islands and European Leisure Cities. Resource allocation decisions are based on our entire route network and the deployment of the entire aircraft fleet.

The Distribution & Logistics business is run on the basis of the evaluation of distribution centre-level performance data. However, resource allocation decisions are made based on the entire distribution network. The objective in making resource allocation decisions is to maximise the segment results rather than the results of the individual distribution centres within the network.

Group eliminations include the removal of inter-segment asset and liability balances.

5. Segmental reporting – continued

Following the identification of the operating segments, the Group has assessed the similarity of their characteristics. Given the different performance targets, customer bases and operating markets of each, it is not currently appropriate to aggregate the operating segments for reporting purposes and, therefore, both are disclosed as reportable segments for the year ended 31 March 2015:

- Leisure Travel, which incorporates the Group's ATOL licensed package holidays operator, **Jet2holidays** and its leisure airline, **Jet2.com**; and
- Distribution & Logistics, incorporating the Group's logistics company, **Fowler Welch**.

The Board assesses the performance of each segment based on operating profit, profit before and after tax, and EBITDA. Revenue from reportable segments is measured on a basis consistent with the income statement. Revenue is principally generated from within the UK, the Group's country of domicile.

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. No customer represents more than 10% of the Group's revenue.

	Leisure Travel £m	Distribution & Logistics £m	Group eliminations £m	Total £m
Year ended 31 March 2015				
Turnover	1,101.5	151.7	–	1,253.2
Underlying EBITDA	116.0	5.9	–	121.9
Underlying operating profit	46.9	3.7	–	50.6
Share of loss in joint ventures	–	(0.4)	–	(0.4)
Finance income	1.7	–	–	1.7
Finance costs	(1.1)	–	–	(1.1)
Revaluation of derivative hedges	1.6	–	–	1.6
Revaluation of foreign currency balances	4.8	–	–	4.8
Net financing income	7.0	–	–	7.0
Underlying profit before taxation	53.9	3.3	–	57.2
Separately disclosed items	(17.0)	–	–	(17.0)
Profit before taxation	36.9	3.3	–	40.2
Taxation	(6.7)	(0.7)	–	(7.4)
Profit after taxation	30.2	2.6	–	32.8
Assets and liabilities				
Segment assets	923.3	84.2	(6.5)	1,001.0
Segment liabilities	(813.7)	(36.6)	6.5	(843.8)
Net assets	109.6	47.6	–	157.2
Other segment information				
Property, plant and equipment additions	74.4	2.0	–	76.4
Depreciation, amortisation and impairment	(69.1)	(2.2)	–	(71.3)
Share based payments	(0.1)	–	–	(0.1)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

5. Segmental reporting – continued

	Leisure Travel £m	Distribution & Logistics £m	Group eliminations £m	Total £m
Year ended 31 March 2014				
Turnover	967.0	153.2	–	1,120.2
EBITDA	104.2	5.7	–	109.9
Operating profit	45.6	3.6	–	49.2
Finance income	1.4	–	–	1.4
Finance costs	(1.1)	(0.3)	–	(1.4)
Revaluation of derivative hedges	(3.3)	–	–	(3.3)
Revaluation of foreign currency balances	(3.8)	–	–	(3.8)
Net financing costs	(6.8)	(0.3)	–	(7.1)
Profit before taxation	38.8	3.3	–	42.1
Taxation	(5.6)	(0.6)	–	(6.2)
Profit after taxation	33.2	2.7	–	35.9
Assets and liabilities				
Segment assets	775.8	84.4	(7.3)	852.9
Segment liabilities	(639.2)	(39.4)	7.3	(671.3)
Net assets	136.6	45.0	–	181.6
Other segment information				
Property, plant and equipment additions	82.5	1.0	–	83.5
Depreciation, amortisation and impairment	(58.6)	(2.1)	–	(60.7)
Share based payments	(0.3)	(0.1)	–	(0.4)

6. Net operating expenses

	2015 £m	2014 £m
Direct operating costs		
Fuel	233.3	222.7
Landing, navigation and third party handling	137.7	119.3
Aircraft and vehicle rentals	33.7	37.9
Maintenance costs	58.0	46.8
Subcontractor charges	41.0	40.4
Accommodation costs	283.9	227.3
Agent commission	22.5	19.0
In-flight cost of sales	20.3	16.9
Other direct operating costs	42.7	39.8
Staff costs	190.6	168.0
Depreciation of property, plant and equipment including aircraft and engines	71.3	60.7
Other operating charges	68.3	72.7
Other operating income	(0.7)	(0.5)
Net operating expenses before separately disclosed items	1,202.6	1,071.0
Separately disclosed items	17.0	–
Total net operating expenses	1,219.6	1,071.0

7. Operating profit

	2015 £m	2014 £m
Operating profit is stated after charging:		
Operating lease rentals: Land and buildings	3.7	3.4
Aircraft, vehicles, and office equipment	30.4	38.2

	2015 £m	2014 £m
Auditor's remuneration		
Audit of these financial statements	0.2	0.2
Amounts receivable by Auditor and its associates in respect of other services	0.1	0.1

8. Net financing income/(costs)

	2015 £m	2014 £m
Finance income – interest receivable	1.7	1.4
Finance costs – borrowings	(1.1)	(1.4)
Revaluation of derivative hedges:		
Derivatives ineligible for cash flow hedge accounting	–	(1.4)
Cash flow hedge ineffectiveness (note 22)	1.6	(1.9)
	1.6	(3.3)
Revaluation of foreign currency balances	4.8	(3.8)
Net financing income/(costs)	7.0	(7.1)

9. Employees

The average monthly number of persons, including Executive Directors, employed by the Group during the year was:

	2015 Number	2014 Number
Operations	3,857	3,547
Administration	1,037	927
	4,894	4,474

	2015 £m	2014 £m
Wages and salaries	169.0	149.1
Share options – value of employee services	0.1	0.4
Social security costs	15.7	14.8
Other pension costs	5.8	3.7
	190.6	168.0

Remuneration of the Directors, who are key management personnel of the Group, is set out on page 46 in aggregate. There are no personnel, other than the Directors, who as key management have authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of Dart Group PLC. No member of key management had any material interest during the year in a contract of significance (other than a service contract) with the Company or any of its subsidiaries.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

9. Employees – continued

	2015 £m	2014 £m
Details of key management personnel:		
Short-term employee benefits	5.9	4.6
Post-employment benefits	0.4	0.4
Total employee benefit costs of key management personnel	6.3	5.0

In addition to the following, details of Executive Directors' remuneration, along with information concerning options and retirement benefits, are set out in the Report on Directors' Remuneration on pages 23 to 25.

	2015	2014
Details of Directors' remuneration:		
Highest paid Director	£0.7m	£0.6m
Number of Directors for whom retirement benefits accrue	2	2
Number of Directors who exercised share options	1	1

10. Taxation

	2015 £m	2014 £m
Current taxation:		
UK corporation tax based upon the profits for the year:		
– current year	3.5	10.6
– prior year	(0.2)	(0.4)
Current tax charge for the year	3.3	10.2
Deferred taxation:		
Origination and reversal of temporary differences		
– current year	4.4	(1.0)
– prior year	(0.3)	–
Rate changes	–	(3.0)
Deferred tax charge/(credit) for the year	4.1	(4.0)
Total tax in income statement in the year	7.4	6.2

The current tax assessed for the current year is lower (2014: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £m	2014 £m
Profit before taxation	40.2	42.1
Profit before taxation multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	8.4	9.7
Effects of:		
Expenses not deductible	(0.5)	(0.1)
Tax rate change	–	(3.0)
Adjustments to tax charge in previous periods	(0.5)	(0.4)
Total (see above)	7.4	6.2

Deferred tax in the year has been provided at 20% (2014: 20%) as a consequence of legislation enacted in the previous year, which reduced the UK corporation tax rate to 20% from 1 April 2015.

