Challey Limited

Reports and Audited Consolidated Financial Statements for financial year ended 30 June 2025

Registered number: *273259*

CHALLEY LIMITED

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

CONTENTS

DIRECTORS AND OTHER INFORMATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

DIRECTORS	B. Donnellan (Irish) P. McGowan (Irish)
SECRETARY	Secretarius Limited (resigned 1 August 2025) Martina Slein (appointed 1 August 2025)
REGISTERED OFFICE	Ground Floor 1 12 Merrion Square North Dublin D02 H798
INDEPENDENT AUDITORS	Deloitte Ireland LLP Chartered Accountants & Statutory Audit Firm Deloitte & Touche House 29 Earlsfort Terrace Dublin 2
SOLICITOR	A & L Goodbody Solicitors North Wall Quay IFSC Dublin 1
BANKERS	Allied Irish Banks plc 10 Molesworth Street Dublin 2
SERVICE PROVIDER	GerMic Aviation Curragha Road Ratoath Co. Meath
REGISTERED NUMBER	273259

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The directors present their report for Challey Limited ("The Company") and its subsidiaries ("the Group") (see note 12) together with the audited financial statements for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Group is a wholly owned subsidiary of Alitalia Società Aerea Italiana S.p.A. in extraordinary administration (Alitalia SAI), a company based in Italy and engaged in the aviation sector.

The Group is engaged in international aircraft leasing transactions and is actively pursuing sale opportunities for its aircraft assets.

GOING CONCERN

The Directors intend to liquidate the Group in the near future and do not consider it appropriate to adopt the Going Concern basis of accounting in the preparation of the financial statements for the financial year ended 30 June 2025. Therefore, the financial statements have been prepared on the basis other than that of a going concern.

No material adjustments arise as a result of preparing the financial statements on a basis other than that of a going concern.

STATEMENT OF RELEVANT AUDIT INFORMATION

The directors in office at the date of this report have each confirmed that:

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

RESULTS AND DIVIDENDS

The results for the financial year are set out in the Statement of Comprehensive Income on page 12 of the financial statements. The directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2025 (year ended 30 June 2024: nil).

PRINCIPAL RISKS AND UNCERTAINTIES

In addition to the material risks and uncertainties as outlined in the Directors Report relating to the extraordinary administration of Alitalia SAI, the Group also faces the following risks and uncertainties to be considered in the normal course of business

The Group has exposure to the following risks:

- credit risk,
- liquidity risk,
- market risk
- asset risk and
- capital management.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

In relation to cash and cash equivalents the credit rating of the relevant bank with whom the Group holds cash and cash equivalents is A -.

B. Liquidity risk

The directors have considered the basis other than the going concern for the preparation of the financial statements in light of the current market conditions, as outlined in Note 1 to the financial statements. The Group has no external debt and carries sufficient cash balances to cover short-term liquidity requirements.

C. Market Risk

Market risk includes interest rate risk, currency risk and other price risk. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is not subject to other price risk.

(i) Interest rate risk

The Group's financial liabilities are non-interest bearing.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the US Dollar. Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the Group. The functional currency of the Group is the euro. The Group has no external third-party debt. The exposure to currency risk is in relation to the Group's bank accounts held in US Dollar

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

D. Asset risk

The aircraft assets owned by the Group are no longer under lease and the Directors are actively marketing and selling the assets. In order to do this the Directors will engage the services of external parties, who have appropriate experience of the aviation industry, to manage the aircraft and remarket or sell the aircraft as required in order to reduce this risk.

If demand for aircraft decreases the market values may fall. Should this condition continue for an extended year, it could affect the market value of aircraft in the fleet and may result in an aircraft impairment charge.

E. Capital management

The Board's policy is to maintain a strong capital base and to sustain future development of the business. The Board monitors the return on capital. The Board also monitors the level of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the financial year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Group regards its capital as the total equity as shown on the Statement of Financial Position.

DIRECTORS

The Articles of Association of the Company do not require the directors to retire by rotation.
The directors of the Company during the financial year were:

B. Donnellan (Irish)
P. McGowan (Irish)

DIRECTORS REMUNERATION

The total of Director's remuneration in the financial year was: €203,860 (financial year ended 30 June 2024: €189,800).

INTERESTS OF DIRECTORS AND SECRETARY

No director or secretary has a beneficial interest in any Alitalia group company at the beginning or at the financial year end or at any stage during the financial year (year ended 30 June 2024: Nil).

EMPLOYEES

The Group had two employees during the financial year (financial year ended 30 June 2024: two).

MATERIAL CONTRACTS

There were no material contracts in relation to the business of the Group in which any director of the Group had an interest during the financial year ended 30 June 2025 (year ended 30 June 2024: Nil).

POLITICAL CONTRIBUTIONS

The Group made no political donations or incurred no political expenditure during the financial year ended 30 June 2025 (year ended 30 June 2024: Nil)

SUBSEQUENT EVENTS

In November 2025, the liquidation was finalised of the following subsidiary undertakings; Aircraft Purchase Company No.1 Limited, Aircraft Purchase Company No.4 Limited, Aircraft Purchase Company No.5 Limited, Aircraft Purchase Company No.6 Limited and Aircraft Purchase Company No.8 Limited.

In September/October 2025 and January 2026, a subsidiary of the Company, Aircraft Purchase Company No 12 Limited ("APC12") sold an engine and aircraft parts to AJW Capital Partners Limited ("AJW"). This transaction was part of the 26 March 2024 Sale and Purchase Agreement for the sale of APC12's five Boeing 777 aircraft to AJW. The sale is expected to conclude by the second quarter of 2026.

