

KG Aircraft Rotables Co.
Limited

Directors' report and financial statements

Year ended 31 March 2025

Registered number: 324226

KG Aircraft Rotables Co. Limited

Directors' report and financial statements

Directors' report and financial statements

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KG Aircraft Rotables Co. Limited

Directors and other information

Directors	M. Nishikawa (Japan) (was appointed on 22 nd April 2025) D. O'Doherty M. Tsuyama (Japan) (resigned on 22 nd April 2025) H. Tsutsumi (Japan) (alternate director)
Secretary	Goodbody Secretarial Limited
Registered office	25 North Wall Quay Dublin 1, D01 H104
Auditor	KPMG Chartered Accountants 85 South Mall Cork
Bankers	Bank of Ireland La Touche House IFSC Dublin 1 Bank of Ireland 169 Edmund Street Birmingham B32TA
Solicitors	Matheson 70 Sir John Rogerson's Quay Grand Canal Dock Dublin 2
Registered number	324226

KG Aircraft Rotables Co. Limited

Directors' report

The directors present their annual report together with the audited financial statements of KG Aircraft Rotables Co., Limited ("the company") for the year ended 31 March 2025.

Principal activities and business review

The principal activity of the company is the trading of aircraft spare parts. The directors are satisfied with the company's progress and will continue to seek additional opportunities in the company's principal area of activity.

Risks and uncertainties

The main risks arising from the company's operations are credit risk, cash flow risk, liquidity risk, price risk, interest rate risk, foreign currency risk, risk of technical obsolescence and economic risks specific to the aviation industry. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged in the current and prior financial periods.

The latest forecast from the International Air Transport Association (IATA) predicts a global profit of \$30bn on revenues of \$979bn in 2025 which represents a 5.8% growth in passenger numbers and 0.7% growth in cargo volumes over 2024. Aircraft deliveries are now lagging 30% their peak levels bringing the backlog to an all-time high of 17,000 aircraft.

Management has taken actions to eliminate all discretionary spend and secure adequate funding from its ultimate parent (note 18). Financial projections prepared by management support the going concern assumption.

Credit risk

The company supports airlines and maintenance and repair organisations with their rateable and consumable spare parts requirements through outright sales, exchanges or loans. It is company policy to investigate the credit worthiness of all customers prior to entering any transaction. Where parts are supplied on an exchange or loan basis to new customers it is company policy to request a core deposit for the part's market value until a replacement part is returned to the company.

Cash flow risk

The company is structured to ensure that the income earned on the transactions is sufficient to cover the expenses of the transactions. Where the transactions fail to cover the expenses, the company will manage its payments through short term liquidity facilities as discussed below.

Liquidity risk

The company's principal investment in parts is financed by funding obtained from its ultimate parent undertaking (notes 17 & 18). The terms of the loan are negotiated such that the group will provide the company with sufficient cash flows to meet its obligations as they fall due. In the event of a major customer default, the directors would seek to re-negotiate the terms and conditions attaching to the inter group funding.

Price risk

The price risk to the company comprises of interest rate risk, foreign currency risk and technical obsolescence risk. The company seeks to ensure that funding is provided on the same interest terms and in the same currency as its leases and supports contracts.

KG Aircraft Rotables Co. Limited

Directors' report *(continued)*

Risks and uncertainties *(continued)*

Interest rate risk

The company finances its operations through a mixture of retained profits and inter group borrowings. The company entered into an inter group loan to finance the acquisition of the majority of its parts. The loan has been agreed at a variable rate of interest.

Foreign currency risk

The company is incorporated in Ireland. However, as the operations are principally transacted in US\$ the functional currency is US\$. The substantial proportion of the company's transactions are undertaken in US\$ and consequently are naturally hedged. The company does not enter into foreign exchange hedges or swaps on its very limited exposure to Euro and GBP denominated costs.

