

# **Highclere Jet Leasing 1 Designated Activity Company**

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**Directors' Report and Financial Statements**

**For The Year Ended 31 December 2025**

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**Highclere Jet Leasing 1 Designated Activity Company**

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## Company information

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### Directors

Claire O'Donovan (resigned 09-04-2025)

Darragh Wynne

Robert Morgan (appointed 09-04-2025)

### Company secretary

MFD Secretaries Limited

32 Molesworth Street

Dublin 2

Ireland

### Registered number

662262

### Registered office

32 Molesworth Street

Dublin 2

Ireland

### Independent auditors

Deloitte Ireland LLP

Chartered Accountants and Statutory Audit Firm

29 Earlsfort Terrace

Dublin 2

Ireland

### Bankers

Bank of America N.A.

2 Park Place

Hatch Street

Dublin 2

Ireland

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## Highclere Jet Leasing 1 Designated Activity Company

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### Directors' report for the year ended 31 December 2025

The Directors present their annual report and the audited financial statements for the year ended 31 December 2025.

#### Principal activities, business review and future developments

The principal activity of Highclere Jet Leasing 1 Designated Activity Company (the "Company") is commercial aircraft leasing.

As at 31 December 2025, the Company owned four (2024: four) aircraft, which are on lease to a lessee based in Asia.

During the year, there were no acquisitions nor disposals (2024: nil) of aircraft.

The Directors are satisfied with the performance of the Company during the year. The Company intends to continue its existing activities during the coming year.

#### Principal risk and uncertainties

The Directors continue to monitor the key risks and uncertainties facing the Company, including:

##### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. It is Company policy to investigate the credit worthiness of all counterparties prior to entering any transactions and to regularly review the counterparty's ability to make payments.

##### *Cash flow risk*

Cash flow risk is defined as the risk of being unable to fulfil current or future payment obligations in full or at the due date. The cash position of the Company is constantly monitored and short, medium and long term cash flow forecasts are regularly reviewed and appropriate action taken, where necessary.

##### *Asset risk*

Asset risk is the risk of an unexpected reduction in the value of the aircraft owned by the Company. Whilst the aircraft are on lease, the Company holds maintenance reserves from the lessee based on their utilisation of the aircraft. The Company also ensures that the aircraft have sufficient aviation insurance cover while the aircraft are both on and off lease.

##### *Interest rate risk*

The Company will be impacted by fluctuations in interest rates as changes will impact the cost of borrowing. The Company manages interest rate volatility and uncertainty by entering into interest rate hedging strategies where appropriate.

##### *Foreign currency risk*

Foreign currency risk is the potential change in income or the value of net worth arising from changes in currency exchange rates. The Company is incorporated in the Republic of Ireland. However, as sales are principally transacted in United States Dollars ("\$\$"), the functional and presentation currency is \$. Most of the Company's transactions are undertaken in \$, and consequently are naturally hedged.

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## Highclere Jet Leasing 1 Designated Activity Company

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### Directors' report for the year ended 31 December 2025

#### Key performance indicators

In managing the Company, the Directors use a series of key performance indicators against which the performance of the Company is measured. The principal indicators used include the following:

##### *Lease rates achieved compared to market rates*

No new leases or lease extensions were contracted during the year (2024: nil).

##### *Number and percentage of aircraft on/off lease*

The composition of the portfolio is regularly reviewed. The percentage of aircraft on/off lease is monitored monthly. The Company's four aircraft (2024: four) were on lease at 31 December 2025.

##### *Credit worthiness of customers and the level of lease income arrears*

The credit worthiness of potential customers is investigated prior to entering into any transaction. The customer's ability to make payments and the level of lease income arrears is regularly reviewed and appropriate action taken where necessary. No debt provisions or debt write-offs were taken during 2025 (2024: nil).

##### *Aircraft acquisition prices compared to market rates*

No aircraft were acquired during the year (2024: none).

##### *Sales prices achieved compared to market rates*

No aircraft were sold during the year (2024: none). The aircraft portfolio at 31 December 2025 consisted of four (2024: four) ATR manufactured regional aircraft

#### Events since the end of the year

There were no significant events since the year end that require adjustment to or disclosure in the financial statements.

#### Political donations and expenditure

The Company made no political donations or incurred any political expenditure during the year (2024: \$nil).

#### Results and dividends

The loss for the year ended 31 December 2025 of \$551,995 (2024: profit of \$204,495) is set out in the Statement of comprehensive income.

