Registration number: 721431

SMFL LCI Helicopters Six Limited

Directors' Report and Financial Statements
for the year ended 31 December 2024

Contents

Company Information

Directors	K. O'Dowd Y. Kataoka B. Cunningham
Company secretary	J. Keith (née Bennett) T. Foley
Registered office	8th Floor North Dock Two 93/94 North Wall Quay Dublin 1 Ireland D01 V8Y6
Company registration number	721431
Auditors	BDO Statutory Auditor Block 3 Miesian Plaza 50-58 Baggot Street Lower Dublin 2 Ireland D02Y754

Directors' Report

The Directors of SMFL LCI Helicopters Six Limited (the "Company") present their report and the financial statements for the year ended 31 December 2024.

These financial statements have been prepared in accordance with Financial Reporting Standards 101 "Reduced Disclosure Framework" ("FRS 101") issued by the Financial Reporting Council and Irish statute comprising of Companies Act 2014.

Principal activity and review of business
The Company is part of a Group that is engaged in the leasing of helicopters.

Results and dividends
The results for the year and the financial position of the Company as at the year end are set out on pages 8 and 9 respectively.

The Company's profit for the year amounted to US$24,000 (2023: loss of US$9,000). No dividends were recommended by the Directors (2023: US$Nil).

Going concern
The Directors have considered the appropriateness of applying the going concern basis for the Company in conjunction with an assessment of the wider Group's forecasts and liquidity position.

The Group's forecasts and projections indicate that it will be able to meet liabilities as they fall due. The Group has a strong level of cash reserves and holds security deposits from lessees to protect against default. Fixed rate loans are paired with fixed rate leases to ensure matched financing with lease payments sufficient to cover associated debt service costs. The Group has complied with all external covenants during the financial period.

The Directors have assessed the uncertain global economic outlook, the global economy has come out of a prolonged period of historically low interest rates and is contending with higher global interest rates alongside increasing financial pressures. The Directors consider the exposure to both interest rate risk and currency risk is minimised through the use of derivatives, fixed rate loans and lease contracts alongside the hedge accounting policies implemented by the Group. The Directors are confident any potential exposure will be limited, and the Group has sufficient resources to continue in operational existence for the foreseeable future and therefore continue to prepare the financial statements on a going concern basis.

In addition, the Group perform regular risk reviews of all key stakeholders. The key risks and considerations that may impact the Group include flying restrictions, contract cancellations/restructurings, short term liquidity strains on lessees. The Directors are confident that the Group can adapt its strategy if required to any macro environmental challenges that it may face in the coming years.

Accounting records
The measures taken by the Directors to ensure compliance with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company accounting records are maintained at the Company registered office at 8th Floor, North Dock Two, 93/94 North Wall Quay, Dublin 1. The Directors are also responsible for safeguarding of the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

Directors of the company
The Directors, who held office at any time during the year, were as follows:

K. O'Dowd

Y. Kataoka

B. Cunningham

Officers interests
The Directors and company secretaries at the end of the year have no interest in shares of the Company or any group undertaking at the beginning of the year or at the end of the year.

There are no contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 2014, at any time during the year ended 31 December 2024.

Statement of disclosures to auditors
Each of the directors in office at the date of approval of this report confirms that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

Appointment of Independent Auditors
BDO has been appointed as the auditors of the Company in accordance with Section 383(1) and have expressed their willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014.

Approved by the Board on 30 June 2025 and signed on its behalf by:

Kevin O'Dowd

K. O'Dowd
Director

Y. Kataoka
Director

Directors' Responsibilities Statement

The Directors acknowledge their responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Irish company law requires the Directors to prepare financial statements for each year. Under that law the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standards FRS 101 "Reduced Disclosure Framework" ("FRS 101") issued by the Financial Reporting Council and the Companies Act 2014. Under Irish company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of assets, liabilities and the financial position of the Company as at 31 December 2024 and of its result for the year ended 31 December 2024 and that they otherwise comply with Section 329 of the Companies Act 2014.

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

- select suitable accounting policies and apply them consistently;
- make judgements 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 or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be 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.

Approved by the Board on 30 June 2025 and signed on its behalf by:

Kevin O'Dowd

K. O'Dowd
Director

Y. Kataoka
Director

Independent auditor's report to the members of SMFL LCI Helicopters Six Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SMFL LCI Helicopters Six Limited (the 'Company') for the financial year ended 31 December 2024, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and Notes to the Financial Statements, including the summary of material accounting policies set out in note 3. The financial reporting framework that has been applied is Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and Irish Law), including FRS 101 'Reduced Disclosure Framework' ("FRS 101").