From November 2026 to the date of the signing of the financial statements, a subsidiary of the Company, APC Aircraft Purchase Company Limited ("APC") sold aircraft parts to 3Top Aviation Services Limited ("3Top"). This transaction was part of the 27 July 2024 Sale and Purchase Agreement for the sale of APC's four Embraer airframes and engines to 3Top. The sale is expected to conclude by the second quarter of 2026.

The sales price exceeded the carrying value of the assets that were sold

On 1st August 2025 Secretarius Limited resigned as Company Secretary and Martina Slein was appointed on the same day.

ACCOUNTING RECORDS

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the accounting records of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company and the Group are maintained at 12 Merrion Square North, Dublin D02 H798 Ireland.

INDEPENDENT AUDITORS

The independent auditors, KPMG Ireland, Chartered Accountants and Statutory Audit Firm, have been appointed as auditor in accordance with Section 383(2) of the Companies Act 2014

Signed on behalf of the Board:

Director
Brendan Donnellan

Director
Paul McGowan

Date: 20th February 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company as at the financial year end date and of the profit or loss of the Group for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the Group and Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, 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 Group will continue in business. The directors confirm that they have complied with the above requirements in preparing the financial statements with the exception of the adoption of the going concern basis. The directors expect that the Company will be liquidated within 12 months of the date of the approval of these financial statements and in that context, these financial statements have been prepared on a break-up basis.

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

KPMG

Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHALLEY LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Challey Limited ('the Company') and its consolidated undertakings ('the Group') for the year ended 30 June 2025 set out on pages 11 to 17, which comprise the consolidated statement of comprehensive income, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows, company statement of cash flows and related notes, including the accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 30 June 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

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

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

Emphasis of matter - non going concern basis of preparation

We draw attention to the disclosure made in Note 1 to the financial statements which explains that the financial statements are not prepared on the going concern basis for the reason set out in that Note. Our opinion is not modified in respect of this matter.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHALLEY LIMITED (continued)

Other information

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

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

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

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

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

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

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

Matters on which we are required to report by exception

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

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHALLEY LIMITED (continued)

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

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

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Terence Coveney

20 February 2026

for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Notes	Year ended 30 June 2025 €	Year ended 30 June 2024 €
REVENUE	2	**3,445,100**	3,158,989
		3,445,100	3,158,989
EXPENSES:			
Administrative expenses	3	**(4,437,669)**	(3,054,066)
Foreign exchange gain	4	**55,164**	285,068
Impairment	9	**(2,561,361)**	-
(LOSS) / PROFIT BEFORE INCOME TAX		**(3,498,766)**	389,991
Tax credit	7	**252,365**	228,501
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		**(3,246,401)**	618,492
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS) / PROFIT		**(3,246,401)**	618,492

The notes on pages 18 to 41 form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Share capital €	Retained profit €	Total equity €
Balance at beginning of the financial year	**24,962,190**	**37,890,972**	**62,853,162**
Loss for the financial year (note 15)	**-**	**(3,246,401)**	**(3,246,401)**
Balance at 30 June 2025	**24,962,190**	**34,644,571**	**59,606,761**

	Share capital €	Retained profit €	Total equity €
Balance at beginning of the financial year	24,962,190	37,272,480	62,234,670
Profit for the financial year (note 15)	-	618,492	618,492
Balance at 30 June 2024	24,962,190	37,890,972	62,853,162

The notes on pages 18 to 41 form part of the financial statements.

CHALLEY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Share capital €	Retained profit €	Total equity €
Balance at 1 July 2024	**24,962,190**	**19,217,793**	**44,179,983**
Loss for the financial year	**-**	**104,150**	**104,150**
Balance at 30 June 2025	**24,962,190**	**19,321,943**	**44,284,133**

	Share capital €	Retained profit €	Total equity €
Balance at 1 July 2023	24,962,190	19,260,234	44,222,424
Loss for the financial year	-	(42,441)	(42,441)
Balance at 30 June 2024	24,962,190	19,217,793	44,179,983

The notes on pages 18 to 41 form part of the financial statements.

CHALLEY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	30 June 2025 €	30 June 2024 €
CURRENT ASSETS			
Cash and cash equivalents	8	**42,390,525**	28,516,015
Debtors and other current assets	9	**3,893,981**	3,775,604
Current taxation	9	**600,000**	794,624
TOTAL CURRENT ASSETS		**46,884,506**	33,086,243
Asset held for sale	9	**15,327,060**	34,350,083
TOTAL ASSETS		**62,211,566**	67,436,326
EQUITY			
Called up share capital presented as equity	14	**24,962,190**	24,962,190
Profit and loss account	15	**34,644,571**	37,890,972
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	16	**59,606,761**	62,853,162
CURRENT LIABILITIES			
Deferred taxes	13	**1,612,706**	1,865,071
Other current liabilities	11	**992,099**	2,718,093
TOTAL CURRENT LIABILITIES		**2,604,805**	4,583,164
TOTAL EQUITY AND LIABILITIES		**62,211,566**	67,436,326

The notes on pages 18 to 41 form part of the financial statements.