The Directors did not declare dividends during the year (2024: \$2,015,000).

#### Directors and Secretary and their interests

The Directors and Secretary who held office at any time during the year are listed in the Company Information. Unless indicated otherwise, they served for the entire period. In accordance with the Company Constitution, the Directors are not required to retire by rotation.

In accordance with Section 260 of the Companies Act 2014, the Directors and Secretary who held office at 31 December 2025 had no interests in the shares of the Company, or the Group to disclose. No Director has or has had any interest in any transaction with the Company or other Group companies which is or was unusual in its nature or conditions or significant to the business of the Company or the Group during the year.

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## Highclere Jet Leasing 1 Designated Activity Company

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### Directors' report for the year ended 31 December 2025

#### Accounting records

The Directors are responsible for ensuring that adequate accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the Company. To achieve this, the Directors have appointed professionally qualified accountants who report to the board and ensure that the requirements of Sections 281 to 285 of the Companies Act 2014 are complied with.

The books and accounting records are maintained at Falko Regional Aircraft Limited, 1 Bishop Square, Hatfield, Hertfordshire AL10 9NE, United Kingdom. A copy of these books and accounting records is available at the Company's registered office at 32 Molesworth Street, Dublin 2, Ireland, to comply with Section 283(2) of the Companies Act 2014.

#### Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered the factors that impact the Company's future development, performance, cashflows and financial position in forming their opinion on the going concern basis. The Directors have reached the conclusion that the Company has adequate resources to continue to operate and meet its obligations as they fall due for the foreseeable future, and for at least 12 months from the date of approval of these financial statements. Based on the most current estimates and information available, they are satisfied with the Company's ability to continue as a going concern.

#### Disclosure of information to the auditors

The Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as they are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Auditors

The auditors, Deloitte Ireland LLP, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf:



**Robert Morgan**  
Director



**Darragh Wynne**  
Director

Date: 26 March 2026

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## Highclere Jet Leasing 1 Designated Activity Company

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### Directors' responsibilities statement for the year ended 31 December 2025

The Directors are responsible for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council.

Irish Company law requires the Director to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the Director must not approve the financial statements unless they satisfied that they give a true and fair view of the state of affairs of the assets, liabilities and financial position of the Company and of the profit or loss of the Company for that financial period and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit and loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and director's report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



**Robert Morgan**  
Director



**Darragh Wynne**  
Director

Date: 26 March 2026

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGHCLERE JET LEASING 1 DESIGNATED ACTIVITY COMPANY

### Report on the audit of the financial statements

#### Opinion on the financial statements of Highclere Jet Leasing 1 Designated Activity Company ("the company")

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 December 2025 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position
- the Statement of Changes in Equity; and
- the related notes 1 to 24, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council ("the relevant financial reporting framework").

#### 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 described below 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 the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, 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 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.

#### Other information

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGHCLERE JET LEASING 1 DESIGNATED ACTIVITY COMPANY

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **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 further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinion on other matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, we report that:

- 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.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- 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.

#### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

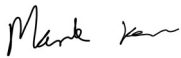
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
HIGHCLERE JET LEASING 1 DESIGNATED ACTIVITY COMPANY**

**Use of our report**

This 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.



Mark Kerr  
For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

27 March 2026

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**Highclere Jet Leasing 1 Designated Activity Company**

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**Statement of comprehensive income  
for the year ended 31 December 2025**

	Note	2025 \$	2024 \$
Lease revenue	4	7,143,360	7,143,360
Depreciation	11	(3,421,923)	(3,421,923)
<b>Gross profit</b>		<b>3,721,437</b>	<b>3,721,437</b>
Administrative expenses	5	(575,637)	(579,882)
Derivative fair value change	17	(277,131)	95,074
<b>Operating profit</b>		<b>2,868,669</b>	<b>3,236,629</b>
Interest receivable and similar income	7	10,465	23,785
Interest payable and similar charges	8	(3,055,005)	(3,026,705)
<b>(Loss)/profit before tax</b>		<b>(175,871)</b>	<b>233,709</b>
Tax on (loss)/profit	9	(376,124)	(29,214)
<b>(Loss)/profit for the year</b>		<b>(551,995)</b>	<b>204,495</b>

All amounts are related to continuing operations.

There were no recognised gains and losses for 2025 or 2024 other than those included in the statement of comprehensive income.

The notes on pages 12 to 21 form part of these financial statements.