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 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 as applied in accordance with the provisions of the Companies Act 2014; and
- 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 Companies Act 2014. 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) 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.

Other information

The directors are responsible for the other information. Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon. 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.

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 course of 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.

Independent auditor's report to the members of SMFL LCI Helicopters Six Limited (continued)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014
In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are 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
Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

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

Responsibilities of directors and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement set on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for 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.

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 management either intends to liquidate the Company or to cease operations, or has 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/ getmedia/b2389013-1cf6-458b-9b8f a98202dc9c3a/Description_of_auditors_ responsibilities_for_audit.pdf. This description forms part of our auditor's report.

Independent auditor's report to the members of SMFL LCI Helicopters Six Limited (continued)

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.

....
Brian Hughes
For and on behalf of
BDO
Statutory Audit Firm
Block 3, Miesian Plaza
50-58 Baggot Street Lower
Dublin 2
D02 Y754
Ireland

30 June 2025
Date:............................

Statement of Comprehensive Income
for the year ended 31 December 2024

	Note	2024 US$ 000	2023 US$ 000
Revenue	4	769	768
Operating expenses			
Aircraft depreciation	9	(220)	(218)
Aircraft management fees		(39)	(37)
Administrative expenses		(45)	(35)
		(304)	(290)
Operating profit	5	465	478
Finance costs	7	(444)	(483)
Foreign exchange gain/(loss)		7	(4)
Profit/(loss) before tax		28	(9)
Taxation	8	(4)	-
Profit/(loss) for the year		24	(9)
Other comprehensive income/(loss):			
Items that will or may be reclassified to profit of loss:			
Cash flow hedges	13	419	(148)
Tax relating to other comprehensive income	8	(52)	98
Total comprehensive income/(loss) for the year		**391**	**(59)**

The notes on pages 11 to 23 form an integral part of these financial statements.

Balance Sheet
as at 31 December 2024

	Note	2024 US$ 000	2023 US$ 000
ASSETS			
Non-current assets			
Aircraft	9	7,876	8,096
Deferred tax assets	8	-	49
		7,876	8,145
Current assets			
Trade and other receivables	10	129	247
Cash and cash equivalents		1	1
		130	248
Total assets		**8,006**	**8,393**
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	11	25	34
Bank loans	12	568	577
		593	611
Non-current liabilities			
Bank loans	12	7,154	7,908
Deferred tax liabilities	8	7	-
Lease security deposit		206	219
		7,367	8,127
Total liabilities		7,960	8,738
Equity			
Share capital	14	1	1
Cash flow hedging reserve	13	(317)	(684)
Profit and loss account	15	362	338
Total equity		46	(345)
Total equity and liabilities		**8,006**	**8,393**

Approved by the Board on 30 June 2025 and signed on its behalf by:

Kevin O'D

K. O'Dowd
Director

Y. Kataoka
Director

The notes on pages 11 to 23 form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 December 2024

	Share capital US$ 000	Cash flow hedging reserve US$ 000	Profit and loss account US$ 000	Total US$ 000
At 1 January 2023	1	(634)	347	(286)
Loss for the year	-	-	(9)	(9)
Other comprehensive loss:				
Items that will or may be reclassified to profit or loss:				
Cash flow hedges:				
Fair value movement on cash flow hedges	-	(148)	-	(148)
Tax relating to items that may be reclassified (note 8)	-	98	-	98
At 31 December 2023	**1**	**(684)**	**338**	**(345)**
Profit for the year	-	-	24	24
Other comprehensive loss:				
Items that will or may be reclassified to profit or loss:				
Cash flow hedges:				
Fair value movement on cash flow hedges	-	419	-	419
Tax relating to items that may be reclassified (note 8)	-	(52)	-	(52)
At 31 December 2024	**1**	**(317)**	**362**	**46**

The notes on pages 11 to 23 form an integral part of these financial statements.

Notes to the Financial Statements
for the year ended 31 December 2024

1 Basis of preparation and consolidation

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") issued by the Financial Reporting Council and Irish statute comprising of Companies Act 2014.

These financial statements have been prepared on a historic cost basis, modified to include certain items at fair value. The presentation currency used is the US Dollars ("US$"), the functional currency of the Company, and amounts have been presented in thousands ("000s") except otherwise stated.