Technical obsolescence risk

The company's policy is only to invest in parts for aircraft types that have an extensive operator base and are operated by a diverse range of airlines in terms of geographical split and airline model. The company constantly monitors all relevant technical issues that could impact the marketability and usage of the parts and takes the appropriate action to limit any adverse effect on the value of its parts.

Results and dividends

The results for the year are set out on page 9. Dividends of US\$Nil were declared during the year (2024: US\$Nil).

The main key performance indicators are retained profit for financial year and net cashflows. The main focus for FY25 was to maintain a positive cashflow and reduce inventory levels so the company can move to new projects.

Directors and secretary and their interests

The members of the board during the year were:

M. Tsuyama
D. O'Doherty
H. Tsutsumi

The directors and secretary who held office at 31 March 2025 and 31 March 2024 had no interest in the shares, debentures or loan stock of the company or other group companies. In accordance with the Articles of Association the directors are not required to retire by rotation.

Accounting records

The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are located at Unit 6 Block C, Nutgrove Office Park, Rathfarnham, Dublin 14.

Political donations

The company made no political donations during the year ended 31 March 2025 (2024: US\$Nil).

KG Aircraft Rotables Co. Limited

Directors' report *(continued)*

Events since the balance sheet date

On 3rd April 2025 the company purchased one B737-800 airframe which will be disassembled in 2025 and the aircraft parts removed will be added to the company's inventory. There have been no other events subsequent to the year-end which would require any adjustments to or additional disclosures in the financial statements for the year.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the company's statutory auditors are unaware.


Auditor

Pursuant to Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants will continue in office.

On behalf of the board



M. Nishikawa
Director



D. O'Doherty
Director

22nd December 2025

KG Aircraft Rotables Co. Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 assets, liabilities and financial position of the company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

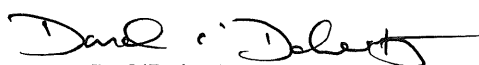
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board



M. Nishikawa
Director



D. O'Doherty
Director

22nd December 2025



KPMG

Audit
85 South Mall
Cork
T12 A3XN
Ireland

Independent Auditor's Report to the Members of KG Aircraft Rotables Co Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of KG Aircraft Rotables Co Limited ('the Company') for the year ended 31 March 2025 set out on pages 9 to 27, which comprise the Profit and loss account and other comprehensive income, Balance sheet, Statement of changes in equity, Cash flow statement and related notes, including the material accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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



Independent Auditor's Report to the Members of KG Aircraft Rotables Co Limited *(continued)*

Report on the audit of the financial statements *(continued)*

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report to the Members of KG Aircraft Rotables Co Limited *(continued)*

Respective responsibilities and restrictions on use *(continued)*

Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

Karen Conboy
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
85 South Mall
Cork
T12 A3XN

22 December 2025

KG Aircraft Rotables Co. Limited

Profit and loss account and other comprehensive income

for the year ended 31 March 2025

	<i>Note</i>	2025 US\$	2024 US\$
Turnover - continuing operations	2	16,232,020	14,101,898
Cost of sales		(12,666,063)	(12,441,781)
		<hr/>	<hr/>
Gross profit		3,565,957	1,660,117
Administrative expenses	4	(2,295,643)	(2,069,606)
		<hr/>	<hr/>
Operating profit/(loss) - continuing operations		1,270,314	(409,489)
Interest payable and similar charges	3	(929,589)	(1,182,453)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	4	340,725	(1,591,942)
Taxation on profit/(loss) on ordinary activities	7	1,391,266	211,253
		<hr/>	<hr/>
Retained profit/(loss) for the financial year		1,731,991	(1,380,689)
		<hr/> <hr/>	<hr/> <hr/>

All activities relate to continuing operations. There are no other gains or losses and accordingly no statement of other comprehensive income is presented.

The accompanying notes on pages 13-26 form an integral part of the financial statements.