The financial statements were approved by the Board of Directors on 20th February 2026 and signed on its behalf by:

Director
Brendan Donnellan

Director
Paul McGowan

CHALLEY LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	30 June 2025 €	30 June 2024 €
CURRENT ASSETS			
Investment in subsidiaries	*10*	**23,929,810**	23,929,810
Cash and cash equivalents	*8*	**26,186,712**	23,614,587
Debtors & other current assets	*9*	**85,796,416**	91,327,303
TOTAL CURRENT ASSETS		**135,912,938**	138,871,700
TOTAL ASSETS		**135,912,938**	138,871,700
EQUITY			
Called up share capital presented as equity	*14*	**24,962,190**	24,962,190
Profit and loss account	*15*	**19,321,943**	19,217,793
TOTAL SURPLUS ATTRIBUTABLE TO EQUITY HOLDERS	*16*	**44,284,133**	44,179,983
CURRENT LIABILITIES			
Other current liabilities	*11*	**91,628,805**	94,691,717
TOTAL CURRENT LIABILITIES		**91,628,805**	94,691,717
TOTAL EQUITY AND LIABILITIES		**135,912,938**	138,871,700

The notes on pages 18 to 41 form part of the financial statements.

The financial statements were approved by the Board of Directors on 20th February 2026 and signed on its behalf by:

Director
Brendan Donnellan

Director
Paul McGowan

CHALLEY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Notes	Year ended 30 June 2025 €	Year ended 30 June 2024 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		**(3,498,766)**	389,991
Adjustments for:			
Impairment in assets held for sale	*9*	**2,561,361**	-
(Profit) / Loss on the sale of fixed assets	*2*	**(3,444,165)**	(3,156,926)
		(4,381,570)	(2,766,935)
Movements in working Capital			
Decrease in amounts due from related parties		**243,117**	2,637,123
Increase in other debtors and prepayments		**(166,870)**	(528,152)
(Decrease) / Increase in provision for aircraft disposals		**(1,263,167)**	1,731,709
(Decrease) / Increase in accrued expenses		**(462,827)**	164,045
Decrease in amounts due to related parties		**-**	(6,470,870)
NET CASH USED IN OPERATING ACTIVITIES		**(6,031,317)**	(5,233,080)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from the sale of fixed assets		**19,905,827**	3,847,152
NET CASH FROM INVESTING ACTIVITIES		**19,905,827**	3,847,152
Net increase / (decrease) in cash		**13,874,510**	(1,385,928)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	*8*	**28,516,015**	29,901,943
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	*8*	**42,390,525**	28,516,015

The notes on pages 18 to 41 form part of the financial statements.

CHALLEY LIMITED

COMPANY STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Notes	Year ended 30 June 2025 €	Year ended 30 June 2024 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		**104,150**	(42,441)
Adjustments for:			
Foreign exchange gain		**(233,685)**	(240,024)
		(129,535)	(282,465)
Movements in working capital			
Increase in accruals		**237,539**	291,678
Decrease in amounts due from related parties		**5,219,935**	2,696,673
Decrease in amounts due to related parties		**(3,066,766)**	(8,643,991)
Decrease in other debtors		**116,328**	-
CASH GENERATED FROM / (USED IN) OPERATIONS		**2,377,501**	(5,938,105)
Corporation tax refunded / (paid)		**194,624**	(219,495)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES		**2,572,125**	(6,157,600)
CASHFLOW FROM INVESTING ACTIVITIES			
Investment in shares in subsidiary undertakings		-	-
NET CASH USED IN INVESTING ACTIVITIES		-	-
Net increase / (decrease) in cash and cash equivalents		**2,572,125**	(6,157,600)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	8	**23,614,587**	29,772,187
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	8	**26,186,712**	23,614,587

The notes on pages 18 to 41 form part of the financial statements.

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the Group:

STATEMENT OF COMPLIANCE

The statutory financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and with the relevant provisions of the Companies Acts 2014. The standards adopted by the company are those endorsed by the European Union and effective as of 30 June 2025.

BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, as amended for the valuation of financial derivatives at fair value through profit or loss. The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

The financial statements of Challey Limited, consolidate the operation of the underlying subsidiaries.

BASIS OF CONSOLIDATION

A subsidiary undertaking is an investee controlled by the Group. The Group controls an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are consolidated in the Group's financial statements from the date on which control commences until the date that control ceases.

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation.

Consistent accounting policies are applied throughout the Group for the purposes of consolidation.

GOING CONCERN

The Directors intend to liquidate the Group in the near future and do not consider it appropriate to adopt the Going Concern basis of accounting in the preparation of the financial statements for the financial year ended 30 June 2025. Therefore, the financial statements have been prepared on the basis other than that of a going concern which is described as the break-up basis.

The break-up basis requires the carrying value of the assets to be at the amounts they are expected to realize and liabilities to be stated at their settlement amounts. The application of the break-up basis had no impact on the assets measurement.

No material adjustments arise as a result of preparing the financial statements on a basis other than that of a going concern.

1. ACCOUNTING POLICIES (CONTINUED)

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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.

FOREIGN CURRENCIES

The financial statements are presented in Euro (€) which is the Group's functional and presentation currency. Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

FINANCIAL INSTRUMENTS

Financial assets

<u>Initial recognition and measurement</u>

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value thought OCI, it needs to give rise to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flow, selling the financial assets or both.

All purchases and sales of financial assets are recognised or derecognised on the trade date which is the date that the Group commits to purchase or sell the asset.

1. ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

(i) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Subsequent measurement (continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost is cash and bank balances.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for financial assets is recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value, minus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

1. ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognized in profit or loss.

(ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

The Group's financial liabilities at amortised cost is other current liabilities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, held for the purpose of meeting short-term cash commitments and where required under operating lease contracts. Cash and cash equivalents are carried at amortised cost.