The Company is a limited company incorporated and domiciled under the laws of Ireland.

1.1 Going concern

The Directors have considered the appropriateness of applying the going concern basis for the Company in conjunction with an assessment of the wider Group's forecasts and liquidity position.

The Group's forecasts and projections indicate that it will be able to meet liabilities as they fall due. The Group has a strong level of cash reserves and holds security deposits from lessees to protect against default. Fixed rate loans are paired with fixed rate leases to ensure matched financing with lease payments sufficient to cover associated debt service costs. The Group has complied with all external covenants during the financial period.

The Directors have assessed the uncertain global economic outlook, the global economy has come out of a prolonged period of historically low interest rates and is contending with higher global interest rates alongside increasing financial pressures. The Directors consider the exposure to both interest rate risk and currency risk is minimised through the use of derivatives, fixed rate loans and lease contracts alongside the hedge accounting policies implemented by the Group. The Directors are confident any potential exposure will be limited, and the Group has sufficient resources to continue in operational existence for the foreseeable future and therefore continue to prepare the financial statements on a going concern basis.

In addition, the Group perform regular risk reviews of all key stakeholders. The key risks and considerations that may impact the Group include flying restrictions, contract cancellations/restructurings, short term liquidity strains on lessees.

2 Recent accounting pronouncements

New interpretations and revised standards effective for the year ended 31 December 2024

The Company has adopted the new interpretations and revised standards effective for the year ended 31 December 2024. New standards that have been adopted in the annual financial statements for the year ended 31 December 2024 but have not had a significant effect on the Company are:

- Classification of Liabilities as Current of Non-Current (Amendments to IAS 1);
- Lease liability in a Sale and Leaseback (Amendments to IFRS 16);
- Non-current Liabilities with Covenants (Further amendments to IAS 1); and
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

Notes to the Financial Statements
for the year ended 31 December 2024 (continued)

3 Summary of material accounting policies

3.1 Disclosure exemptions adopted

In preparing these financial statements under FRS 101, the Company applies the recognition, measurement and disclosure requirement of International Financial Reporting Standards as adopted by the European Union (EU)("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2014 and has set out below where advantage of disclosure exemptions conferred by FRS 101 has been taken.

The Company's parent undertaking, SMFL LCI Helicopters Limited includes the Company in its consolidated financial statements. The consolidated financial statements of SMFL LCI Helicopters Limited are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and are available to the public and may be obtained from its registered office at 8th Floor North Wall Dock Two, 93/94 North Wall Quay, Dublin 1, Ireland.

In preparing these financial statements, the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- Additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of:
  - a reconciliation of the number of shares outstanding at the start and end of the prior period; and
  - reconciliations of the carrying amounts of property, plant and equipment at the start and the end of the prior period.
- Statement of Cash Flows;
- Additional comparative information for narrative disclosures and information, beyond IFRS requirements;
- Disclosures in relation to the objectives, policies and process for managing capital;
- Disclosure of the effect of future accounting standards not yet adopted;
- Disclosure of the remuneration of key management personnel;
- Related party transactions with two or more wholly owned members of the group; and
- The amount of lease income recognised on operating leases as lessor.

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of Company's parent company. These financial statements do not include certain disclosures in respect of:

- Financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures
- Fair value measurements - details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

3.2 Foreign currencies

The functional and presentation currency of the Company is the United States Dollar ("US$"). Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Revenue, costs and non-monetary assets and liabilities are translated at the exchange rates ruling at the dates of transactions. Foreign exchange gains and losses are included in profit or loss.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

3 Summary of material accounting policies (continued)

3.3 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.4 Revenue

Revenue from aircraft on operating leases is recognised on a straight-line basis over the period of the lease. Benefits paid or payable as an incentive to enter into an operating lease are also recorded on a straight-line basis over the lease term.

3.5 Finance expenses

Finance expenses are recognised in the Statement of Comprehensive Income as they accrue using the original effective interest rate determined at the acquisition or origination date. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument or a shorter period where appropriate to the net carrying amount of the financial asset or financial liability. Finance expenses include the amortisation of any discount or premium, transaction cost or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity on an effective interest rate basis.

3.6 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is provided for at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

3.7 Aircraft

Aircraft are stated at cost less accumulated depreciation. Charges for depreciation are calculated to write-down the cost of aircraft over their expected useful life, being 30 years from build date, to an expected residual value of 15% of current market value at the reporting date.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

3 Summary of material accounting policies (continued)

3.8 Impairment of assets

Assets subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

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 risk specific to the asset for which the estimates of future cash flows have not been adjusted.