KG Aircraft Rotables Co. Limited

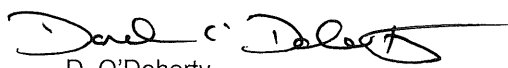
Balance sheet as at 31 March 2025

	Note	2025 US\$	2025 US\$	2024 US\$	2024 US\$
Non-current assets					
Investments	8		300,000		-
Fixed assets					
Tangible assets	9		47,648		26,005
Current assets					
Stock	10	16,698,294		16,369,681	
Debtors	11	2,165,820		2,041,314	
Cash at bank and in hand		1,003,580		510,859	
Deferred tax asset	15	2,038,057		601,806	
		<u>21,905,751</u>		<u>19,523,660</u>	
Creditors: amounts falling due within one year	12	<u>(12,460,257)</u>		<u>(12,257,076)</u>	
Net current assets			9,445,494		7,266,584
Total assets less current liabilities			<u>9,793,142</u>		<u>7,292,589</u>
Creditors: amounts falling due after more than one year	13		<u>(2,927,256)</u>		<u>(2,158,694)</u>
Net assets			<u>6,865,886</u>		<u>5,133,895</u>
Capital and reserves					
Called up share capital	16		1,500,000		1,500,000
Profit and loss account			5,365,886		3,633,895
Shareholders' funds - equity			<u>6,865,886</u>		<u>5,133,895</u>

The accompanying notes on pages 13-26 form an integral part of the financial statements.

On behalf of the board


M. Nishikawa
Director


D. O'Doherty
Director

KG Aircraft Rotables Co. Limited

Statement of changes in equity for the year ended 31 March 2025

	Share capital US\$	Retained earnings US\$	Total US\$
At 1 April 2023	1,500,000	5,014,584	6,514,584
Total comprehensive income for the year			
Loss for the year	-	(1,380,689)	(1,380,689)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2024	1,500,000	3,633,895	5,133,895
	<hr/>	<hr/>	<hr/>
At 31 March 2024	1,500,000	3,633,895	5,133,895
Total comprehensive income for the year			
Profit for the year	-	1,731,991	1,731,991
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2025	1,500,000	5,365,886	6,865,886
	<hr/>	<hr/>	<hr/>

The accompanying notes on pages 13-26 form an integral part of the financial statements.

KG Aircraft Rotables Co. Limited

Cash flow statement

for the year ended 31 March 2025

	Note	2025 US\$	2024 US\$
Cash flows from operating activities			
Profit/(loss) for the year		1,731,991	(1,380,689)
<i>Adjustments for:</i>			
Depreciation	9	14,550	22,791
Interest payable and similar charges	3	929,589	1,182,453
Taxation	7	(1,391,266)	(211,253)
Inventory impairment	10	1,512,302	1,840,036
		<hr/>	<hr/>
(Increase)/decrease in trade and other debtors		2,797,166	1,453,338
(Increase)/decrease in stock		(124,506)	102,618
(Decrease)/increase in trade and other creditors		(1,840,915)	3,205,362
		<hr/>	<hr/>
Interest paid	3	(929,589)	(1,182,453)
Tax refund/(paid)	7	(22,484)	-
		<hr/>	<hr/>
Net cash (used in)/from operating activities		(400,675)	3,812,860
Cash flows from investing activities			
Investment in subsidiaries	8	(300,000)	-
Purchase of tangible assets	9	(36,193)	(4,087)
		<hr/>	<hr/>
Net cash from investing activities		(336,193)	(4,087)
Cash flows from financing activities			
Proceeds from new borrowings		4,600,000	-
Repayment of borrowings		(3,370,411)	(4,014,760)
		<hr/>	<hr/>
Net cash from financing activities		1,229,589	(4,014,760)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		492,721	(205,987)
Cash and cash equivalents at beginning of year		510,859	716,846
		<hr/>	<hr/>
Cash and cash equivalents at end of year		1,003,580	510,859
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 13-26 form an integral part of the financial statements.

KG Aircraft Rotables Co. Limited

Notes

to the financial statements

1 Accounting policies

KG Aircraft Rotables Co., Limited ("the company") is a company limited by shares and incorporated and domiciled in Ireland.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). There have been no material departures from the Standard.