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**Highclere Jet Leasing 1 Designated Activity Company****Registered number: 662262**

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**Statement of financial position  
as at 31 December 2025**

		2025	2024
		\$	\$
<b>Non current assets</b>			
Aircraft	11	57,525,559	60,947,482
Derivative asset	17	-	154,127
		<hr/> 57,525,559	<hr/> 61,101,609
<b>Current assets</b>			
Trade and other receivables	12	16,949,646	10,953
Cash and cash equivalents	13	1,706,035	1,169,315
		<hr/> 18,655,681	<hr/> 1,180,268
Creditors: amounts falling due within one year	14	(8,375,345)	(4,462,475)
Net current assets/(liabilities)		<hr/> 10,280,336	<hr/> (3,282,207)
Total assets less current liabilities		<hr/> 67,805,895	<hr/> 57,819,402
Creditors: amounts falling due after more than one year	15	(45,945,138)	(35,897,215)
Derivative liabilities	17	(123,004)	-
Deferred taxation	10	(831,157)	(463,596)
Net assets		<hr/> 20,906,596	<hr/> 21,458,591
<b>Equity</b>			
Called up share capital presented as equity	18	4,663	4,663
Other reserves	19	18,210,610	18,210,610
Retained earnings	19	2,691,323	3,243,318
<b>Total equity</b>		<hr/> 20,906,596	<hr/> 21,458,591

The financial statements were approved and authorised for issue by the board and were signed on its behalf:



**Robert Morgan**  
Director



**Darragh Wynne**  
Director

Date: 26 March 2026

The notes on pages 12 on to 21 form part of these financial statements.

**Highclere Jet Leasing 1 Designated Activity Company**

**Statement of changes in equity  
For The Year Ended 31 December 2025**

	<b>Called up share capital presented as equity \$</b>	<b>Other reserves \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
At 1 January 2024	4,663	20,225,610	3,038,823	23,269,096
Profit for the year	-	-	204,495	204,495
Distributed to Shareholders	-	(2,015,000)	-	(2,015,000)
At 01 January 2025	4,663	18,210,610	3,243,318	21,458,591
Loss for the year	-	-	(551,995)	(551,995)
<b>At 31 December 2025</b>	<b>4,663</b>	<b>18,210,610</b>	<b>2,691,323</b>	<b>20,906,596</b>

The notes on pages 12 to 21 form part of these financial statements.

## **1 General information**

Highclere Jet Leasing 1 Designated Activity Company (the "Company") is a company limited by shares and was incorporated under the laws of Ireland on 9 December 2019. The Company's principal activity is to own and lease aircraft to an international airline. The Company's registered office is at 32 Molesworth Street, Dublin 2, Ireland. As at 31 December 2025, Highclere Asset Management Ireland DAC (the "Parent Company"), a company registered in Ireland, owned 100% of the outstanding shares of the Company.

Falko Regional Aircraft Opportunities Fund II L.P., a limited partnership incorporated in Jersey, is the ultimate controlling parent of the Company.

The Company is a tax resident in Ireland.

## **2 Material accounting policies**

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

### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historic cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' ("FRS 102") and the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The functional and presentation currency of these financial statements is United States Dollars ("\$"), which is the principal operating currency of the Company and of the aviation industry.

### **2.2 Disclosure exemptions for qualifying entities under FRS 102**

The Company has taken advantage of the following disclosure exemptions in preparing its financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

- the requirements of Section 7 Statement of Cash Flows and paragraph 3.17(d).
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(A) and 12.29A as equivalent information is included in the consolidated financial statements of the Group in which the Company is consolidated.
- the requirement of paragraph 33.7 and paragraph 33.1A.

The information is included in the consolidated financial statements of Drake Asset Management Jersey 3 Limited (DAMJ3), the parent company of Highclere Asset Management Ireland DAC, as at 31 December 2025 and these financial statements are available to the public and may be obtained from its registered address, which is IFC5, St. Helier, Jersey, JE1 1ST, Channel Islands.

### **2.3 Going concern**

The financial statements have been prepared on a going concern basis. The Directors have considered the factors that impact the Company's future development, performance, cashflows and financial position in forming their opinion on the going concern basis. The Directors have reached the conclusion that the Company has adequate resources to continue to operate and meet its obligations as they fall due for the foreseeable future, and for at least 12 months from the date of approval of these financial statements. Based on the most current estimates and information available, they are satisfied with the Company's ability to continue as a going concern.