10. Taxation – continued

	2015 £m	2014 £m
The net deferred tax liability in the balance sheet is as follows:		
Deferred tax assets	20.5	7.5
Deferred tax liabilities	(31.2)	(27.2)
	(10.7)	(19.7)

	2015 £m	2014 £m
The movement in the net deferred tax liability is as follows:		
As at 1 April	(19.7)	(35.3)
(Charged)/credited to income statement	(4.1)	4.0
Credit taken direct to equity	13.1	11.6
As at 31 March	(10.7)	(19.7)

Movements in deferred tax assets and liabilities prior to offset are shown below:

	Deferred tax assets £m
Financial instruments:	
At 31 March 2013	1.1
Credit to income	1.6
Credit to equity	4.8
At 31 March 2014	7.5
Charge to income	(0.1)
Credit to equity	13.1
At 31 March 2015	20.5

	Deferred tax liabilities			
	Accelerated capital allowances £m	Financial instruments £m	Other £m	Total £m
At 31 March 2013	29.7	6.2	0.5	36.4
(Credit)/charge to income	(3.2)	1.0	(0.2)	(2.4)
Credit to equity	–	(6.8)	–	(6.8)
At 31 March 2014	26.5	0.4	0.3	27.2
(Credit)/charge to income	4.3	–	(0.3)	4.0
Credit to equity	–	–	–	–
At 31 March 2015	30.8	0.4	–	31.2

Financial instruments in the tables above include the deferred tax impact of the Group's forward foreign currency contracts, aviation fuel swaps, EU Allowance contracts and forward Certified Emissions Reduction contracts.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

11. Dividends

	2015 £m	2014 £m
Interim 0.75 pence (2014: 0.60 pence) per share – paid 2 February 2015	1.1	0.9
Final 2.14 pence (2014: 1.33 pence) per share – paid 17 October 2014	3.1	1.9
Total	4.2	2.8

12. Earnings per share

	2015 No.	2014 No.
Basic weighted average number of shares in issue	146,278,585	145,300,720
Dilutive potential ordinary shares: employee share options	1,455,645	2,402,809
Diluted weighted average number of shares in issue	147,734,230	147,703,529

Basis of calculation – earnings (basic and diluted)

	Year to 31 March 2015	Year to 31 March 2014
Profit for the purposes of calculating basic and diluted earnings	£32.8m	£35.9m
Earnings per share – basic	22.42p	24.68p
Earnings per share – diluted	22.20p	24.28p

13. Goodwill

	Total £m
Net book value as at 31 March 2014 and 31 March 2015	6.8
Impairment provision as at 31 March 2014 and 31 March 2015	–
Net book value as at 31 March 2014 and 31 March 2015	6.8

14. Property, plant and equipment

	Freehold property and land £m	Short leasehold property £m	Aircraft, engines and other components £m	Plant, vehicles and equipment £m	Total £m
Cost					
At 31 March 2013	33.9	2.7	395.4	49.2	481.2
Additions	1.6	1.7	66.0	14.2	83.5
Disposals	–	–	(17.7)	(0.8)	(18.5)
At 31 March 2014	35.5	4.4	443.7	62.6	546.2
Additions	1.1	0.3	69.0	6.0	76.4
Disposals	–	–	(22.1)	(4.4)	(26.5)
At 31 March 2015	36.6	4.7	490.6	64.2	596.1
Depreciation					
At 31 March 2013	(6.8)	(1.7)	(172.2)	(31.4)	(212.1)
Charge for the year	(0.7)	(0.2)	(52.5)	(7.3)	(60.7)
Disposals	–	–	17.7	0.5	18.2
At 31 March 2014	(7.5)	(1.9)	(207.0)	(38.2)	(254.6)
Charge for the year	(0.7)	(0.5)	(63.5)	(6.6)	(71.3)
Disposals	–	–	20.7	4.4	25.1
At 31 March 2015	(8.2)	(2.4)	(249.8)	(40.4)	(300.8)
Net book value					
At 31 March 2015	28.4	2.3	240.8	23.8	295.3
At 31 March 2014	28.0	2.5	236.7	24.4	291.6

Included within the cost of aircraft and engines is £1.6m (2014: £1.6m) of interest capitalised. Aircraft and engine additions in the year include £nil (2014: £nil) of interest capitalised.

15. Inventories

	2015 £m	2014 £m
Consumables	2.0	3.1

Included within fuel (note 6) is an £18.7m charge (2014: £20.2m) in relation to inventories utilised and recognised as an expense in the year. Included within other direct operating costs (note 6) is a £1.6m charge (2014: £1.6m) in relation to inventories written down and recognised as an expense in the year.

16. Money market deposits & cash and cash equivalents

	2015 £m	2014 £m
Money market deposits (maturity more than three months from placement)	65.5	52.5
Cash at bank and in hand	237.3	211.2

Included within cash and money market deposits is £97.5m (2014: £133.3m) of cash which is restricted by the Group's merchant acquirers as collateral against a proportion of forward bookings paid for by credit or debit card, until our customers have travelled. The business also had £51.7m (2014: £7.4m) of cash placed with various counterparties in the form of margin calls to cover out-of-the-money hedge instruments, primarily a result of the drop in the price of crude oil. The majority of these out-of-the-money positions are anticipated to run off through summer 2015 as the hedged instruments mature.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

17. Trade and other receivables

	2015 £m	2014 £m
Current:		
Trade receivables	295.3	231.9
Other receivables	70.3	54.0
	365.6	285.9

Ageing analysis of trade receivables

	31 March 2015			31 March 2014		
	Gross receivables £m	Provision for doubtful debts £m	Net trade receivables £m	Gross receivables £m	Provision for doubtful debts £m	Net trade receivables £m
Not past due	283.6	–	283.6	214.3	–	214.3
Up to 1 month past due	9.1	–	9.1	14.9	–	14.9
Over 1 month past due	2.7	(0.1)	2.6	3.0	(0.3)	2.7
	295.4	(0.1)	295.3	232.2	(0.3)	231.9

18. Trade and other payables

	2015 £m	2014 £m
Current:		
Trade payables	33.8	32.9
Other taxation and social security	6.8	6.6
Income tax	2.1	7.0
Other creditors and accruals	42.6	60.5
	85.3	107.0

19. Other non-current liabilities

	2015 £m	2014 £m
Other creditors and accruals	0.5	10.3

20. Borrowings

	2015 £m	2014 £m
Bank loans are repayable as follows:		
Within one year	0.8	0.8
Between one and two years	0.7	0.8
Between two and five years	2.0	2.0
Over five years	5.5	6.2
Total bank loans	9.0	9.8

Bank loans represent an £8.8m (2014: £9.5m) term loan facility bearing a rate of interest of 2.50% over three-month LIBOR, maturing August 2017, and a £0.2m (2014: £0.3m) five year loan, bearing an interest rate of 1.9% over one-month LIBOR and maturing in April 2016.