The company's ultimate parent undertaking, Kanematsu Corporation (note 18) includes the company in its consolidated financial statements. The consolidated financial statements of Kanematsu Corporation are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from their registered address (note 18). In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of financial instruments;
- disclosures in respect of capital management; and
- certain comparative information.

A cash flow forecast for the 12 months following the approval of the financial statements prepared by management has indicated that the company will have sufficient cash assets to be able to meet its debts as and when they are due. The company's ultimate parent has confirmed that they will continue to provide financial support to enable the company to meet its obligations as they fall due for the foreseeable future covering a period of at least 12 months from the date of approval of the financial statements. The financial statements of the company are prepared on the going concern basis and are stated in US dollars which is the principal operating currency of the aviation industry.

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

The financial statements are prepared on the historical cost basis.

Foreign currency

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company 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 company; 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's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

KG Aircraft Rotables Co. Limited

Notes *(continued)*

1 Accounting policies *(continued)*

Classification of financial instruments issued by the company *(continued)*

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 account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. Transaction costs are allocated between the debt component and the equity component on the basis of their relative fair values.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

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

Cash and cash equivalents

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

Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The entity assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

KG Aircraft Rotables Co. Limited

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets *(continued)*

- Furniture and fittings 5 years
- Computer equipment 3 years
- Motor vehicles 5 years
- Engine stands 5 years
- Engines 15 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits. Professional fees for acquisition of aircraft are capitalised and subsequently split over airframes and engines.

Leases

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

Inventory

As indicated in the directors' report, the company's activity includes the trading of aircraft spare parts. Having regard to the nature of the assets the directors have determined that aircraft spare parts are to be classified as inventory and stated at the lower of cost and net realisable value. Net realisable value ("NRV") is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of aircraft parts which can be repaired and reused is based on the cost of the original item. When an aircraft part is issued in exchange for a used aircraft part the item is refurbished and entered into the inventory pool. The cost of refurbishment is expensed. In ascertaining the net realisable value of reusable inventory, the part is written down over its useful working life.

Impairment of Inventory

The company holds a substantial amount of inventory at the financial year end date. The directors consider the risks of stock being sold at less than their carrying value as a result of obsolescence and/or slow-moving stock and impair the inventory balance to their best estimate of NRV at year end. This estimate is subject to inherent uncertainty and actual sales proceeds may differ from their carrying amounts.

KG Aircraft Rotables Co. Limited

Notes *(continued)*

1. Accounting policies *(continued)*

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

KG Aircraft Rotables Co. Limited

Notes *(continued)*

1 Accounting policies *(continued)*

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Turnover

Turnover consists of revenue from aircraft spare parts on operating leases and on the sale and exchange and repair of aircraft spare parts.

Lease income is represented by operating lease rentals which are credited to the profit and loss account on a straight-line basis over the term of the lease.

Expenses

Cost of sales

Costs that are directly attributable to turnover recognised during the period.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account.

Interest payable is recognised in profit or loss as it accrues, using the effective interest rate method. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss 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.

KG Aircraft Rotables Co. Limited

Notes *(continued)*

1 **Accounting policies** *(continued)*

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 9 - Tangible fixed assets

Note 10 - Stock

Note 15 - Deferred Taxation

KG Aircraft Rotables Co. Limited

Notes (continued)

2 Turnover

Turnover consists of revenue from the lease of aircraft engines on short term operating leases and the sale, loan, exchange and repair of aircraft spare parts.