## **2 Material accounting policies (continued)**

### **2.4 Foreign currency translation**

#### **Functional and presentation currency**

The Company's functional and presentational currency is \$.

#### **Transaction and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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 Statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities measured at 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 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 gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in Statement of comprehensive income within 'other operating income'.

### **2.5 Turnover**

Turnover represents the value, net of value added tax, of operating lease rentals.

Operating lease rental income is recognised in turnover on a straight-line basis in the period when the rent falls due. Rentals received in advance of the rental period to which they relate are reported as deferred income on the Statement of financial position.

### **2.6 Administrative expenses**

The administrative expenses of the Company are recognised in the financial statements on an accrual basis.

### **2.7 Interest income and expenses**

Interest income and expenses are recognised in the Statement of comprehensive income on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable.

### **2.8 Debt arrangement fees**

Arrangement fees paid in connection with the debt financing on owned aircraft are capitalised, and in subsequent periods stated at cost less accumulated amortisation. Amortisation is recognised on a straight-line basis over the estimated useful life. The useful life for the capitalised debt arrangement fees is based on the length of the debt repayment period.

### **2.9 Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

## 2 Material accounting policies (continued)

### 2.9 Taxation (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. 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 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 statement of financial position date.

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.

### 2.10 Aircraft

Aircraft are stated at the lower of depreciated cost and their recoverable amount.

Depreciation is charged to the Statement of comprehensive income on a straight-line basis over the expected useful life of the aircraft down to an estimated residual value (determined to be 5% of original cost).

Aircraft - 20 years from date of manufacture

Recoverable amount is the greater of net realisable value of the aircraft and its value in use. Net realisable value is the amount for which an asset could be disposed, less any direct selling costs. Value in use represents the present value of the future cash flows obtainable as a result of the aircraft's continued use, including those resulting from its ultimate disposal.

The assessment of current market values and future appraised market values for the purpose of impairment and value in use calculations is based on the average of half-life valuations provided by two independent aircraft appraisers.

Impairment losses on aircraft are recognised in the Statement of comprehensive income. Reversals of impairment losses are also recognised in the Statement of comprehensive income to increase the carrying value of the aircraft to an amount not greater than that which it would have been had the impairment not taken place.

### 2.11 Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

### 2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits with financial institutions repayable without penalty on notice of not more than 24 hours, other highly liquid investments that mature in no more than three months from the date of acquisition and bank overdrafts. Bank overdrafts, where applicable, are shown within 'Creditors: amounts due within one year'.

## 2 Material accounting policies (continued)

### 2.13 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### 2.14 Loans and borrowings

Loans and borrowings are initially booked at fair value being their issue proceeds net of any transaction costs incurred and are subsequently measured at amortised cost on the Statement of financial position.

### 2.15 Equity

Ordinary shares are classified as equity. Dividends are recognised in the financial year in which they are approved.

### 2.16 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method, with interest recognised on an effective yield basis.

Financial assets are assessed for indicators of impairment at each reporting date, and if there is evidence of impairment, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### 2.17 Impairment of financial assets

The Company's principal financial assets subject to impairment are trade and other receivables resulting from its leasing activities, as well as cash and cash equivalents. The Company applies an incurred loss model to measuring impairment, which requires recognizing an impairment loss only when there is objective evidence of impairment resulting from one or more events that have occurred after the initial recognition of the asset, and which impacts the estimated future cash flows of the financial asset. Letters of credit and security deposits held are considered integral to trade receivables and are included in the impairment calculation.

### 2.18 Derivative financial instruments

The Company uses interest rate swaps to adjust interest rate exposures. Such derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

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## Highclere Jet Leasing 1 Designated Activity Company

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### 3 Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's material accounting policies, which are described in note 2, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where accounting judgements and estimation uncertainty have the most significant effect on the amounts recognised in the financial statements are described below:

#### Aircraft valuation

Aircraft are reviewed for impairment annually to determine if the aircraft carrying values may not be recoverable. Establishing whether an impairment has occurred typically requires various estimates and assumptions. The recoverable amount is the greater of net realisable value of the aircraft and its value in use. Net realisable value is the amount for which an asset could be disposed, less any direct selling costs. Value in use represents the present value of the future cash flows obtainable as a result of the aircraft's continued use, including those resulting from its ultimate disposal. These reviews are carried out with reference to the future cash flows expected to be generated by the asset. Estimates include the aircraft residual value (currently at end of the lease), with independent appraiser values used to determine these future market values.