Loans

Loans are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost, less any impairment losses. Where loans are held is a foreign currency, the loan is translated at the closing exchange rate at the financial year end to Euro (€) which is the Group's functional and presentation currency.

1. ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

OPERATING LEASE INCOME & EXPENDITURE

All leases are classified as operating lease. Operating lease income and expenditure is recognised on a straight-line basis over the term of the underlying lease. Where rentals are adjusted to reflect increases or decreases in prevailing interest rates such adjustments are accounted for as they arise. Lease rentals received / payable in advance are deferred and recognised over the financial year to which they relate.

IMPAIRMENT OF ASSETS

At each annual reporting date and as necessary, indications for potential impairment of the Group's assets are considered. If any such indication exists, then the asset's recoverable amount is estimated.

An asset is considered to be impaired where its carrying value is in excess of its recoverable amount - being the higher of the asset's fair value less costs to sell and its value in use. Value in use is calculated as the present value of the future cash flows to be derived from the operation of the asset. Future cash flows are discounted using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

If recoverable amounts are lower than carrying values, assets are reduced to their recoverable amounts with the resultant impairment charges being recorded in the statement of comprehensive income. Where a prior impairment loss has decreased or reversed, the carrying amount of the asset is increased and the impairment loss reversed in the income statement to the extent that the asset is not carried at a higher value than if no impairment loss had been recognised in prior financial years.

ASSETS HELD FOR SALE

Current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met as the Directors are committed to a plan to sell the assets, the assets are available for immediate sale in their present condition, the assets are actively marketed at a price which is reasonable in relation to the current fair value and the sale is expected to be completed within one year from the date of classification.

Current assets classified as held for sale are measured at the lower of their previous carrying amount and their fair value. Any excess of the carrying amount over the fair value less costs to sell is recognised as an impairment loss. As these assets are held for sale, depreciation of such assets is discontinued.

EFFECTIVE INTEREST RATE

Revenue and expense on financial instruments classified as loans and receivables, or financial liabilities at amortised cost, are recognised on an effective interest rate basis. This calculation takes into account interest received or paid and fees and commissions paid or received that are integral to the yield as well as incremental transaction costs. The effective interest rate is the rate that discounts the expected future cash flows over the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument at initial recognition.

1. ACCOUNTING POLICIES (CONTINUED)

TAXATION

Current tax, including Irish corporation tax and foreign taxes is provided on the Group's taxable profits at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Determining income tax provisions requires the Group to estimate the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly.

Deferred tax is recognized in respect of all temporary differences that have originated but not reversed at the end of the reporting period. The amount of deferred tax provided for is based on the expected manner of realization on settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the end of the reporting period. Temporary differences are differences between Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognized in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognized only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted. This requires significant estimation on the tax treatments of certain transactions and also significant assessment on the probability that adequate future taxable profits will be available for the deferred income tax assets to be recovered.

INVESTMENT IN SUBSIDIARIES

Investments in subsidiary companies are included in the Group's statement of financial position at cost and are reviewed annually for impairment purposes.

DEFERRED COSTS

Expenditure incurred represents initial expenditure directly attributable to aircraft lease agreements deferred and is amortised on a straight-line basis over the term of the related agreement.

TRADE RECEIVABLES

Trade receivables represent amounts due from lessees under operating lease contracts. Where amounts are outstanding from lessees, the Group will provide an allowance for doubtful accounts against these when necessary, based upon expected ability to collect the amounts, taking into consideration the credit quality of the lessee and the level of security held.

MAINTENANCE RESERVES

In most lease contracts the lessee has the obligation to pay for maintenance costs on airframes and engines which arise during the term of the lease and in many lease contracts the lessee makes a full or partial prepayment, calculated at an hourly rate, into a maintenance reserve fund paid to the Group from which the lessee can draw on in respect of maintenance expenditure for major checks. Amounts held in respect of aircraft maintenance are recorded as maintenance reserves in creditors. Amounts held in the fund on termination of a lease to which the next lessee has no access, are recorded as part of lease rental income for the financial year.

Maintenance costs borne by the Group are expensed as incurred.

1. ACCOUNTING POLICIES (CONTINUED)

MAINTENANCE DEPOSITS

Lease contracts require the lessee to pay a maintenance deposit, either in cash or in the form of a letter of credit. These deposits are refundable to the lessee upon expiration of the lease and where such deposits are received in cash, they are recorded in the balance sheet as a liability.

DEFERRED INCOME

Income earned which represents initial income directly attributable to aircraft lease agreements, is deferred and amortised on a straight-line basis over the term of the related agreement.

SECURITY DEPOSITS

The majority of lease contracts require the lessee to pay a security deposit, either in cash or in the form of a letter of credit. These deposits are refundable to the lessee upon expiration of the lease and where such deposits are received in cash, they are recorded in the statement of financial position as a liability.

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

New accounting pronouncements:

The IFRS as adopted by the EU applied by the Company in the preparation of these financial statements are those that were effective for accounting years beginning on or before 1 July 2024.

The Company adopted the following amendments to the standards which became effective 1 July 2024.