Turnover by destination	2025	2024
	US\$	US\$
<i>By geographical area</i>		
Asia	1,068,274	1,224,986
Europe	10,316,991	6,900,559
North America	4,802,105	5,188,287
Middle East	-	739,774
Africa	44,358	48,292
South America	292	-
	<u>16,232,020</u>	<u>14,101,898</u>

3 Interest payable and similar charges

	2025	2024
	US\$	US\$
Interest expense in respect of loan from group undertaking (note 12)	929,589	1,182,453
	<u>929,589</u>	<u>1,182,453</u>

4 Statutory and other information

	2025	2024
	US\$	US\$
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditor's remuneration		
Audit of financial statements	56,307	30,000
Tax and advisory services	54,350	6,485
Depreciation of tangible fixed assets	14,550	22,791
Inventory impairment	1,512,302	1,840,036
	<u>1,587,509</u>	<u>1,901,312</u>

5 Directors' remuneration and transactions

	2025	2024
	US\$	US\$
<i>Directors' remuneration</i>		
Fees	281,954	269,959
Other emoluments (including pension contribution)	45,809	35,441
	<u>327,763</u>	<u>305,400</u>

Directors' remuneration above includes \$40,794 (2024: \$40,946) recovered by way of a recharge to Kanematsu Corporation related to rent, see note 17

KG Aircraft Rotables Co. Limited

Notes (continued)

6 Staff numbers and costs

The company had 4 employees at 31 March 2025 (2024: 4).

The aggregate payroll costs of the employees were as follows:

	2025 US\$	2024 US\$
Wages and salaries	330,758	303,194
Social welfare costs	41,679	38,495
Pension cost	32,228	29,570
	<u>404,665</u>	<u>371,259</u>
	<u><u>404,665</u></u>	<u><u>371,259</u></u>
7 Tax on profit on ordinary activities	2025 US\$	2024 US\$
<i>Current taxation</i>		
Corporation tax	-	22,484
	<u>44,985</u>	<u>-</u>
Pillar Two minimum top-up tax	44,985	-
	<u>44,985</u>	<u>22,484</u>
Current tax charge	44,985	22,484
	<u>44,985</u>	<u>22,484</u>
<i>Deferred taxation</i>		
Provided/(released) during the year (note 15)	(1,436,251)	(233,737)
	<u>(1,436,251)</u>	<u>(233,737)</u>
Total tax credit on loss on ordinary activities	(1,391,266)	(211,253)
	<u><u>(1,391,266)</u></u>	<u><u>(211,253)</u></u>

KG Aircraft Rotables Co. Limited

Notes (continued)

7 Tax on profit on ordinary activities (continued)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Irish corporation tax to the profit before tax is as follows:

	2025 US\$	2024 US\$
Profit/(loss) on ordinary activities before taxation	340,725	(1,591,942)
Tax on profit/(loss) on ordinary activities at standard corporation tax rate in the Republic of Ireland of 12.5%	42,591	(198,993)
<i>Effects of:</i>		
Non-deductible expenses	894	605
Permanent differences	(50,348)	-
Pillar Two minimum top-up tax	44,985	-
Difference in accounting profit & taxable profit on sale of parts	(277,130)	(242,869)
Impairment of inventory	189,038	230,004
Recognition of previously unrecognised deferred tax	(1,341,296)	-
Tax credit for the year	(1,391,266)	(211,253)

The company is subject to the global minimum top-up tax under Pillar two legislation. Legislation was enacted in Ireland to implement a domestic minimum top-up tax which is effective for companies with accounting periods commencing after 31 December 2023. The company recognised a current tax expense of US\$44,985 (2024: US\$NIL)related to the top-up tax levied on the company.

The company has applied temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as current tax when it is incurred.

KG Aircraft Rotables Co. Limited

Notes (continued)

8 Investments

	2025 US\$	2024 US\$
Investments in subsidiaries	300,000	-

Details of the company's subsidiaries at 31 March 2025 are as follows:

Name of undertaking	Address	Class of Shares Held	% held
KG Aircraft Rotables USA Inc.	1	Ordinary	100

Registered office addresses:

- 1 2979 SE Gran Park Way, Suart, FL 34997, USA

9 Tangible fixed assets

	Furniture and fittings US\$	Computer equipment US\$	Motor vehicles US\$	Engine stands US\$	Total US\$
Cost					
At beginning of year	170,377	193,431	120,015	68,750	552,573
Additions in year	33,189	3,004	-	-	36,193
At end of year	203,566	196,435	120,015	68,750	588,766
Depreciation					
At beginning of year	157,466	181,772	119,230	68,100	526,568
Charge for year	4,221	8,894	785	650	14,550
At end of year	161,687	190,666	120,015	68,750	541,118
Net book value					
At 31 March 2025	41,879	5,769	-	-	47,648
At 31 March 2024	12,911	11,659	785	650	26,005

KG Aircraft Rotables Co. Limited

Notes (continued)

10 Stock	2025 US\$	2024 US\$
Cost		
At beginning of year	27,804,557	30,550,926
Additions in year	10,452,480	4,657,515
Transfers from Tangible Fixed Assets	-	2,862,633
Disposals in year	(10,354,075)	(10,260,212)
Amounts written off	(474,529)	(6,305)
	<hr/>	<hr/>
At end of year	27,428,433	27,804,557
	<hr/> <hr/>	<hr/> <hr/>
Impairment provision		
At beginning of year	11,434,876	11,998,480
Impairment during the year	1,512,302	1,840,036
Disposals	(1,842,075)	(2,401,864)
Amounts written off	(374,964)	(1,776)
	<hr/>	<hr/>
At end of year	10,730,139	11,434,876
	<hr/> <hr/>	<hr/> <hr/>
Net book value	16,698,294	16,369,681
	<hr/> <hr/>	<hr/> <hr/>

The impairment charge represents the directors' best estimate of the amount required to write inventory down to the lower of cost or net realisable value.

The directors apply judgement in writing down inventory to a recoverable amount, applying a straight-line systematic reduction in carrying values of 6.67% per annum. This reflects their best estimate of the reducing value of inventory as it generally diminishes over time in line with the decline in value of the aircraft models the parts relate to.

This estimate is subject to inherent uncertainty and actual amounts realised on sale of inventory may differ from their carrying amounts.

11 Debtors	2025 US\$	2024 US\$
Trade debtors	1,826,407	1,552,482
Other debtors	83,678	248,006
Prepayments	242,478	217,255
VAT recoverable	13,257	23,571
	<hr/>	<hr/>
	2,165,820	2,041,314
	<hr/> <hr/>	<hr/> <hr/>

All debtors are receivable within one year. Trade debtors are stated net of a provision for impairment of US\$138,042 (2024: US\$138,042).

KG Aircraft Rotables Co. Limited

Notes (continued)

12 Creditors: amounts falling due within one year	2025 US\$	2024 US\$
Trade creditors	847,469	748,617
Accruals	598,880	972,329
Loans payable to group undertaking	10,945,408	10,439,396
Other creditors	68,500	74,250
Corporation tax payable	-	22,484
	<u>12,460,257</u>	<u>12,257,076</u>

The above loan accrues interest at a rate of monthly US\$ SOFR plus 2.9%. This loan is a rolling facility that is renewed on 1 July each year.

13 Creditors: amounts falling due after more than one year	2025 US\$	2024 US\$
Loans payable to group undertaking	2,882,271	2,158,694
Corporation tax payable	44,985	-
	<u>2,927,256</u>	<u>2,158,694</u>

The above loan accrues interest at a rate of monthly US\$ SOFR plus 2.9%. This loan is a rolling facility that is renewed on 1 July each year.

14 Operating leases	2025 US\$	2024 US\$
<i>Non-cancellable operating lease rentals are payable as follows:</i>		
Less than one year	209,872	184,980
Between one and five years	282,477	369,354
	<u>492,349</u>	<u>554,334</u>

During the year, US\$ 222,009 was recognised as an expense in the profit and loss account in respect of operating leases (2024: US\$211,553).