Fair value is assessed by the Directors and reflects the underlying economic value of the assets in normal market conditions, with a willing buyer and seller and assumes adequate time for sale.

3.9 Financial instruments

Financial assets and liabilities are initially recognised on the balance sheet at fair value when the Company has become party to the contractual provisions of the instruments.

All financial assets other than marketable securities and derivative financial instruments are categorised as financial assets held at amortised cost. Such assets are subsequently carried at amortised cost using the effective interest method, if the time value of money may have a significant impact on their value, less allowances for any expected lifetime credit losses.

The Company assesses at the balance sheet date whether there is objective evidence that there has been an increase in the credit risk of its financial assets. The Company uses criteria such as significant financial difficulty of the counterparty, the disappearance of an active market for that financial asset because of financial difficulties and breaches of contract as objective evidence.

Financial liabilities other than derivative financial instruments are subsequently measured at amortised cost using the effective interest method.

3.10 Security deposits

Security deposits are generally paid by the lessee on the execution of the lease and are non-refundable during the term of the lease. The amounts are held as a security for the timely and faithful performance by the lessee of its obligations during the lease. The deposit may be applied against amounts owing from the lessee for rent or returned to the lessee on the termination of the lease.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes to the Financial Statements
for the year ended 31 December 2024 (continued)

3 Summary of material accounting policies (continued)

3.12 Hedge accounting

Cash flow hedges

When a non-derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability, the effective portion of gains or losses of the non-derivative hedging instrument is recognised in other comprehensive income and accumulated in the cash flow hedge reserve.

The cumulative gain or loss recognised in other comprehensive income is subsequently reclassified from the cash flow hedge reserve to profit or loss in the same period as the hedged cash flows affect the profit or loss. Any ineffective portion of changes in gains or losses of the non- derivative hedging instrument is recognised immediately in the profit or loss within finance costs or finance income.

If the hedging instrument expires or is sold or terminated or the hedge no longer meets the risk management objective or qualifying criteria for cash flow hedge accounting, then hedge accounting is discontinued prospectively with the cumulative gain or loss reclassified from the cash flow hedge reserve to profit or loss.

3.13 Significant accounting estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the end of the reporting periods, that may cause amounts recognised or disclosed to change in following accounting periods are:

Asset impairment testing
The Company reviews its non current assets (aircraft) for impairment at each reporting date. If events or circumstances indicate that the carrying value may not be recoverable, then values for Fair Value Less Costs to Sell are determined by independent third party valuations. If these values are higher than the net book values of the aircraft then no further action is required. If they are lower then value in use calculations are performed and the carrying value of the aircraft is adjusted to the recoverable amount which is the higher of the Fair Value Less Costs to Sell valuations and the Value in Use calculations. Any impairment is recognised in profit or loss. The carrying value for aircraft at 31 December 2024 is disclosed in Note 9.

Asset residual values and estimated remaining lives
The acquisition cost of aircraft is depreciated over 30 years from build date for aircraft to an expected residual value of 15% of current market value. Changes in the residual value and estimated useful lives of aircraft would result in adjustments to the current and future rate of depreciation through profit or loss. Any impairment is recognised in the profit or loss. The carrying value for aircraft at 31 December 2024 is disclosed in Note 9.

Loss allowances
Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company’s past history and existing market conditions as well as forward looking estimates at the end of each reporting period. Any impairment is recognised in the profit or loss. The carrying value for trade and other receivables at 31 December 2024 is disclosed in Note 10.

Notes to the Financial Statements
for the year ended 31 December 2024 (continued)

3 Summary of material accounting policies (continued)

3.14 Significant accounting judgement

In the process of applying the Company's accounting policies, the Directors have made the following accounting judgements which have the most significant effect on the amounts recognised in the financial statements:

Leases
The Company is party to leasing arrangements as a lessor only. Accounting for leases is mainly determined by the judgement of whether the lease is considered to be a finance lease or an operating lease. Management look to the substance of the transaction and the terms and conditions of the leasing arrangements in judging whether all the risks and rewards of ownership are transferred. As part of this assessment, Management uses judgement to determine an appropriate threshold, based on lease terms and market conditions, above which they would consider the present value of the lease payments at inception of the lease to be substantially all of the fair value of the underlying asset. When the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee, the contract is classified as a finance lease; all other leases are classified as operating leases. All leases are classified as operating leases.