21. Provisions

	Maintenance		Other		Total	
	2015 £m	2014 £m	2015 £m	2014 £m	2015 £m	2014 £m
Opening	2.0	1.8	0.4	0.3	2.4	2.1
Provision in the year	12.5	5.0	18.2	0.5	30.7	5.5
Transferred in from other creditors and accruals	–	–	4.5	–	4.5	–
Utilised	(8.4)	(4.8)	(0.5)	(0.4)	(8.9)	(5.2)
Closing at 31 March	6.1	2.0	22.6	0.4	28.7	2.4

Maintenance provisions relate entirely to aircraft maintenance and the Group's obligation to maintain leased aircraft in accordance with the aircraft manufacturer's published maintenance programmes during the lease term, and to ensure that aircraft are returned to the lessor in accordance with its contractual requirements. The element due after more than one year is not significant.

Other provisions relate to the Group's obligation to return leased tractor and trailer units to the lessor in accordance with its contractual requirements, and possible Leisure Travel passenger compensation claims.

22. Financial instruments

The Group has exposure to the following risks from its use of financial instruments:

Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern whilst providing a return to shareholders. The Group's multi-year planning process gives clear visibility of earnings and liquidity to ensure continued operation well within banking facility covenant levels.

Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient funds to meet its financial obligations as they fall due. As at the year end, the Group had significant cash balances, together with a range of unutilised banking facilities, in relation to which all covenants had been met. The Group's strategy for managing liquidity risk is to maintain cash balances in an appropriately liquid form and in accordance with approved counterparty limits, whilst securing the continuity and flexibility of funding through the use of committed banking facilities. Additionally, short-term cash flow risk in relation to margin calls in respect of fuel and foreign exchange hedge positions is minimised through diversification of counterparties together with appropriate credit thresholds. The Group seeks to match long-term assets with long-term liabilities wherever possible. In addition, a regular assessment is made of future banking facility covenant compliance and headroom.

Credit risk

The Group is exposed to credit risk to the extent of non-performance by its counterparties in respect of financial assets receivable. However, the Group has policies and procedures in place to ensure such risk is limited by placing credit limits on each counterparty. The Group regularly monitors such limits and defaults by counterparties, incorporating this information into credit risk controls. The Group does not currently hold any collateral to mitigate this exposure.

The maximum credit exposure to credit risk is limited to the carrying value of each asset as summarised in section (c) below.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

22. Financial instruments – continued

Foreign currency risk

The Group has significant transactional foreign currency exposure, primarily relating to the euro and the US dollar.

Transactional currency exposures primarily arise as a result of purchases denominated in foreign currency undertaken in the ordinary course of business, in particular related to expenditure on aviation fuel, aircraft maintenance, air traffic control, airport charges and hotel accommodation. The Group's policy is to cover up to 90% of its expected requirements for a period of up to thirty months in advance, using forward foreign exchange contracts. As at 31 March 2015, the Group had hedged a significant proportion of its forecast foreign exchange requirements for the 2015/16 year. Further information in relation to foreign currency exchange risk is given below.

Aviation fuel price risk

The Group's policy is to forward cover up to 90% of future fuel requirements, up to thirty months in advance. Further information in relation to aviation fuel swaps held is given below. As at 31 March 2015, the Group had hedged substantially all of its forecast fuel requirements for the 2015/16 year and a proportion of its requirements for the subsequent year, in line with the policy.

Carbon risk

The Group also hedges its carbon exposure in relation to its obligations under the EU Emissions Trading Scheme. As at 31 March 2015, the Group has acquired its entire requirement for the year ending 31 December 2015 and a substantial portion of the following year's requirement.

Under IAS 39, the forward currency, forward carbon derivatives and fuel swaps are eligible for cash flow hedge accounting. Movements in fair value are summarised in section (b) below.

Cash flow hedges relate to forecast cash flows through to 31 March 2018.

(a) Carrying amount and fair values of financial instruments

Set out below is a comparison by category of the carrying amounts and fair value of all the Group's financial assets and liabilities as at 31 March 2015.

	31 March 2015 Carrying amount £m	31 March 2014 Carrying amount £m
Financial assets		
Liquid assets, loans and receivables:		
Cash and cash equivalents	237.3	211.2
Money market deposits	65.5	52.5
Trade receivables	295.3	231.9
Designated cash flow hedge relationships:		
Forward US dollar contracts	26.3	–
Forward euro contracts	0.1	0.1
Forward jet fuel contracts	1.3	1.3
Forward carbon contracts	0.8	0.4
Total financial assets	626.6	497.4

There are no differences between the carrying values of the Group's financial assets and their fair values.

22. Financial instruments – continued

	31 March 2015 Carrying amount £m	31 March 2014 Carrying amount £m
Financial Liabilities		
Loans and payables:		
Trade payables	33.8	32.9
Bank loans	9.0	9.8
Other financial liabilities	1.3	2.1
Designated cash flow hedge relationships:		
Forward US dollar contracts	0.1	22.8
Forward euro contracts	35.8	12.1
Forward jet fuel contracts	92.9	1.2
Forward carbon contracts	0.1	1.1
Total financial liabilities	173.0	82.0

There are no differences between the carrying values of the Group's financial liabilities and their fair values.

The methods and assumptions used to estimate fair values of financial assets and liabilities are as follows:

- due to their short maturities, the fair values of trade receivables, other receivables and trade payables have been stated at their book value;
- the fair value of derivative financial instruments has been measured by reference to the fair value of the instruments, as provided by external counterparties; and
- the fair value of fuel derivatives is based on the expected full recovery of these assets from the relevant counterparties.

IFRS 13 requires the classification of fair value measurements using a fair value hierarchy that reflects the nature of the inputs used in making the assessments.

The fair value of the Group's foreign currency derivative financial instruments is designated as level 2 as the fair value measure uses inputs other than quoted prices in active markets for identical assets or liabilities. Fuel derivatives, which are measured by reference to external counterparty information, are classified as level 2.

(b) Movements in fair value of financial instruments

Net movements in fair value of financial instruments are as follows:

	Cash flow hedges	
	Assets £m	Liabilities £m
At 31 March 2013	23.2	(4.6)
Other comprehensive income	(19.4)	(31.3)
Charged in income statement	(2.0)	(1.3)
At 31 March 2014	1.8	(37.2)
Other comprehensive income	26.6	(93.3)
Credited in income statement	0.1	1.6
At 31 March 2015	28.5	(128.9)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

22. Financial instruments – continued

	2015 £m	2014 £m
Amounts credited/(charged) in the Consolidated Income Statement within:		
Operating expenses		
Fair value movements – fuel derivatives	0.1	–
Net financing costs		
Derivatives ineligible for cash flow hedge accounting	–	(1.4)
Changes in fair value of ineffective cash flow hedges	1.6	(1.9)
	1.7	(3.3)

All gains/(losses) on cash flow hedges recycled from equity into the income statement are reflected within operating expenses or net financing costs.

