

Macquarie Aviation Finance 235 Limited
Company Registration Number 627414

Directors' Report and Financial Statements
For the financial year ended 31 March 2025

The Company's registered office is:
First Floor, Connaught House
1 Burlington Road
Dublin 4
Ireland

Macquarie Aviation Finance 235 Limited

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Macquarie Aviation Finance 235 Limited

Directors' report

For the financial year ended 31 March 2025

The directors ("the Directors") present their report and the audited financial statements of Macquarie Aviation Finance 235 Limited ("the Company", "we" or "us") for the financial year ended 31 March 2025.

Business review and principal activities

The principal activities of the Company during the financial year ended 31 March 2025 were aircraft leasing, trading and management. The Company's ultimate parent is Macquarie AirFinance Limited ("MAF") and its details are provided in the related party information note. MAF and its subsidiaries, which include the Company, are hereinafter referred to as the "Group".

As of the reporting date, the Company owns one aircraft (2024: one aircraft). This aircraft was leased to an airline operator in both years presented.

State of affairs

At the start of the prior financial period the Company was owned indirectly by ALAFCO Aviation Lease and Finance Company K.S.C.P. (together with its direct and indirect subsidiaries, the "ALAFCO Group"). On 6 October 2023, 100% shares of the Company were acquired by Macquarie Aviation Finance Ireland Limited, a member of the Group.

On 17 October 2023, the name of the Company was changed from ALAFCO Irish Aircraft Twenty One Limited to Macquarie Aviation Finance 235 Limited.

On 27 September 2024, MAFIL sold its shares in the Company to Macquarie Aircraft Leasing Limited, another company within the Group.

There were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report.

Results and dividends

The results for the year, after taxation, are shown in the profit or loss account.

No dividend was paid during the financial year ended 31 March 2025 (2024: \$nil).

Political contributions

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

Post balance sheet events

Details of significant events affecting the Company which have taken place since the end of the reporting period are disclosed in the events after the reporting date note to the financial statements.

Future developments

There are no significant changes expected other than those already disclosed in this report.

Macquarie Aviation Finance 235 Limited

Directors' report (continued)

For the financial year ended 31 March 2025

Creditor payment policy

It is the Company's policy to agree the terms of payment to creditors at the start of business with that supplier, ensure that suppliers are aware of the terms of payment and to pay in accordance with its contractual and other legal obligations.

Directors and secretary

The names of the persons who held office as a Director of the Company throughout the year and through the date of this report, unless disclosed below, were:

Victoria Clarke
Thomas Behan
Eveleen Drohan

In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.

The name of the person who held office as a Secretary of the Company throughout the year and through the date of this report, unless disclosed below, was:

Ciara McDonnell

The Directors and Secretary had no interests in the shares of the Company or any other Group company that are required by the Companies Act 2014 ("the Act") to be recorded in the register of interests or disclosed in the Directors' report.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are similar to the financial risks of the Group and are described in the financial risk management section below.

Financial risk management

The Company's risks are interlinked with the Group's risks as its financial performance and position are wholly dependent on the Group's performance and operations. As such, the relevant financial risks are the Group's financial risks which are described below. In addition, all risk management for the Group is managed at the consolidated Group level and not at an individual Company level.

The Group's Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. This is primarily achieved through the engagement of qualified and experienced personnel, training, policies and procedures. The Group has a disciplined control environment in which all employees understand that they are responsible for the management and mitigation of risk. The financial risks the Group is exposed to and how they are addressed is explained below.

Macquarie Aviation Finance 235 Limited

Directors' report (continued)

For the financial year ended 31 March 2025

Asset risk / Aviation industry risk

Aviation industry risk is the risk of a downturn in the commercial aviation industry, as a result of global, regional or industry-specific factors which could adversely impact lessees' ability to make payments, increase the risk of unscheduled lease terminations and depress lease rates and the value of the Group's aircraft. The Group's results depend on the ability to consistently acquire strategically attractive aircraft, continually and profitably lease and re-lease those assets, and finally sell or otherwise dispose of them.

The Group bears the risk of re-leasing and/or selling of aircraft. If demand for aircraft decreases, market lease rates may fall. Should this continue for an extended period, it could affect the market value of aircraft including their residual values and may result in an impairment charge. The Group has appropriate experience in the aviation industry to evaluate, manage, lease and sell aircraft as required in order to manage this risk. Group periodically performs reviews of the carrying values of aircraft which are susceptible to the above risks and uncertainties.

Credit risk

Credit risk is the risk that a counterparty is unable to pay or perform its obligations in due time. The primary exposure to the Group is from lessees but also extends to derivative and banking counterparties.

Overall, credit exposures, approvals and limits are controlled within the Group's credit framework which is overseen by the risk management team which monitors and assesses lessee credit worthiness on a regular basis. The Group conducts in-depth credit due diligence on all new lessees. The assessment process takes into account qualitative and quantitative information about the lessee including but not limited to business plans, ownership structure, management team, financial performance, competitive environment, access to capital and liquidity and always includes interviews of airline senior management. There is a robust transaction board approval process which also helps ensure strict credit underwriting of any potential counterparty. The security package for each lease is tailored depending on lessee creditworthiness.