4 Revenue

An analysis of the Company's revenue is as follows:

	2024 US$ 000	2023 US$ 000
Revenue analysed by class of business		
Aircraft lease rentals	769	768
	769	**768**

	2024 US$ 000	2023 US$ 000
Revenue analysed by geographical market		
Italy	769	768
	769	**768**

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

5 Operating profit

Operating profit is stated after charging:

	2024 US$ 000	2023 US$ 000
Audit fees		
Audit of financial statements	9	9
	9	**9**

6 Operating lease

The minimum future lease rentals receivable under non-cancellable operating leases as of the year end are as follows:

	2024 US$ 000	2023 US$ 000
Less than one year	823	875
Between 1 and 2 years	823	875
Between 2 and 3 years	823	875
Between 3 and 4 years	823	875
Between 4 and 5 years	823	875
After 5 years	2,192	3,206
	6,307	**7,581**

The Company employs multiple strategies to protect the unguaranteed residual values of aircraft on operating leases. For example, contracts may include maintenance clauses requiring the lessee to compensate the Group when an aircraft has been subjected to excess wear and tear during the lease term. Contracts may additionally include security deposit clauses as a safeguard against any unforeseen event involving the aircraft. It is also a requirement by law that all aircraft are insured.

7 Finance costs

	2024 US$ 000	2023 US$ 000
Finance costs		
Interest on bank overdrafts and borrowings	431	469
Other finance costs	13	14
Total finance costs	**444**	**483**

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

8 Taxation

Total tax charged on the profit/(loss) for the year consists of:

	2024 US$ 000	2023 US$ 000
Deferred tax charged	(3)	-
Pillar two tax	(1)	-
Tax charge in profit or loss	**(4)**	**-**

The Company is subject to corporation tax in Ireland at 12.5% (2023: 12.5%). A reconciliation of the expected tax charge to the actual tax charge is as follows:

	2024 US$ 000	2023 US$ 000
Profit/(loss) before tax	28	(9)
Corporation tax at standard rate	(3)	1
Pillar two tax	(1)	-
Over provision	-	(1)
Total tax charge	**(4)**	**-**

On 18 December 2023, the government of Republic of Ireland, where the parent company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company will be required to pay, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15%. The main jurisdictions in which exposures to this tax exist include the Republic of Ireland. The IASB and AASB issued amendments to IAS 12 on 23 May 2023 and 27 June 2023, respectively, which introduced a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 Pillar Two model rules. The Company has applied the temporary exception as at 31 December 2024.

	2024			2023		
	Before tax US$ 000	**Tax US$ 000**	**After tax US$ 000**	**Before tax US$ 000**	**Tax US$ 000**	**After tax US$ 000**
Cash flow hedges						
Gain/(loss) on hedging instruments	419	(52)	367	(148)	98	(50)
	419	**(52)**	**367**	**(148)**	**98**	**(50)**

Notes to the Financial Statements
for the year ended 31 December 2024 (continued)

8 Taxation (continued)

Deferred tax

A reconciliation of the movement in the net deferred tax asset/(liability) is as follows:

	2024 US$ 000	2023 US$ 000
At beginning of year	49	(49)
Accelerated capital allowances	(104)	(106)
Tax losses carried forward	101	106
Other timing difference	(53)	98
	(7)	**49**

The principal components of the deferred tax asset/(liability) are as follows:

	2024 US$ 000	2023 US$ 000
Accelerated capital allowances	(265)	(161)
Tax losses carried forward	213	112
Other timing difference	45	98
	(7)	**49**

9 Aircraft

	Total US$ 000
Cost	
At 1 January 2024	8,422
At 31 December 2024	8,422
Accumulated depreciation	
At 1 January 2024	(326)
Aircraft depreciation	(220)
At 31 December 2024	(546)
Carrying amount	
At 31 December 2024	**7,876**
At 31 December 2023	**8,096**

Notes to the Financial Statements
for the year ended 31 December 2024 (continued)

10 Trade and other receivables

	2024 US$ 000	2023 US$ 000
Amount due from parent company	26	123
Accrued income	103	124
	129	**247**

The amounts due from parent company are unsecured, interest-free and repayable on demand.