(c) Maturity profile of financial assets and liabilities

The maturity profile of the carrying value of the Group's financial assets at the end of the year was as follows:

	31 March 2015			31 March 2014		
	Derivative financial instruments £m	Other receivables £m	Total £m	Derivative financial instruments £m	Other receivables £m	Total £m
Financial assets						
< 1 year	27.0	598.1	625.1	1.4	495.6	497.0
1–2 years	1.5	–	1.5	0.4	–	0.4
2–5 years	–	–	–	–	–	–
	28.5	598.1	626.6	1.8	495.6	497.4

The maturity profile of the carrying value of the Group's financial liabilities at the end of the year was as follows:

	31 March 2015			31 March 2014		
	Derivative financial instruments £m	Other loans and payables £m	Total £m	Derivative financial instruments £m	Other loans and payables £m	Total £m
Financial liabilities						
< 1 year	103.8	35.4	139.2	35.0	34.5	69.5
1–2 years	25.1	1.2	26.3	2.2	1.6	3.8
2–5 years	–	2.0	2.0	–	2.5	2.5
> 5 years	–	5.5	5.5	–	6.2	6.2
	128.9	44.1	173.0	37.2	44.8	82.0

(d) Borrowing facilities

The Group has various borrowing facilities and financing arrangementsⁱ available to it. The total borrowing facilities available at 31 March 2015 were as follows:

	Amounts drawn down		Facilities available	
	2015 £m	2014 £m	2015 £m	2014 £m
Committed facilities:				
Revolving credit facilities ⁱⁱ	–	–	50.0	50.0
Bank loans ⁱⁱⁱ	9.0	9.8	10.0	10.7
	9.0	9.8	60.0	60.7

i. The Group entered into an agreement resulting in a counterparty issuing a US\$21.5m Letter of Credit to a number of the Group's card processing counterparties, with respect to Leisure Travel advance sales. The Letter of Credit facility is committed until May 2018 and reduces by US\$2.2m every six months. The balance at the reporting date was US\$15.1m (2014: US\$19.3m);

ii. £50.0m revolving credit facility committed until the end of August 2017; and

iii. The £10.0m bank loan facility matures in August 2017 and the £0.7m loan in April 2016.

22. Financial instruments – continued**(e) Interest rate risk**

	31 March 2015			31 March 2014		
	Floating rate financial assets £m	Financial assets on which no interest is receivable £m	Total £m	Floating rate financial assets £m	Financial assets on which no interest is receivable £m	Total £m
Financial assets						
Money market deposits and cash & cash equivalents						
Sterling	236.0	33.0	269.0	205.1	9.4	214.5
US dollar	53.2	(13.1)	40.1	29.3	11.3	40.6
Euro	0.1	(7.0)	(6.9)	4.3	3.2	7.5
Other	–	0.6	0.6	–	1.1	1.1
	289.3	13.5	302.8	238.7	25.0	263.7

The floating rate financial assets comprise cash on deposit at various market rates according to currency and term. The Group operates composite bank accounts which allow the offset of individual bank and overdraft accounts across a range of currencies.

Money market deposits comprise deposits with a maturity of more than three months from placement.

	31 March 2015			31 March 2014		
	Floating rate financial liabilities £m	Fixed rate financial liabilities £m	Total £m	Floating rate financial liabilities £m	Fixed rate financial liabilities £m	Total £m
Financial liabilities						
Sterling	9.0	–	9.0	9.8	–	9.8

The floating rate liabilities comprise facilities bearing interest rates of up to 2.5% over three-month LIBOR (2014: 2.5% over three-month LIBOR).

An interest rate sensitivity analysis has not been provided on the basis that the Group is in a cash positive position. This, coupled with historically low interest rates, means interest rate risk is immaterial.

(f) Currency exposure

Financial instruments that are not denominated in the functional currency of the operating unit involved expose the Group to a currency risk. The table below shows the carrying value of the Group's financial instruments at 31 March, including derivative financial instruments, on which exchange differences would be recognised in the income statement in the following year.

Currency	US dollar £m	Euro £m	Other £m	Total £m
2015				
Sterling	26.2	(24.2)	0.6	2.6
2014				
Sterling	33.4	(12.5)	0.7	21.6

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

22. Financial instruments – continued

(g) Sensitivity analysis

The following table shows the impact of currency translation exposures arising from monetary assets and liabilities of the Group that are not denominated in sterling, along with the impact of a reasonably possible change in fuel prices, with all other variables held constant.

	31 March 2015 +/- £m	31 March 2014 +/- £m
Impact on Profit and Loss		
10% change in jet fuel prices	–	1.1
5% movement of sterling	0.1	3.7
Impact on Equity		
10% change in jet fuel prices	16.8	23.3
5% movement of sterling	23.3	35.3

23. Called up share capital and reserves

Share capital

	Number of shares	2015 £m	2014 £m
Authorised ordinary shares of 1.25p each	160,000,000	2.0	2.0
Allotted, called up and fully paid:			
As at 31 March 2014	145,782,743	1.8	1.8
Options exercised	1,229,392	–	–
As at 31 March 2015	147,012,135	1.8	1.8

Dart Group PLC received the sum of £498,003 (2014: £695,534) in respect of options exercised during the year.

Employee share schemes

Dart Group PLC has a number of share based option schemes in operation, which are described in detail in the Report on Directors' Remuneration on pages 23 to 25 of this Annual Report. These plans have been accounted for in accordance with the fair value recognition provisions of IFRS 2, Share Based Payment, which means that IFRS 2 has been applied to all grants of employee share based payments that had not vested at 31 March 2015.

The total expenses recognised for the period arising from share based payments are as follows:

	2015 £m	2014 £m
Equity settled share based payments	0.1	0.4

23. Called up share capital and reserves – continued

Summary of options outstanding

The terms and conditions of grants are as follows, with all settled by physical delivery of shares:

Scheme ^(a)	Grant date	Option price per share	Number of shares 31 March 2015	Number of shares 31 March 2014	Timing of exercise and expiry
Unapproved 2005	21–Nov–05	78.50 p	40,000	80,000	All exercisable, expiring 21–Nov–15
Unapproved 2005	04–Sep–08	24.75 p	62,303	143,603	All exercisable, expiring 04–Sep–18
Unapproved 2005	10–Sep–09	52.50 p	360,204	374,310	All exercisable from 10–Sep–15, all expiring 10–Sep–19
Unapproved 2005	05–Aug–10	67.00 p	147,201	172,201	131k currently exercisable, remainder from 05–Aug–16, all expiring 05–Aug–20
Unapproved 2005	04–Aug–11	85.00 p	60,000	120,000	All exercisable from 04–Aug–17, expiring 04–Aug–21
Total Unapproved			669,708	890,114	
Approved 2005	23–Nov–05	79.13 p	60,000	139,000	All exercisable, expiring 23–Nov–15
Approved 2005	03–Aug–07	101.75 p	45,000	85,000	All exercisable, expiring 03–Aug–17
Approved 2005	18–Dec–07	53.25 p	15,000	25,000	All exercisable, expiring 18–Dec–17
Approved 2005	04–Sep–08	24.75 p	193,750	996,763	All exercisable, expiring 04–Sep–18
Approved 2005	01–Jun–09	59.00 p	–	10,000	No options remaining
Approved 2005	10–Sep–09	52.50 p	914,763	1,069,799	90k currently exercisable, remainder from 10–Sep–15, all expiring 10–Sep–19
Approved 2005	16–Dec–09	46.75 p	76,250	83,750	7k currently exercisable, remainder from 16–Dec–15, all expiring 16–Dec–19
Approved 2005	05–Aug–10	67.00 p	76,138	107,388	All exercisable from 05–Aug–16, all expiring 05–Aug–20
Approved 2005	23–Dec–10	94.50 p	84,623	105,873	12k currently exercisable, remainder from 23–Dec–16, all expiring 23–Dec–20
Approved 2005	04–Aug–11	85.00 p	77,500	100,000	31k currently exercisable, remainder from 04–Aug–17, all expiring 04–Aug–21
Approved 2005	22–Dec–11	63.88 p	86,250	165,000	18k currently exercisable, remainder from 22–Dec–17, all expiring 22–Dec–21
Approved 2005	01–Aug–12	76.38 p	131,515	144,015	66k exercisable from 01–Aug–15 & 18, all expiring 01–Aug–22
Total Approved			1,760,789	3,031,588	
All options			2,430,497	3,921,702	

a. Schemes are defined as:

Unapproved 2005 = The Dart Group Unapproved Share Option Plan 2005

Approved 2005 = The Dart Group Approved Share Option Plan 2005

There were no new awards during the year or the previous year.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a binomial valuation model.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

Share options are granted under a service condition. Such conditions are not taken into account in the grant date fair value measurement of the services received. Certain market conditions apply to options granted under the Dart Group Unapproved Share Option Plan 2005.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2015

23. Called up share capital and reserves – continued

The number and weighted average exercise prices of share options are as follows:

	2015		2014	
	Number of options	Weighted average exercise price Pence	Number of options	Weighted average exercise price Pence
Outstanding at 1 April	3,921,702	55.2	5,571,917	55.0
Granted	–	–	–	–
Exercised	(1,229,392)	40.5	(1,061,113)	65.5
Lapsed	(261,813)	56.0	(589,102)	55.1
Outstanding at 31 March	2,430,497	57.7	3,921,702	55.2
Exercisable at 31 March	761,966	56.2	660,433	68.1
Estimated weighted average share price at date of exercise		258.17		233.49

Options outstanding at 31 March are in respect of all options issued since 7 November 2002 (see note 2 – employee benefits). The options outstanding at the year end have an exercise price in the range of 24.8p to 101.8p and a weighted average contractual life of 4.6 years (2014: 5.3 years).

Reserves

The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet matured.

24. Commitments

(a) Capital commitments:

	2015 £m	2014 £m
Contracted for but not provided	0.3	–

The capital commitment relates to a \$0.5m non-refundable deposit concerning the intended purchase of one Boeing 737-800 aircraft. The purchase was completed on 15 April 2015.

(b) Minimum future commitments under non-cancellable operating leases are as follows:

Group	Land and buildings		Aircraft and engines		Plant and machinery	
	2015 £m	2014 £m	2015 £m	2014 £m	2015 £m	2014 £m
Less than one year	1.6	1.5	18.5	9.5	11.3	11.3
Between two and five years	9.2	4.0	50.3	29.5	18.7	18.9
Over five years	5.4	6.1	6.1	0.8	2.3	3.2
	16.2	11.6	74.9	39.8	32.3	33.4

25. Contingent liabilities

The Group has issued various guarantees in the ordinary course of business, none of which are expected to lead to a financial gain or loss.

26. Notes to cash flow statement

	At 31 March 2014 £m	Cash flow £m	Exchange differences £m	At 31 March 2015 £m
Changes in net debt				
Cash at bank and in hand	211.2	22.2	3.9	237.3
Bank loans due within one year	(0.8)	–	–	(0.8)
Cash and cash equivalents	210.4	22.2	3.9	236.5
Bank loans due after one year	(9.0)	0.8	–	(8.2)
Net cash	201.4	23.0	3.9	228.3

27. Pension scheme

The Group operates a defined contribution scheme. The pension charge for the period represents contributions payable by the Group to the scheme and amounted to £5.8m (2014: £3.7m). There were no outstanding or prepaid contributions at either the current or previous year end.

28. Related party transactions

Compensation of key management personnel

The key management personnel of the Group comprise the Chairman and Executive and Non-Executive Directors, as outlined on page 19 of the Annual Report. The compensation of key management personnel can be found in note 9 to the consolidated financial statements and in the Report on Directors' Remuneration set out on pages 23 to 25 of the Annual Report.

Joint ventures

During the period, **Fowler Welch** entered into a Memorandum of Understanding ("MOU") with Direct Produce Supplies Plc in relation to their respective Interests in Integrated Service Solutions Limited ("ISS"). Whilst **Fowler Welch** did not own any ISS share capital at the reporting date, the substance of the MOU requires it, and the Group, to account for the arrangement as a joint venture.

29. Separately disclosed items

Separately disclosed items are presented in the middle column of the year ended 31 March 2015 Consolidated Income Statement in order to assist the reader's understanding of underlying business performance and to provide a more meaningful presentation. The right hand column presents the results for the year showing all gains and losses recorded in the Consolidated Income Statement.

EU Regulation 261

The full year results include a separately disclosed exceptional provision of £17.0m in relation to possible passenger compensation claims for historical flight delays under Regulation (EC) No 261/2004.

Company Balance Sheet

at 31 March 2015

	Note	2015 £m	2014 £m
Fixed assets			
Tangible fixed assets	5	261.2	241.3
Investments	6	22.8	29.2
		284.0	270.5
Current assets			
Stock		2.1	3.3
Debtors – of which falling due after more than one year: £6.1m (2014: £6.6m)	7	13.6	12.1
Cash and cash equivalents		15.3	4.7
		31.0	20.1
Current liabilities			
Creditors: amounts falling due within one year	8	(219.1)	(195.8)
Net current liabilities		(188.1)	(175.7)
Total assets less current liabilities		95.9	94.8
Loans falling due after more than one year		(8.2)	(8.8)
Provisions for liabilities	9	(19.0)	(20.1)
Net assets		68.7	65.9
Shareholders' equity			
Share capital	10	1.8	1.8
Share premium	10	11.9	11.4
Profit and loss account	10	55.0	52.7
Total shareholders' equity	10	68.7	65.9

The accounts on pages 60 to 66 were approved by the Board of Directors at a meeting held on 27 July 2015 and were signed on its behalf by:

Gary Brown

Director

Dart Group PLC

Registered no. 01295221

Notes to the Company Financial Statements

for the year ended 31 March 2015

1. Basis of preparation

The Company financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Principles (UK GAAP).

Under Financial Reporting Standard 1 (Revised) ("FRS"), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the Group includes the Company in its own published consolidated financial statements.

2. Accounting policies

A summary of the principal accounting policies, which have been consistently applied throughout the year and the preceding year, is set out below.

Going concern

Dart Group PLC is accounted for on a going concern basis. Dart Group PLC provides aircraft leasing, treasury and IT management services for the Group and, accordingly, its financial performance is inextricably linked with the performance of its subsidiaries.

The Directors have prepared financial forecasts for the Company, comprising operating profit, balance sheets and cash flows through to 31 March 2018.

For the purposes of their assessment of the appropriateness of the preparation of the Company's accounts on a going concern basis, the Directors have considered the current cash position, the availability of banking facilities, the Company's net current liability position, and forecasts of future trading through to 31 March 2018, including performance against financial covenants and the assessment of principal areas of uncertainty and risk.

Having considered the points outlined above, the Directors have a reasonable expectation that the Company will be able to operate within the levels of available banking facilities and cash for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2015.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date, and differences arising are recognised in the results for the year.

Investments

Investments are recorded at cost, less provision for impairment in value where appropriate.

Tangible fixed assets

Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment. Interest attributable to the purchase of aircraft and other assets and progress payments on account whilst such aircraft are undergoing conversion from passenger to freighter or "Quick Change" is capitalised and added to the cost of the asset concerned. Interest is capitalised at rates equal to the rates paid on the financial instruments used to finance the purchase and conversion of aircraft.