### 4 Lease revenue

An analysis of turnover by class of business is as follows:

	2025	2024
	\$	\$
Operating lease rentals	7,143,360	7,143,360

The Company's entire turnover for the year was generated from the leasing of aircraft to an operator based in Asia.

Future minimum contracted rental under operating leases at 31 December, were as follows:

	2025	2024
	\$	\$
Less than one year	7,143,360	7,143,360
From one year to five years	19,437,492	26,580,852
	<u>26,580,852</u>	<u>33,724,212</u>

## Highclere Jet Leasing 1 Designated Activity Company

### 5 Administrative expenses

	2025	2024
	\$	\$
Professional fees	45,509	127,848
Servicer's fees	333,357	285,734
Insurance	191,625	160,026
Difference on foreign exchange	558	1,621
Others	4,588	4,653
	<u>575,637</u>	<u>579,882</u>

There were no employees in the year (2024: nil) as all administrative activities of the Company are outsourced to Falko Regional Aircraft Limited, a third party.

### 6 Statutory information

	2025	2024
	\$	\$
Audit of the financial statements	10,339	9,283
Taxation compliance services	3,455	3,167
Directors' remuneration	11,672	12,018

Directors' remuneration is in the form of a corporate administration fee paid to a specialist service provider.

There are no other assurance or non audit services provided during the year.

### 7 Interest receivable and similar income

	2025	2024
	\$	\$
Interest income on bank deposits	<u>10,465</u>	<u>23,785</u>

### 8 Interest payable and similar charges

	2025	2024
	\$	\$
Long-term debt interest payable	2,785,504	2,868,282
Intercompany loans interest expense	-	7,528
Amortisation of deferred financing costs	269,501	150,895
	<u>3,055,005</u>	<u>3,026,705</u>

## Highclere Jet Leasing 1 Designated Activity Company

### 9 Taxation

	2025	2024
	\$	\$
<b>Corporation tax</b>		
Corporation tax on profits for the year	2,616	-
Adjustments in respect of previous periods	5,947	-
<b>Total current tax</b>	8,563	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(23,292)	29,214
Adjustments in respect of previous periods	390,853	-
<b>Total deferred tax</b>	367,561	29,214
<b>Tax on (loss)/profit</b>	376,124	29,214

The tax assessed for the year is higher than (2024 - the same as) the (loss)/profit before tax multiplied by the standard rate of corporation tax in Ireland of 12.5% ( 2024 - 12.5%) as set out below:

	2025	2024
	\$	\$
<b>Reconciliation of tax charge</b>		
(Loss)/profit before tax	(175,871)	233,709
(Loss)/profit before tax multiplied by the standard rate of corporation tax of 12.50% (2024 - 12.50%)	(21,984)	29,214
<b>Effects of:</b>		
Adjustment to tax charge in respect of prior periods	396,800	-
Non-taxable income subject to higher tax	(1,308)	-
Income subject to tax at 25%	2,616	-
<b>Total tax charge for the year</b>	376,124	29,214

### Factors that may affect future tax charges

The tax charge in future periods will be affected by any changes to the corporation tax rates in force in Ireland.

### 10 Deferred taxation

	2025	2024
	\$	\$
At beginning of year	(463,596)	(434,382)
Charged to profit or loss	(367,561)	(29,214)
<b>At end of year</b>	(831,157)	(463,596)

The deferred tax balance is made up as follows:

	2025	2024
	\$	\$
Accelerated capital allowances	(3,073,039)	(2,366,482)
Tax losses carried forward	2,241,882	1,902,886
	(831,157)	(463,596)

## Highclere Jet Leasing 1 Designated Activity Company

### 11 Aircraft

	<b>Aircraft</b> \$
<b>Cost</b>	
At 01 January 2025	72,595,068
<b>At 31 December 2025</b>	72,595,068
<b>Accumulated depreciation</b>	
At 01 January 2025	(11,647,586)
Depreciation charged for the year	(3,421,923)
<b>At 31 December 2025</b>	(15,069,509)
<b>Net book value</b>	
At 31 December 2025	57,525,559
At 31 December 2024	60,947,482

A full impairment assessment has been carried out on the aircraft during the year and no impairment charge (2024: \$nil) has been taken.

### 12 Trade and other receivables

	2025 \$	2024 \$
Amounts owed by group undertakings	16,934,913	-
Other receivables	10,953	10,953
Corporation tax receivable	3,780	-
	16,949,646	10,953

### 13 Cash and cash equivalents

	2025 \$	2024 \$
Cash and cash equivalents	1,706,035	1,169,315

The Company entered into a loan agreement with various banking institutions. As part of the agreement, any cash generated by the Company is subject to restrictions by the lenders and the cash is prevented from being distributed outside the Group.