11 Trade and other payables

	2024 US$ 000	2023 US$ 000
Trade payables	-	3
Accrued expenses	24	31
Social security and other taxes	1	-
	25	**34**

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

12 Bank loans

	2024			2023		
	Bank loans US$ 000	Arrangement fees US$ 000	Total US$ 000	Bank loans US$ 000	Arrangement fees US$ 000	Total US$ 000
At beginning of year	8,554	(69)	8,485	10,660	(84)	10,576
Movements arising from financing cash flows						
Repayment of facilities	(577)	-	(577)	(2,506)	-	(2,506)
Non-cash and other movements						
Amortisation of loan arrangement fees	-	13	13	-	15	15
Currency translation difference	(340)	-	(340)	268	-	268
Capitalised interest	141	-	141	132	-	132
At 31 December	**7,778**	**(56)**	**7,722**	**8,554**	**(69)**	**8,485**
Bank loans						
Current portion	581	(13)	568	590	(13)	577
Non-current portion	7,197	(43)	7,154	7,964	(56)	7,908
	7,778	**(56)**	**7,722**	**8,554**	**(69)**	**8,485**

Notes to the Financial Statements
for the year ended 31 December 2024 (continued)

13 Hedge accounting

31 December 2024	**Notional amount US$ 000**	**Carrying value of asset US$ 000**	**Carrying value of liability US$ 000**
Cash flow hedges - foreign currency			
Loan facilities designated as hedging instruments	5,915	-	5,172
	5,915	**-**	**5,172**
31 December 2023			
Cash flow hedges - foreign currency			
Loan facilities designated as hedging instruments	5,915	-	6,091
	5,915	**-**	**6,091**

The Company has elected to adopt the hedge accounting requirements of IFRS 9 Financial Instruments. The Company enters into hedge relationships where the critical terms of the hedging instrument and the hedged item match. Therefore, for the prospective assessment of effectiveness a qualitative assessment is performed. Hedge effectiveness is determined at the origination of the hedging relationship. Qualitative effectiveness tests are performed at each period end to determine the continuing effectiveness of the relationship.

At 31 December 2024, the value of loan facilities (note 12) recognised as non-derivative hedging instruments in designated cash flow hedge relationships to hedge foreign exchange risk of non-functional currency lease rental income is US$5,172,000 (2023: US$6,091,000). The Company has established a hedge ratio of 1:1 for hedging relationships as the underlying foreign exchange exposures of the hedging instrument and hedged items are matched.

During the financial year ended 31 December 2024, a gain of US$(419,000) (2023: US$148,000 loss) was recognised in other comprehensive income relating to the foreign exchange cash flow hedges. The ineffective portion recognised in profit or loss that arose from related cash flow hedges amounts to a loss/gain of US$Nil (2023: US$ Nil).

The risk strategies of the designated cash flow hedges reflect the Company's market risk strategies detailed above. The Company has hedging strategies to hedge the foreign exchange exposure of non-USD denominated rentals.

The objective of the cash flow hedges for foreign exchange risk is to match non-USD denominated rental with non-USD principal repayments of borrowings.

The hedge is considered effective as the loan terms and currency are structured to match the non-USD denominated lease terms exactly. The foreign exchange exposure of the non-USD principal repayments and the non-USD lease rental receipts are expected to change systematically in the opposite direction in response to movements in the underlying exchange rates.

Hedge ineffectiveness may occur if there are lease modifications or changes in the critical terms of borrowings such that they no longer match or as a result of a mismatch between the receipt of rental payments and the respective principal repayment.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

14 Share capital

	2024 US$ 000	2023 US$ 000
Authorised, issued and fully paid		
1,000 ordinary shares of US$1.00 per share	1	1
	1	**1**

15 Other reserves

Cash flow hedging reserve recognises the gains/losses arising on the effective portion of hedging instruments carried at fair value in a qualifying cash flow hedge.

Profit and loss account represents all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

16 Parent and ultimate parent undertaking

The Company's immediate parent is SMFL LCI Helicopters Limited, a company incorporated in Ireland.

As at 31 December 2024, the ultimate controlling undertakings are Sumitomo Mitsui Financial Group Inc., a company incorporated in Japan, which is listed on Tokyo, Nagoya and New York Stock Exchange, and Sumitomo Corporation, a company incorporated in Japan, which is listed on the Tokyo Stock Exchange.

17 Related party transactions

The Company was charged management fees of US$39,000 (2023: US$37,000) by a company that is a member of the same group the Company's parent is an associate of.