Depreciation is calculated to write the cost of property, plant and equipment down to each asset's estimated residual value using the straight-line method over its estimated useful economic life or the estimated useful economic life of individual major components as follows:

Freehold property	30 years
Short leasehold property	Over the life of the lease
Aircraft, engines and other components	2–30 years
Plant, vehicles and equipment	3–7 years

The non-component value of each aircraft is depreciated to its expected residual value over its remaining useful life, which is assumed to end 24–30 years from original build date, depending on the type of aircraft. Where aircraft are subject to specific life extension expenditure, the cost of such work is depreciated over the remaining extended life and the non-component value of the aircraft is depreciated to this later date.

Notes to the Company Financial Statements

for the year ended 31 March 2015

2. Accounting policies – continued

Aircraft maintenance costs

Jet2.com Limited, a wholly owned subsidiary undertaking, leases aircraft from the Company and has a legal obligation to undertake specific periodic maintenance on the aircraft it operates. These obligations require **Jet2.com** to continue to maintain each aircraft and its engines in accordance with the aircraft manufacturer's published maintenance programmes during the term of the lease and to ensure that each aircraft is returned to the Company in a satisfactory condition.

The Company receives a monthly security deposit from **Jet2.com** based on a monthly usage calculation and is set at a level which is estimated to cover the cost of future maintenance procedures when they occur. The deposit is refunded to **Jet2.com** once the maintenance activity has been completed by **Jet2.com**. Consequently, these deposits are classified as amounts due to Group undertakings within creditors less than one year.

Borrowings

All borrowings are stated at the fair value of consideration received after deduction of issue costs. Issue costs, together with other finance costs, are charged to the income statement over the period of the term of the borrowings at a constant rate, or more quickly if appropriate. Issue and finance costs are deducted from the carrying value of those borrowings.

Leases

Rental charges on operating leases are charged to the income statement on a straight-line basis over the life of the lease.

Cash and cash equivalents

Cash equivalents are defined as including short term deposits maturing within three months of placement.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Employee benefits

Pension costs

All pensions are provided from the proceeds of money purchase schemes. The charge to the profit and loss represents the payments due during the year.

Share based payments

The Company issues equity settled share based payments to certain employees. The fair value of employee share option plans is measured at the date of grant of the option using the binomial valuation model. The resulting cost, as adjusted for the expected and actual level of vesting of the options, is charged to income over the period in which the options vest. At each balance sheet date before vesting, the cumulative expense is calculated based on the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market vesting conditions, and hence the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the profit and loss account.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises an increase in the cost of investment in its subsidiaries, equivalent to the equity settled share based payment charge recognised in its subsidiary's financial statements, with the corresponding credit being recognised directly in equity.

3. Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

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

Judgements made by the Directors in the application of the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below.

Impairment of assets

A full impairment review of aircraft carrying values is undertaken annually or more frequently if a risk that carrying values are impaired is identified. The smallest cash-generating unit to which this can be applied is aircraft fleet type.

The carrying amounts of aircraft totalled £258.5m (2014: £238.2m). No impairment losses were recorded during the year.

Residual value of tangible fixed assets

Judgements have been made in respect of the residual values of aircraft included in tangible fixed assets. Those judgements determine the amount of depreciation charged in the profit and loss account.

4. Profit of the Parent Company

The Company has taken advantage of the provisions of section 408 of the Companies Act 2006 and has not published its own profit and loss account. Of the profit on ordinary activities after taxation for the year, a loss of £14.0m (2014: profit £6.4m) is dealt with in the accounts of the Company.

5. Tangible fixed assets

	Freehold property £m	Short leasehold property £m	Aircraft & engines £m	Plant, vehicles & equipment £m	Total £m
Cost					
At 1 April 2014	1.6	1.2	354.2	6.7	363.7
Additions	–	–	49.8	0.5	50.3
Disposals	–	–	(7.1)	–	(7.1)
At 31 March 2015	1.6	1.2	396.9	7.2	406.9
Depreciation					
At 1 April 2014	–	(0.8)	(116.0)	(5.6)	(122.4)
Charge for the year	–	(0.1)	(26.9)	(0.8)	(27.8)
On disposals	–	–	4.5	–	4.5
At 31 March 2015	–	(0.9)	(138.4)	(6.4)	(145.7)
Net book value					
At 31 March 2015	1.6	0.3	258.5	0.8	261.2
At 1 April 2014	1.6	0.4	238.2	1.1	241.3

Aircraft and engines having an original cost of £396.9m (2014: £354.2m) and accumulated depreciation of £138.4m (2014: £116.0m) are held for use by a subsidiary company under operating leases.

Notes to the Company Financial Statements

for the year ended 31 March 2015

6. Investments

	£m
Shares in subsidiary undertakings at cost, and net investment:	
At 31 March 2014	29.2
Additions	0.1
Disposals	(6.5)
At 31 March 2015	22.8

On 31 March 2015, Dart Group PLC sold its entire shareholding in **Jet2holidays** Limited to fellow subsidiary, **Jet2.com** Limited, for cash consideration of £6.5m.

The subsidiary undertakings of the Company are:

	Principal activity	% Holding	Country of incorporation or registration
Principal subsidiary undertakings:			
Fowler Welch -Coolchain Limited*	Distribution and logistics services	100%	United Kingdom
Jet2.com Limited *	Leisure travel airline services	100%	United Kingdom
Jet2holidays Limited	Leisure travel package holiday services	100%	United Kingdom
Jet2 Transport Services Limited	Transport services	100%	United Kingdom
Other subsidiary undertakings:			
Bourne Aviation Supply Limited *	Dormant company	100%	United Kingdom
Channel Express (C.I.) Limited *	Dormant company	100%	Guernsey
Coolchain Limited *	Dormant company	100%	United Kingdom
Coolchain Group Limited	Dormant company	100%	United Kingdom
Deltec Aviation Services Limited *	Dormant company	100%	United Kingdom
Fowler Welch BV	Dormant company	100%	Netherlands
Fowler Welch Limited *	Dormant company	100%	United Kingdom
Fowler Welch (Containers) Limited	Container services	100%	United Kingdom
Jet2 Limited *	Dormant company	100%	United Kingdom

* Indicates investments held directly by Dart Group PLC as at 31 March 2015.

The issued share capital of each subsidiary undertaking consists entirely of ordinary shares except for Coolchain Limited, which has both ordinary and preference shares in issue.

All of the above subsidiaries have been consolidated in the Dart Group PLC consolidated accounts.

7. Debtors

	2015 £m	2014 £m
Other debtors and prepayments	0.9	1.3
Corporation tax recoverable	5.8	3.4
Amounts owed by Group undertakings of which £6.1m falls due after more than one year: (2014: £6.6m)	6.9	7.4
	13.6	12.1

8. Creditors: amounts falling due within one year

	2015 £m	2014 £m
Bank overdraft	58.6	19.1
Trade creditors	0.1	0.5
Amounts owed to Group undertakings	157.8	174.0
Other creditors and accruals	1.9	1.5
Borrowings	0.7	0.7
	219.1	195.8

Included in amounts owed to Group undertakings are maintenance security deposits repayable to **Jet2.com** of £108.4m (2014: £77.8m).

The bank overdraft position within Dart Group PLC reflects the fact that funds are managed on a Group basis, with composite banking arrangements in place with the Group's bankers, allowing offset with individual bank and overdraft accounts in different currencies across the Group.