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2024:

New and amended IFRS Accounting Standards that are effective for the current year:

Title	Subject	Effective date per EU
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	1 Jan 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 Jan 2024
Amendments to IAS 1	Non-current Liabilities with Covenants and Classification of liabilities as current or non-current	1 Jan 2024
Amendments to IAS 21	Lack of exchangeability	1 Jan 2025

1. ACCOUNTING POLICIES (CONTINUED)

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (CONTINUED)

New and revised IFRS Accounting Standards in issue but not yet effective:

Title	Subject	Effective date per EU
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 Jan 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards	1 Jan 2026
IFRS 18**	Presentation and Disclosure in Financial Statements issued	1 Jan 2027
IFRS 19**	Subsidiaries without Public Accountability: Disclosures	1 Jan 2027

** Not yet endorsed by EFRAG in EU.

The above amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

2. REVENUE - CONSOLIDATED

	Year ended 30 June 2025	Year ended 30 June 2024
	€	€
Profit/(Loss) on the sale of fixed assets	**3,444,165**	3,156,926
Interest income	**935**	2,063
	3,445,100	3,158,989

3. ADMINISTRATIVE EXPENSES – CONSOLIDATED

	Year ended 30 June 2025	Year ended 30 June 2024
	€	€
Audit, accounting, secretary and tax fees	**143,079**	144,254
Management and technical fees	**-**	21,560
Legal, professional and other costs	**121,904**	155,261
Salaries and director's fees	**315,914**	315,414
Storage and maintenance of aircraft	**3,140,766**	2,321,549
Other	**661,916**	96,028
	4,437,669	**3,054,066**

The Group had two employees during the financial year (financial year ended 30 June 2024: two).

4. OTHER OPERATING INCOME - CONSOLIDATED

	Year ended 30 June 2025	Year ended 30 June 2024
	€	€
Foreign exchange gain	**55,164**	285,068

5. STATUTORY AND OTHER INFORMATION - CONSOLIDATED

	Year ended 30 June 2025 €	Year ended 30 June 2024 €
The loss is arrived at after charging:		
Audit fees	**45,000**	44,004
Impairment of aircraft	**2,561,361**	-
Directors' remuneration	**47,500**	47,500

In the year ended 30 June 2025, the Group employed the direct services of two employees (year ended 30 June 2024: two). Management and support services was provided to the Group by Atitech an Italian company. Challey Limited charges servicing fees for general and administration costs across its subsidiaries holding aircraft assets.

The Company's registered office is located at Ground Floor 1, 12 Merrion Square North, Dublin D02 H798. The Company's registered number is: 273259.

6. AUDITOR'S REMUNERATION - CONSOLIDATED

Auditor's remuneration in respect of the financial year (excluding VAT) consist of the following.

	Year ended 30 June 2025 €	Year ended 30 June 2024 €
Auditor's remuneration consists of:		
Statutory audit fee	**45,000**	41,500
Tax advisory services	-	-
Other assurance services	-	-
Other non-audit services	-	2,504
	45,000	44,004

7. TAXATION - CONSOLIDATED

	Year ended 30 June 2025	Year ended 30 June 2024
	€	€
Current tax expense	-	-
Deferred tax:		
Origination and reversal of temporary differences	(252,365)	(228,501)
Recognition of current financial year tax losses	-	-
Total income tax credit	(252,365)	(228,501)
Reconciliation of effective tax rate:		
(Loss) / Profit before taxation	(3,498,766)	389,991
(Loss) / Profit multiplied by standard rate of corporation tax in Ireland of 12.5%	(437,350)	48,749
Income tax at higher rate	117	258
Movement in unrecognised deferred tax	184,859	(293,721)
Non-deductible expenses	9	16,213
Total tax credit	(252,365)	(228,501)

Reconciliation of movement in deferred tax:

Opening deferred tax balance	1,865,071	2,093,572
Total income tax (credit) / charge	(252,365)	(228,501)
Closing deferred tax balance	1,612,706	1,865,071

8. CASH AND CASH EQUIVALENTS - CONSOLIDATED

	30 June 2025	30 June 2024
	€	€
Group bank balances	42,390,525	28,516,015
	42,390,525	28,516,015

CASH AND CASH EQUIVALENTS - COMPANY

	30 June 2025	30 June 2024
	€	€
Bank balances	26,186,712	23,614,587

9. DEBTORS AND OTHER CURRENT ASSETS – CONSOLIDATED

	30 June 2025	30 June 2024
	€	€
Amounts due from related parties (note 18)	20,069,099	20,312,216
Provision for bad debts (Note 18)	(16,664,900)	(16,664,900)
Other debtors and prepayments	489,782	128,288
Current taxation	600,000	794,624
Assets held for sale	15,327,060	34,350,083
	19,821,041	38,920,311

All amounts fall due within one financial year. Amounts due from related parties are non-interest bearing and receivable on demand.

At 30 June 2025, the Group had a total bad debt provision of €16,664,900 (30 June 2024: €16,664,900) against the receivable from Alitalia and Cityliner (Note 18).

For the purposes of carrying out an impairment assessment of the carrying value of the aircraft, fair value is based on the current market value based on agreed sales prices under Sale and Purchase Agreements. The sales are expected to conclude by the end of the first quarter of 2026.

Based on the impairment assessment carried out by management, an impairment of €2,561,361 (year ended 30 June 2024: nil) was charged to the Statement of Comprehensive Income. The Directors have deemed the carrying value of the aircraft as appropriate.

During the financial year, an Airbus A330 and four Embraer engines owned by one of the Company's subsidiaries, APC Aircraft Purchase Company Limited ("APC") and one engines and part of an airframe owned by one of the Company's subsidiaries, Aircraft Purchase Company No 12 Limited ("APC12") were sold.

The remaining assets held for sale comprise of engines and parts belonging to five Boeing 777, four Embraer Airframes and four A321 airframes.