KG Aircraft Rotables Co. Limited

Notes (continued)

15 Deferred taxation	2025 US\$	2024 US\$
Opening deferred taxation	601,806	368,069
Amounts released/(provided) (note 7)	1,436,251	233,737
	<hr/>	<hr/>
Closing deferred taxation asset	2,038,057	601,806
	<hr/> <hr/>	<hr/> <hr/>
Analysed as:		
Difference between accumulated depreciation and capital allowances (provided at 12.5%)	5,355	6,321
Losses carried forward (provided at 12.5%)	691,406	595,485
Difference between NBV and TWDV differences on inventory(provided at 12.5%)	1,341,296	-
	<hr/>	<hr/>
Deferred taxation asset at end of year	2,038,057	601,806
	<hr/> <hr/>	<hr/> <hr/>

The Company's accounting policy is to recognise deferred tax assets to the extent that they are recoverable in future periods under Section 29 of FRS 102. The Company considers future profits which are based on the same estimates used in the Company's approved budget in assessing the recoverability of deferred tax assets but exercise judgement in determining whether to recognise such assets.

16 Called up share capital	2025 US\$	2024 US\$
Authorised		
2,000,000 ordinary shares of US\$1 each	2,000,000	2,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
1,500,000 ordinary shares of US\$1 each	1,500,000	1,500,000
	<hr/>	<hr/>

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

KG Aircraft Rotables Co. Limited

Notes (continued)

17 Related party disclosures

The following parties are considered to be related to KG Aircraft Rotables Co., Limited for the purposes of FRS 102.33 *Related Party Disclosure*:

Related party	Relationship
Kanematsu Corporation	
KG Aircraft Rotables USA Inc	Subsidiary
Paige Investments Limited ("Paige")	Parent company shareholder
Jupiter Technical Corp. ("Jupiter")	Common shareholder

As of 17th September 2024, Paige and Jupiter are no longer related parties.

The following were the transactions with the related parties during the year:

	Kanematsu Corporation	
	2025	2024
	US\$	US\$
Loan interest payable	(929,589)	(1,182,453)
Insurance premium payable	(3,813)	(7,479)
Rent	40,794	40,946
	<u>(892,608)</u>	<u>(1,148,986)</u>

The following were the transactions with related parties up to 17th September 2024:

	Jupiter		Paige	
	2025	2024	2025	2024
	US\$	US\$	US\$	US\$
Handling costs	(21,000)	(36,608)	-	-
Handling sales	-	2,641	-	-
Sale of goods	-	43,000	-	-
Purchase of goods	(621,094)	(1,329,980)	(901,900)	(285,150)
Exchange fees	(17,650)	(62,395)	(19,500)	(18,715)
Office expenses	(34,614)	-	-	-
Repair fees	-	(3,150)	-	(9,500)
Repair sales	132,228	160,778	128,940	45,450
Rent	-	-	(110,428)	(108,440)
Technical fees	(80,000)	(120,000)	-	-
Freight sales	-	2,450	-	12,950
Office insurance premium	-	-	-	(2,613)
Freight costs	(24,666)	(32,290)	-	-
Security deposit	(11,055)	-	-	-
Labour costs	(18,308)	(49,500)	-	-
Other expenses	(5,316)	(6,771)	-	-
	<u>(701,475)</u>	<u>(1,431,825)</u>	<u>(902,888)</u>	<u>(366,018)</u>

KG Aircraft Rotables Co. Limited

Notes (continued)

17 Related party disclosures (continued)

The following were the outstanding balances debit/(credit) with the related parties at the balance sheet date:

	2025 US\$	2024 US\$
Loans due to Kanematsu Corporation within one year (note 11)	(10,945,408)	(10,439,396)
Loans due to Kanematsu Corporation after one year (note 12)	(2,882,271)	(2,158,694)
	<u>(13,827,679)</u>	<u>(12,598,090)</u>

The following were the outstanding balances debit/(credit) with the related parties at 17th September 2024 (the comparative figures for 2024 are as at 31 March 2024):