9. Provisions for liabilities

	2015 £m	2014 £m
Deferred tax		
Accelerated capital allowances		
Provision at start of year	19.5	22.4
Profit and loss account	(0.5)	(2.9)
Provision at end of year	19.0	19.5
Other short-term timing differences		
Provision at start of year	0.6	0.6
Profit and loss account	(0.6)	–
Provision at end of year	–	0.6
Total deferred tax		
Provision at start of year	20.1	23.0
Provision at end of year	19.0	20.1

10. Reserves

	Share capital £m	Share premium £m	Profit & loss £m	Shareholders' funds £m
At 31 March 2014	1.8	11.4	52.7	65.9
Profit for the year	–	–	(14.0)	(14.0)
Dividends paid in the year	–	–	(4.2)	(4.2)
Dividends received in the year	–	–	20.4	20.4
Issue of share capital	–	0.5	–	0.5
Reserves movement arising from share based payment charge	–	–	0.1	0.1
At 31 March 2015	1.8	11.9	55.0	68.7

Notes to the Company Financial Statements

for the year ended 31 March 2015

11. Directors and employees

	2015 £m	2014 £m
Wages and salaries	1.5	2.3
Social security costs	0.2	0.3
Other pension costs	0.1	0.1
	1.8	2.7

On average, the Company had 10 employees during the year ended 31 March 2015 (2014: 23). Details of Directors' emoluments are set out in the Directors' remuneration report on pages 23 to 25. Details of the highest paid Director are set out in note 9 to the consolidated financial statements.

12. Share based payments

Details of share based payment schemes operated by the Group are disclosed in note 23 of the consolidated financial statements. Amounts charged in the Company accounts for the year were £nil (2014: £26,200).

13. Contingent liabilities

The Company has cross guarantees in respect of the banking arrangements of certain of its subsidiary undertakings. In the normal course of business, a number of contingent liabilities have arisen in the Group and Company; none of these is expected to lead to a material gain or loss.

14. Related party transactions

The Company has taken advantage of the exemption granted by paragraph 3c of FRS 8, not to disclose transactions and balances with other Group companies.

15. Other information

Disclosure notes relating to Auditor's remuneration and called up share capital are included within the consolidated financial statements of the Group in notes 7 and 23 respectively.

Glossary of Terms

Ambient	Non-temperature-controlled distribution.
ATOL	Air Travel Organisers' Licensing.
Average Package Holiday Price	Total package holiday revenue, excluding Non-ticket Revenue, in a period, divided by the number of package holiday customers departing in that period.
Capacity	See Sector Seats Available below.
CAGR	Compound average growth rate.
CODM	Chief operating decision maker.
EBITDA	Earnings before interest, taxation, depreciation and amortisation.
Passenger Sectors Flown	Number of passengers flown on a single leg journey. Passengers flown comprises seats sold (including no-shows), seats for promotional purposes and seats provided to staff for business travel.
Load Factor	The percentage relationship of Passenger Sectors Flown to Sector Seats Available.
Miles per Gallon	Average number of miles driven for every gallon of fuel consumed.
Net Ticket Yield	Total airline ticket revenue, excluding taxes, divided by number of Passenger Sectors Flown.
Non-ticket Revenue	All non-ticket revenue, including hold baggage charges, advanced seat assignment fees, extra leg room fees, in-flight sales and commissions earned on car hire and insurance bookings.
Sector	A single leg flight journey.
Sector Seats Available	Total number of seats available according to the Leisure Travel scheduled flying programme (also known as capacity).

Secretary and Advisers

Registered number	1295221	
Secretary and Registered Office	Ian Day Low Fare Finder House Leeds Bradford International Airport Leeds LS19 7TU	
Auditor	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW	
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	
Bankers	Barclays Bank PLC Barclays Corporate Banking Centre 4th Floor Apex Plaza Forbury Road Reading RG1 1AX	Lloyds Bank plc 2nd Floor Lisbon House 116 Wellington Street Leeds LS1 4LT
	Clydesdale Bank (trading as Yorkshire Bank) Corporate Banking (1st Floor) Merrion Way Leeds LS2 8NZ	Santander Global Banking & Markets 2 Triton Square Regent's Place London NW1 3AN
Stockbrokers	Arden Partners plc 125 Old Broad Street London EC2N 1AR	Canaccord Genuity Limited 9th Floor 88 Wood Street London EC2V 7QR
Nominated advisers	Smith & Williamson Corporate Finance Limited 25 Moorgate London EC2R 6AY	
Solicitors	Herbert Smith Freehills LLP Exchange House Primrose Street London EC2A 2EG	Bird & Bird LLP 15 Fetter Lane London EC4A 1JP
	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ	

Financial Calendar

Annual General Meeting	3 September 2015
Proposed final dividend payment	16 October 2015
Results for the six months to 30 September 2015	19 November 2015
Results for the 12 months to 31 March 2016	July 2016

Notice of Annual General Meeting

Notice is given that the 2015 Annual General Meeting of Dart Group PLC (the “Company”) will be held at 9.30 a.m. on 3 September 2015 at Buchanan Communications, 107 Cheapside, London, EC2V 6DN, to consider and, if thought fit, pass the following resolutions.

Resolutions 1 to 6 inclusive will be proposed as Ordinary Resolutions and Resolutions 7 and 8 will be proposed as Special Resolutions.

Ordinary Business

1. To receive the accounts of the Company for the financial year ended 31 March 2015, together with the Directors’ and Auditor’s reports on them.
2. To declare a final dividend for the financial year ended 31 March 2015 of 2.25 pence per ordinary share of 1.25 pence in issue.
3. To re-elect and reappoint Gary Brown (who is retiring by rotation) as a Director of the Company.
4. To reappoint KPMG LLP as Auditor of the Company.
5. To authorise the Directors to determine the Auditor’s remuneration.
6. That the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (“**Allotment Rights**”), but so that:
 - (a) the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £160,776;
 - (b) this authority shall expire on 1 December 2016 or, if earlier, on the conclusion of the Company’s 2016 Annual General Meeting;
 - (c) before such expiry, the Company may make any offer or agreement which would or might require shares to be allotted or Allotment Rights to be granted after such expiry and, notwithstanding such expiry, the Directors may allot such shares or grant such Allotment Rights pursuant to any such offer or agreement; and
 - (d) all other authorities vested in the Directors on the date of the notice of this meeting to allot shares or to grant Allotment Rights, or to allot relevant securities (as defined in the Companies Act 2006), that remain unexercised at the commencement of this meeting are revoked.

Special Business

7. That the Directors be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) pursuant to the authority conferred on them by Resolution 6 in the notice of this meeting or by way of a sale of treasury shares as if section 561 of that Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with any rights issue, open offer or other pre-emptive offer which is open for acceptance for a period determined by the Directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to (i) fractions of such securities, (ii) the issue, transfer and/or holding of any securities in certificated form or in uncertificated form, (iii) the use of one or more currencies for making payments in respect of such offer, (iv) any such shares or other securities being represented by depositary receipts, (v) treasury shares or (vi) any legal or practical problems arising under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory; and
 - (b) the allotment of equity securities (other than pursuant to paragraph 7 (a) above) up to an aggregate nominal amount of £183,922.

This power shall expire at such time as the authority conferred on the Directors by Resolution 6 in the notice of this meeting expires, save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and, notwithstanding such expiry, the Directors may allot equity securities pursuant to any such offer or agreement.