9. DEBTORS AND OTHER CURRENT ASSETS – COMPANY

	30 June 2025	30 June 2024
	€	€
Amounts due from related parties (note 18)	**85,921,759**	91,141,694
Provision for bad debts (Note 18)	**(137,301)**	(137,301)
Taxation	**-**	194,624
Other debtors	**11,958**	128,286
	85,796,416	91,327,303

All amounts fall due within one financial year. Amounts due from related parties are non-interest bearing and receivable on demand.

At 30 June 2025, the Company had a bad debt provision of €137,301 (30 June 2024: €137,301) against the receivable from Alitalia (Note 18).

10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	30 June 2025	30 June 2024
	€	€
At beginning of financial year	**23,929,810**	5,150,000
Investment in shares in subsidiary undertakings	**-**	18,779,810
At end of financial year	**23,929,810**	23,929,810

In the financial year ended 30 June 2024, the Company subscribed for 18,779,810 ordinary shares of €1 in Subho Limited, a subsidiary of the Company.

During the year the Directors, in applying IAS 36 Impairment of Assets, have determined that no impairment provision is required (30 June 2024: Nil). In considering whether impairment exists the Directors evaluate the investments regularly for permanent impairments in value and record adjustments to the carrying value as appropriate.

The company's 100% subsidiary undertakings are:

	Nature of business	Country of incorporation
APC Aircraft Purchase Company Limited	Aircraft owner and lessor	Ireland
Subho Limited	Holding Company	Ireland
Aircraft Purchase Company No. 11 Limited	Aircraft owner and lessor	Ireland
Aircraft Purchase Company No. 12 Limited	Aircraft owner and lessor	Ireland

The Group in which the results of the Company and its subsidiaries are consolidated is Challey Limited. The consolidated financial statements of the Challey Group are available at the Companies Registration Office.

10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS (CONTINUED)

The following subsidiary undertakings were in Members Voluntary Liquidation at the end of the financial year, awaiting dissolution. In November 2025, Aircraft Purchase Company No. 1 Ltd, Aircraft Purchase Company No. 4 Ltd and Aircraft Purchase Company No. 5 Ltd were dissolved.

	Nature of Business	**Country of incorporation**
Aircraft Purchase Company No. 1 Limited	Aircraft owner and lessor	Ireland
Aircraft Purchase Company No. 4 Limited	Aircraft owner and lessor	Ireland
Aircraft Purchase Company No. 5 Limited	Aircraft owner and lessor	Ireland
Aircraft Purchase Company No. 6 Limited	Aircraft owner and lessor	Ireland
Aircraft Purchase Company No. 8 Limited	Aircraft owner and lessor	Ireland

11. CURRENT LIABILITIES - CONSOLIDATED

	30 June 2025	30 June 2024
	€	€
Accruals	**409,124**	405,272
Accruals for aircraft disposal costs	**582,975**	1,846,142
Deposit held on sale of aircraft	**-**	466,679
Deferred tax	**1,612,706**	1,865,071
	2,604,805	4,583,164

Amounts due to related parties are non-interest bearing and payable on demand.

CURRENT LIABILITIES - COMPANY

	30 June 2025	30 June 2024
	€	€
Accruals	**409,126**	405,272
Amounts due to related parties (note 18)	**91,219,679**	94,286,445
	91,628,805	94,691,717

Amounts due to related parties are non-interest bearing and payable on demand.

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

In addition to the material risks and uncertainties as outlined in the Directors Report relating to the extraordinary administration of Alitalia SAI, the Group also faces the following risks and uncertainties to be considered in the normal course of business.

The Group has exposure to the following risks:

- credit risk,
- liquidity risk,
- market risk and
- capital management.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. In relation to cash and cash equivalents the credit rating of the relevant bank with whom the Group holds cash and cash equivalents is A -.

Consolidated:

The maximum exposure of the Group to credit risk is as follows:

	30 June 2025	30 June 2024
	€	€
Cash and Cash equivalents (note 8)	**42,390,525**	28,516,015
Amounts due from related parties (note 9)	**3,404,199**	3,647,316
Other debtors (note 9)	**489,782**	128,288
	46,284,506	32,291,619

Company:

The maximum exposure of the Company to credit risk is as follows:

	30 June 2025	30 June 2024
	€	€
Cash and Cash equivalents (note 8)	**26,186,712**	23,614,587
Amounts due from related parties (note 9)	**85,784,457**	91,004,393
Other debtors (note 9)	**11,958**	128,286
	111,983,127	114,747,266

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

B. Liquidity risk

The directors have considered the basis other than the going concern for the preparation of the financial statements in light of the current market conditions, as outlined in Note 1 to the financial statements. The Group has no external debt and carries sufficient cash balances to cover short-term liquidity requirements.

C. Market Risk

Market risk includes interest rate risk, currency risk and other price risk. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is not subject to other price risk.

(i) Interest rate risk

The Group's financial liabilities are non-interest bearing.

Interest rate profile and fair value of financial assets and financial liabilities

The interest rate profile and fair values of the Group and the Group's financial assets and liabilities at 30 June 2025 were (short term debtors and creditors are excluded):

Assets - Consolidated

	Fixed rate assets €	Floating rate assets €	Assets on which no interest is paid €	Total book value €	Fair value €
Financial assets:					
Cash	-	28,516,015	-	28,516,015	28,516,015
Amounts due from related parties (Note 9)	-	-	3,647,316	3,647,316	3,647,316
	-	28,516,015	3,647,316	36,163,331	36,163,331

Liabilities - Consolidated

	Fixed rate liabilities €	Floating rate liabilities €	Liabilities on which no interest is paid €	Total book value €	Fair value €
Financial liabilities:					
Amounts due to related parties (Note 11)	-	-	-	-	-
	-	-	-	-	-