	2025 US\$	2024 US\$
Amounts due to Paige Investments Limited	(38,596)	(36,760)
	<u>(38,596)</u>	<u>(36,760)</u>

18 Group membership

The only group in which the results of the company are consolidated is that headed by its immediate and ultimate parent undertaking, Kanematsu Corporation, a company incorporated in Japan and the consolidated financial statements may be obtained from 7-2 Marunouchi 2- chome, Chiyoda-Ku, Tokyo 100-7017, Japan. The consolidated financial statements of Kanematsu Corporation are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The company is exempt by virtue of section 300 of the Companies Act 2014 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

19 Post Balance Sheet Events

On 3rd April 2025 the company purchased one B737-800 airframe which will be disassembled in 2025 and the aircraft parts removed will be added to the company's inventory. There have been no other events subsequent to the year-end which would require any adjustments to or additional disclosures in the financial statements for the year.

20 Approval of financial statements

The directors approved the financial statements on 22nd December 2025

KG Aircraft Rotables Co. Limited

Unaudited detailed profit and loss account - this does not form part of the statutory financial statements

	2025 US\$	2025 US\$	2024 US\$	2024 US\$
Income				
Sale of goods	14,184,468		11,140,795	
Exchange sales	433,925		585,467	
Repair sales	1,543,908		2,271,497	
Lease rentals	-		(20,150)	
Freight out	49,384		118,269	
Other income	20,335		6,020	
		16,232,020		14,101,898
Cost of sales				
Cost of goods sold	(8,611,564)		(7,862,877)	
Cost of services	(291,133)		(142,561)	
Exchange costs	(118,380)		(104,555)	
Repair costs	(1,387,466)		(1,864,154)	
Freight in	(229,488)		(264,998)	
Other direct costs	(515,730)		(362,600)	
Inventory impairment charge	(1,512,302)		(1,840,036)	
		(12,666,063)		(12,441,781)
Gross profit		3,565,957		1,660,117
Expenses/deductions				
Salaries staff costs	(169,169)		(162,203)	
Social welfare costs	(41,679)		(38,495)	
Pension costs	(32,228)		(29,569)	
Directors remuneration	(161,589)		(140,992)	
Marketing & support	(700,881)		(662,848)	
Consultancy/professional fees	(23,170)		(20,773)	
Audit fees	(56,307)		(30,000)	
Tax fees	(54,350)		(6,485)	
Insurance	(106,434)		(104,324)	
Motor, travel and subsistence	(151,598)		(130,776)	
Trade shows & seminars	(41,954)		(32,848)	
Repairs/renewals	(16,050)		(11,596)	
Computer expenses & support	(47,145)		(48,700)	
Rent & rates	(356,438)		(299,023)	
Communication expenses	(45,658)		(45,523)	
Foreign exchange gain/(loss)	(39,757)		(30,603)	
Depreciation,	(14,550)		(22,791)	
Utilities & service charges	(55,546)		(69,793)	
Subcontractor costs			-	
Provisions including bad debts			-	
Bank charges	(24,118)		(28,819)	
Subscriptions	(17,858)		(11,622)	

Promotion/advertising expenses	(4,777)	(3,318)
Entertainment expenses	(7,158)	(4,838)
Office expenses	(12,171)	(11,131)
Postage, printing & packaging	(13,011)	(4,842)
Other expenses	(16,514)	(21,353)
Write off Bad Debts	(9,178)	-
Sales expenses & commissions	(76,355)	(96,341)
	(2,295,643)	(2,069,606)
Operating profit/(loss)	1,270,314	(409,489)
Interest payable	(929,589)	(1,182,453)
Profit/(loss) on ordinary activities before taxation	340,725	(1,591,942)
Staff cost appendix	2025 US\$	2024 US\$
Wages and salaries	330,758	303,195
Social welfare costs	41,679	38,495
Pension cost	32,228	29,570
	404,665	371,259
Less director's remuneration	(161,589)	(140,992)
Total DPL staff costs	243,076	230,267

KG Aircraft Rotables Co. Limited

Unaudited detailed profit and loss account - this does not form part of the statutory financial statements *(continued)*