### 14 Creditors: amounts falling due within one year

	2025 \$	2024 \$
Current portion of long-term debt, net of deferred financing costs	3,517,985	3,470,578
Trade payable and accruals	208,664	174,342
Amounts owed to group undertakings	4,053,416	222,275
Deferred income	595,280	595,280
	8,375,345	4,462,475

Amounts owed to group undertakings are unsecured, interest-free and payable on demand.

Trade payable and accruals are paid at various dates in the three months following the financial year end in accordance with suppliers' usual and customary credit terms.

Deferred income pertains to the advanced payments made by the lessee.

## Highclere Jet Leasing 1 Designated Activity Company

### 15 Creditors: amounts falling due after more than one year

	2025	2024
	\$	\$
Long-term debts, net of deferred financing costs	45,945,138	35,897,215

### 16 Long-term debts

Long-term debts consists of the following:

	2025	2024
	\$	\$
Term loan	49,724,175	39,543,837
Less: deferred financing costs	(261,052)	(176,044)
	49,463,123	39,367,793
Less: current portion, net of deferred financing costs	(3,517,985)	(3,470,578)
	45,945,138	35,897,215

In December 2025, the long-term debts were refinanced and subsequently repaid with the new loans. These term loans are repayable in monthly instalments ranging from \$300,416 (2024: ranging from \$273,497 to \$301,789), bearing a nominal interest rate of 2% plus SOFR, which has been hedged at a fixed rate of 3.43% (2024: 2.75% plus SOFR, which has been hedged at a fixed rate of 3.82%), maturing in December 2028 (2024: February 2026). This loan is secured by its respective aircraft and engines.

### 17 Derivative

The Company has entered into interest rate swaps on certain of its amortising term loans, converting a portion of its floating interest rate debt to fixed rates for the average duration of each loan and facility. Each interest rate swap is intended to hedge the variability of future interest rates and related interest payments on its respective loan.

The fair value of interest rate swaps was \$123,004 at 31 December 2025 (2024: assets of \$154,127) and is recorded as derivative liabilities. During the year ended 31 December 2025, the Company recognised a loss on change in fair value of derivative assets of \$277,131 (2024: gain of \$95,074). The derivative associated with the previous loans was closed, and a new swap agreement was entered into by the Company to hedge the variable element of the interest of the new term loan.

### 18 Share capital

	2025	2025	2024	2024
	Number	\$	Number	\$
<b>Allotted and fully paid</b>				
Ordinary share	3,576	4,663	3,576	4,663

The \$ equivalent of the allotted, called-up and fully paid shares is \$4,663 (2024: \$4,663).

### 19 Reserves

#### Other reserves

In 2023, the share premium was transferred into other reserves with the intent to distribute funds to Shareholders. In 2025, the Company distributed to the Shareholders amounted to \$Nil (2024: \$2,015,000). As at 31 December 2025, the remaining distributable reserves amounted to \$18,210,610 (2024: \$18,210,610).

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## Highclere Jet Leasing 1 Designated Activity Company

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### 19 Reserves (continued)

#### Retained earnings

	2025	2024
	\$	\$
At the beginning of year	3,243,318	3,038,823
(Loss)/profit for the year	(551,995)	204,495
At the end of year	<u>2,691,323</u>	<u>3,243,318</u>

### 20 Commitments and contingent liabilities

The Company has no capital commitments and contingent liabilities at 31 December 2025 (2024: \$Nil).

### 21 Related party transactions

The Company is availing of the exemption available under FRS 102 from disclosing transactions entered between two or more members of a group under DAMJ3, provided that any subsidiary party to the transactions is wholly owned by such a member.

There are no related party transactions needed to be disclosed.

### 22 Events after the end of the reporting year

There were no significant events since the year end that require adjustment to or disclosure in the financial statements.

### 23 Ultimate holding company and controlling party

The Company is a wholly subsidiary of Highclere Asset Management Ireland Designated Activity Company which is incorporated in Ireland.

The Company's ultimate parent and controlling party is Falko Regional Aircraft Opportunities Fund II L.P., a limited partnership in Jersey, Channel Islands.

### 24 Approval of the financial statements

The Board of Directors approved these financial statements for issue on 26 March 2026.