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

C. Market Risk (continued)

(i) Interest rate risk (continued)

Assets - Company

	Fixed rate assets	Floating rate assets	Assets on which no interest is paid	Total book value	Fair value
	€	€	€	€	€
Financial assets:					
Cash	-	26,186,712	-	26,186,712	26,186,712
Amounts due from related parties (note 9)	-	-	85,784,457	85,784,457	85,784,457
	-	26,186,712	85,784,457	111,971,169	111,971,169

Liabilities

	Fixed rate liabilities	Floating rate liabilities	Liabilities on which no interest is paid	Total book value	Fair value
	€	€	€	€	€
Financial liabilities:					
Amounts due to related parties (note 11)	-	-	91,219,679	91,219,679	91,219,679
	-	-	91,219,679	91,219,679	91,219,679

Interest rate profile and fair value of financial assets and financial liabilities

The interest rate profile and fair values of the Group and the Group's financial assets and liabilities at 30 June 2024 were (short term debtors and creditors are excluded):

Assets - Consolidated

	Fixed rate assets	Floating rate assets	Assets on which no interest is paid	Total book value	Fair value
	€	€	€	€	€
Financial assets:					
Cash	-	28,516,015	-	28,516,015	28,516,015
Amounts due from related parties (Note 9)	-	-	3,647,316	3,647,316	3,647,316
	-	28,516,015	3,647,316	36,163,331	36,163,331

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

C. Market Risk (continued)

(i) Interest rate risk (continued)

Liabilities - Consolidated

	Fixed rate liabilities	Floating rate liabilities	Liabilities on which no interest is paid	Total book value	Fair value
	€	€	€	€	€
Financial liabilities:					
Amounts due to related parties (Note 11)	-	-	-	-	-
	-	-	-	-	-

Assets - Company

	Fixed rate assets	Floating rate assets	Assets on which no interest is paid	Total book value	Fair value
	€	€	€	€	€
Financial assets:					
Cash	-	23,614,587	-	23,614,587	23,614,587
Amounts due from related parties (note 9)	-	-	91,004,393	91,004,393	91,004,393
	-	23,614,587	91,004,393	114,618,980	114,618,980

Liabilities

	Fixed rate liabilities	Floating rate liabilities	Liabilities on which no interest is paid	Total book value	Fair value
	€	€	€	€	€
Financial liabilities:					
Amounts due to related parties (note 11)	-	-	94,286,445	94,286,445	94,286,445
	-	-	94,286,445	94,286,445	94,286,445

The directors are comfortable that the book value of the financial assets and liabilities is equal to the fair value. This is due to the relatively short-term nature and the frequency at which they re-price.

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

C. Market Risk (continued)

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the US Dollar. Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the Group The functional currency of the Group is the euro. The Group has no external third-party debt. The exposure to currency risk is in relation to the Group's bank accounts held in US Dollar.

D. Capital management

The Board's policy is to maintain a strong capital base and to sustain future development of the business. The Board monitors the return on capital. The Board also monitors the level of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the Group's approach to capital management during the financial year. Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements. The Group regards its capital as the total equity as shown on the Statement of Financial Position.

13. DEFERRED TAX - CONSOLIDATED

The deferred tax in the current financial year is attributable to the following:

30 June 2025	**Assets**	**Liabilities**	**Net**
	€	**€**	**€**
Property, plant and equipment	**-**	**(1,761,232)**	**(1,761,232)**
Losses carried forward	**148,526**	**-**	**148,526**
Net tax assets/(liabilities)	**148,526**	**(1,761,232)**	**(1,612,706)**

30 June 2024	Assets	Liabilities	Net
	€	€	€
Property, plant and equipment	-	(2,093,572)	(2,093,572)
Losses carried forward	228,501	-	228,501
Net tax assets/(liabilities)	228,501	(2,093,572)	(1,865,071)

13. DEFERRED TAX – CONSOLIDATED (CONTINUED)

Movement in temporary differences during the financial year:

	Balance 01/07/2023 €	**Recognised in income €**	**Balance 30/06/2024 €**
Property, plant and equipment	**(2,093,572)**	**332,340**	**(1,761,232)**
Tax value of losses carried forward	**228,501**	**(79,975)**	**148,526**
Net tax assets/(liabilities)	**(1,865,071)**	**252,365**	**(1,612,706)**

	Balance 01/07/2022 €	Recognised in income €	Balance 30/06/2023 €
Property, plant and equipment	(2,093,572)	-	(2,093,572)
Tax value of losses carried forward	-	228,501	228,501
Net tax assets/(liabilities)	(2,093,572)	228,501	(1,865,071)

14. CALLED UP SHARE CAPITAL PRESENTED AS EQUITY

	30 June 2025 €	30 June 2024 €
Authorised:		
50,000,000 ordinary shares of €1 each	**50,000,000**	50,000,000
Allotted, called up and fully paid:		
30,704,501 ordinary shares	**24,962,190**	24,962,190
***Presented as follows*:**		
Called up share capital presented as equity	**24,962,190**	24,962,190
Called up share capital presented as liability	**-**	-
Total	**24,962,190**	24,962,190

15. RECONCILIATION OF RETAINED PROFIT

RECONCILIATION OF RETAINED PROFIT - CONSOLIDATED	**30 June 2025 €**	30 June 2024 €
Profit and loss account at start of financial year	**37,890,972**	37,272,480
(Loss) / Profit for the financial year	**(3,246,401)**	618,492
Retained profit at end of financial year	**34,644,571**	37,890,972