8. That the Company be and is hereby generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (as defined in section 693(4) of that Act) of ordinary shares of 1.25 pence each in the capital of the Company and, where shares are held as treasury shares, to use them, *inter alia*, for the purposes of employee share plans operated by the Company, provided that:
- (a) the maximum aggregate number of such shares that may be purchased under this authority is 14,713,789 ordinary shares;
 - (b) the minimum price which may be paid for such a share is 1.25 pence (exclusive of expenses);
 - (c) the maximum price (exclusive of expenses) which may be paid for such a share is an amount equal to 105% of the average of the middle market quotations of the Company's ordinary shares as derived from the AIM Appendix to the London Stock Exchange's Daily Official List for the five business days immediately preceding the date on which the share is contracted to be purchased or, in the case of a tender offer, the terms of the tender offer are announced;
 - (d) this authority shall expire on 1 December 2016 or, if earlier, on the conclusion of the Company's 2016 Annual General Meeting; and
 - (e) the Company may complete or conclude, in whole or in part, a purchase of shares after the expiry of this authority pursuant to a contract entered into before such expiry.

By order of the Board



Ian Day
Group Company Secretary

Registered office:
Low Fare Finder House
Leeds Bradford International Airport
Leeds
West Yorkshire
LS19 7TU
27 July 2015

Notice of Annual General Meeting

Notes:

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the space provided on your proxy form. If you sign and return your proxy form with no name inserted in the space, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you must complete a separate Form of Proxy for each proxy. Members can copy their original Form of Proxy.
4. The return of a completed proxy form does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
5. To direct your proxy how to vote on the resolutions, mark the appropriate box on your proxy form with an "X". To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To be valid, any proxy form, or other instrument appointing a proxy, must be:
 - completed and signed;
 - sent or delivered to Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
 - received by Capita Asset Services no later than 9.30 a.m. on 1 September 2015 (or, in the case of an adjournment, by the time 48 hours before the time appointed for the adjourned meeting).
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
8. In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company.
9. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. You may not use any electronic address provided in your proxy form to communicate with the Company for any purposes other than those expressly stated.
12. Only those members entered on the register of members of the Company at 6.00 p.m. on 1 September 2015 or, in the event that this meeting is adjourned, in the register of members as at 6.00 p.m. on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members after the close of business on 1 September 2015 or, in the event that this meeting is adjourned, in the register of members after the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
14. Copies of the Directors' service contracts and letters of appointment are available for inspection at the registered office of the Company during normal business hours on any business day and will be available for inspection at the place where the meeting is being held from 15 minutes prior to and during the meeting.

Explanatory Notes

Ordinary Business

The ordinary business to be proposed at the 2015 Annual General Meeting is set out in Resolutions 1 to 6 inclusive.

Resolution 2 – Declaration of final dividend

Members are being asked to approve a final dividend of 2.25 pence for each ordinary share of 1.25 pence in the capital of the Company in respect of the financial year ended 31 March 2015. If approved, the dividend will be paid on 16 October 2015 to holders of ordinary shares on the register of members at the close of business on 11 September 2015.

Resolution 3 – Re-election of Director retiring by rotation

In compliance with article 85 of the Company's articles of association, one-third of the Directors are required to retire at the 2015 Annual General Meeting. In addition, each Director must retire from office at the third Annual General Meeting after he was appointed or reappointed if he would not otherwise fall within the Directors to retire by rotation and did not retire at either of those meetings. Accordingly, Gary Brown will retire at the 2015 Annual General Meeting. He will offer himself for re-election as a Director at the 2015 Annual General Meeting and he is recommended by the Board for re-election. Biographical details of each Director can be found on page 19 of the Annual Report.

Resolution 6 – Authority to allot ordinary shares

Your Board is proposing to renew the general authority, last given at the Company's 2014 Annual General Meeting, to allot ordinary shares. Resolution 6 would give the Directors the authority to allot up to 12,862,115 new ordinary shares, representing approximately 8.7% of the issued ordinary share capital of the Company as at 30 June 2015. This authority would expire on the earlier of the conclusion of the Company's 2016 Annual General Meeting and 1 December 2016. The Board has no present intention of exercising this authority and intends to seek its renewal at subsequent Annual General Meetings of the Company.

Special Business

The special business to be proposed at the 2015 Annual General Meeting is set out in Resolutions 7 and 8.

Resolution 7 – Disapplication of statutory pre-emption provisions

Your Board is proposing to renew the Directors' authority to allot ordinary shares for cash and to sell treasury shares other than pro rata to existing shareholders. This authority would expire on the earlier of the conclusion of the Company's 2016 Annual General Meeting and 1 December 2016.

Resolution 7 would restrict the number of new ordinary shares which may be so allotted for cash to an aggregate maximum of 14,713,789 ordinary shares, being equivalent to approximately 10% of the issued ordinary share capital of the Company as at 30 June 2015. This figure of 10% (increased from 5% last year) reflects the criteria set out in the Pre-Emption Group Statement of Principles 2015 for the disapplication of pre-emption rights (the "Statement of Principles"). In relation to any exercise of this authority the Directors intend to have due regard to the Statement of Principles. Accordingly the Directors' authority will entitle them to allot non-pre-emptively for cash an amount representing no more than 5% of the Company's issued share capital for any purpose, and an additional amount representing no more than 5% of the Company's issued share capital in connection only with one or more acquisitions or specified capital investments. The new authority would also permit allotments to shareholders on a pre-emptive basis subject, where necessary, to dealing with fractional entitlements and entitlements of foreign shareholders.

Notice of Annual General Meeting

Resolution 8 – Authority to purchase ordinary shares

Resolution 8 seeks shareholders' authority for the Company to make market purchases of its own ordinary shares. The Directors have no present intention of exercising this authority, but would wish to have the flexibility to do so in the future. Purchases of own ordinary shares would only be made through AIM. Any ordinary shares purchased would be cancelled (in which case the number of ordinary shares in issue would thereby be reduced) or held in treasury. The Directors will only exercise the authority to make purchases of ordinary shares granted by this resolution if they believe that to do so would result in an improvement in earnings per share and/or is in the best interests of the shareholders generally. The maximum number of ordinary shares which may be purchased is 14,713,789, representing approximately 10% of the issued ordinary share capital of the Company as at 30 June 2015. The authority would expire on the earlier of the conclusion of the Company's 2016 Annual General Meeting and 1 December 2016. The minimum price that could be paid for an ordinary share would be 1.25 pence and the maximum price would be equal to 105% of the average of the middle market quotations for an ordinary share, as derived from the AIM Appendix to the London Stock Exchange Daily Official List (as applicable at the time the proposed purchase is to be contracted) for the five business days immediately preceding the day on which the share is contracted to be purchased, in each case excluding expenses. The Directors expect that, if the authority were to be exercised, the consideration for such purchases would be defrayed by utilising the distributable reserves of the Company.

The Companies Act 2006 permits the Company to purchase its own shares and, rather than cancel those shares, to hold them as treasury shares, in which case they would carry no voting rights and no entitlement to any dividend for as long as they are held as treasury shares.

The Directors also intend to seek renewal of this authority at future Annual General Meetings.

As at 30 June 2015, options over a total of 2,304,747 ordinary shares were outstanding and not exercised. That number of ordinary shares represents approximately 1.6% of the Company's issued ordinary share capital as at the same date. It would represent approximately 1.7% of the issued ordinary share capital if the authority to purchase the Company's own ordinary shares conferred by Resolution 8 had been exercised in full at that date.



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