15. RECONCILIATION OF RETAINED PROFIT (CONTINUED)

RECONCILIATION OF RETAINED PROFIT - COMPANY

	30 June 2025	30 June 2024
	€	€
Profit and loss account at start of financial year	**19,217,793**	19,260,234
Profit / (Loss) for the financial year	**104,150**	(42,441)
Retained profit at end of financial year	**19,321,943**	19,217,793

16. RECONCILIATION OF SHAREHOLDERS' FUNDS

RECONCILIATION OF SHAREHOLDERS' FUNDS – CONSOLIDATED

	30 June 2025	30 June 2024
	€	€
(Loss) / Profit after tax	**(3,246,401)**	618,492
Total recognised gains and losses for the financial year	**(3,246,401)**	618,492
Net increase / (decrease) in shareholder's funds	(3,246,401)	618,492
Opening Shareholders' funds	**62,853,162**	62,234,670
Closing shareholders' funds – equity	**59,606,761**	62,853,162

RECONCILIATION OF SHAREHOLDERS' FUNDS – COMPANY

	30 June 2025	30 June 2024
	€	€
Profit (loss) after tax	**104,150**	(42,441)
Total recognised gains and losses for the financial year	**104,150**	(42,441)
Net (decrease) / increase in shareholders' funds	**104,150**	(42,441)
Opening shareholders' funds	**44,179,983**	44,222,424
Closing shareholders' funds – equity	**44,284,133**	44,179,983

17. GROUP MEMBERSHIP

Challey Limited is a wholly owned subsidiary of Alitalia – Societa Aerea Italiana S.p.A. in extraordinary administration ("Alitalia SAI") a company incorporated in Italy, which is the ultimate parent of the Company. Challey Limited is incorporated in Ireland.

The Group in which the results of the Company and its subsidiaries are consolidated is Challey Limited. The consolidated financial statements of the Challey Group are available at the Companies Registration Office.

The registered office address of the Company is Ground Floor 1, 12 Merrion Square North, Dublin D02 H798.

18. RELATED PARTIES

RELATED PARTIES - CONSOLIDATED

Amounts payable to / receivable from related parties at financial year end:

	Payable 30 June 2025	Payable 30 June 2024	**Receivable 30 June 2025**	Receivable 30 June 2024
	€	€	**€**	€
Parent companies:				
CAI	**-**	-	**-**	54,090
Associated companies:				
Alitalia Cityliner	**-**	-	**3,404,199**	3,593,226
	-	-	**3,404,199**	3,647,316

At 30 June 2025, the Group had a bad debt provision of €16,664,900 (30 June 2024: €16,664,900) against the total amount receivable from the Alitalia Group of companies of €20,069,099 (30 June 2024: €20,312,216), leaving a balance of €3,404,199 (30 June 2024: €3,647,316) receivable at the financial year end (Note 9).

18. RELATED PARTIES (CONTINUED)

RELATED PARTIES – COMPANY

Amounts payable to / receivable from related parties at financial year end:

	Payable 30 June 2025	Payable 30 June 2024	**Receivable 30 June 2025**	Receivable 30 June 2024
	€	€	€	€
Parent companies				
Alitalia SAI	-	-	-	-
CAI	-	-	-	54,090
Subsidiary companies	**91,219,679**	94,286,445	**85,784,458**	90,950,303
	91,219,679	94,286,445	**85,784,458**	91,004,393

At 30 June 2025, the Company had a bad debt provision of €137,301 against the total amount receivable from Alitalia SAI of €137,301, leaving a balance of nil receivable from Alitalia SAI at the year-end (Note 9).

Included in the amounts receivable at 30 June 2025, The Company had servicing fees due from its subsidiaries, APC Aircraft Purchase Company Limited of €126,929 (2024: €131,869), Aircraft Purchase Company No.11 Limited of €126,929 (2024: €131,869) and Aircraft Purchase Company No.12 Limited of €126,929 (2024: €140,034).

The amount receivable from CAI of €54,090 at 30 June 2024 was written off during the financial year.

19. COMMITMENTS AND CONTINGENCIES

The Group had no capital commitments or contingencies at the financial year end (year ended 30 June 2024: nil).

20. SUBSEQUENT EVENTS

In November 2025, the liquidation was finalised of the following subsidiary undertakings; Aircraft Purchase Company No.1 Limited, Aircraft Purchase Company No.4 Limited, Aircraft Purchase Company No.5 Limited, Aircraft Purchase Company No.6 Limited and Aircraft Purchase Company No.8 Limited.

In September/October 2025 and January 2026, a subsidiary of the Company, Aircraft Purchase Company No 12 Limited ("APC12") sold an engine and aircraft parts to AJW Capital Partners Limited ("AJW"). This transaction was part of the 26 March 2024 Sale and Purchase Agreement for the sale of APC12's five Boeing 777 aircraft to AJW. The sale is expected to conclude by the second quarter of 2026.

From November 2026 to the date of the signing of the financial statements, a subsidiary of the Company, APC Aircraft Purchase Company Limited ("APC") sold aircraft parts to 3Top Aviation Services Limited ("3Top"). This transaction was part of the 27 July 2024 Sale and Purchase Agreement for the sale of APC's four Embraer airframes and engines to 3Top. The sale is expected to conclude by the second quarter of 2026.

The sales price exceeded the carrying value of the assets that were sold

20. SUBSEQUENT EVENTS (CONTINUED)

On 1st August 2025 Secretarius Limited resigned as Company Secretary and Martina Slein was appointed on the same day.

21. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these Group financial statements on 20th February 2026.