Lessees are reviewed regularly to assess continued creditworthiness. The Group closely monitors non-payment by a lessee through a weekly reporting process, which is discussed in detail on a weekly basis during our recurring company-wide operations meeting. Where a lessee fails to pay other than for administrative reasons, this is quickly escalated. The Group assesses the viability of any airline in serious financial distress, then makes a decision whether to repossess aircraft on lease to that airline, restructure those leases or agree to payment accommodations.

The Group also mitigates lessee credit risks through a combination of invoicing and collecting rents in advance, obtaining security deposits in the form of cash and letters of credit and the regular review of past due receivables. The Group may from time to time be the beneficiary of a letter of credit. Letters of credit give rise to credit risk from the issuing financial institution. The Group also holds significant cash balances which give rise to credit risk from financial institutions. All cash and cash equivalents and restricted cash are deposited with investment grade financial institutions.

Liquidity risk

Liquidity risk is the risk of an entity encountering difficulty in meeting its short-term financial obligations.

Macquarie Aviation Finance 235 Limited

Directors' report (continued)

For the financial year ended 31 March 2025

The Company has no contractual liabilities which are coming due within the next 12 months to non-Group entities, except for tax payables where applicable. The Company's receipts from customers are received by another Group company and that Group company in turn settles the Company's payables, including tax related liabilities. The payables to related group companies which are designated as loans have been and will continue to be extended as they mature as part of normal business operations. None of the related parties within the Group are experiencing liquidity challenges thus there is no expectation that these liabilities need to be settled in the near term. As stated in the future developments section, there are no expected changes in the business of the Company.

The Company has net payables which are due to related parties within the Group. The payables to related group companies which are designated as loans have been and will continue to be extended as they mature as part of normal business operations. None of the related parties within the Group are experiencing liquidity challenges thus there is no expectation that these liabilities need to be settled in the near term.

As stated in the future developments section, there are no expected changes in the business of the Company. As such, the Company does not expect any additional significant payables within the 12 months from the date these financial statements were approved. Based on the above, the Directors have concluded that the Company has no material uncertainties which would indicate liquidity risk or a significant doubt on the Company's ability to continue as a going concern over the period of assessment.

Based on current conditions, the Group has sufficient liquidity to satisfy anticipated operational and other business needs over the next 12 months from the issuance date of these financial statements. Refer to the basis of preparation for further information.

Financial market risk

Financial market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's results or value of its holdings of financial instruments. The objective of financial market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

(a) Interest rate risk

The Company has both interest-bearing assets and interest-bearing liabilities. Interest-bearing assets include receivables from related parties which earn a fixed or variable rate of interest. Interest-bearing liabilities include payables to related parties which incur a fixed or variable rate of interest.

The Group is exposed to interest rate risk from borrowings bearing variable interest rates and the portion of lease rentals that changes with floating interest rates. Interest rate risk is highly sensitive to many factors, including government monetary policies, global economic factors and other factors beyond the Group's control. Interest rate risk is minimised by hedging activities undertaken at a Group level.

(b) Currency risk

The Company has limited foreign exchange rate exposures which include amounts receivable from and payable to other Group undertakings and/or external parties which are denominated in non-functional currencies. Since these transactions and balances are limited, the Company does not actively manage this risk at present.

Key performance indicators ("KPIs")

Given the nature of the business and the information provided elsewhere in this report, the Directors are of the opinion that the production of KPIs in this report is not necessary for an understanding of the development, performance or position of the business. KPIs are monitored at the Group level.

Accounting records

Macquarie Aviation Finance 235 Limited

Directors' report (continued)

For the financial year ended 31 March 2025

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at First Floor, Connaught House, 1 Burlington Road, Dublin 4, Ireland.

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law.

Irish law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the Company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the Company for the financial year. Under that law the Directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard ("FRS") 101 Reduced Disclosure Framework and Irish law).

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain 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; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors 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.

Disclosure of information to auditors

In the case of each Director in office at the date the Directors' report is approved:

- as far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they 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.

Macquarie Aviation Finance 235 Limited

Directors' report (continued)

For the financial year ended 31 March 2025

Independent auditors

The auditors, Forvis Mazars, have expressed their willingness to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

This report was approved by the board on 17 December 2025 and signed on its behalf.



Eveleen Drohan



Victoria Clarke

Independent auditor's report to the members of Macquarie Aviation Finance 235 Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Macquarie Aviation Finance 235 Limited ('the Company'), for the year ended 31 March 2025, which comprise Profit and loss account, Balance sheet, Statement of changes in equity and notes to the Company financial statements, including the summary of accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2025, and of its loss for year then ended;
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; 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 applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the 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.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report other than the financial statements and our 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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- 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.

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.

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 requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines 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 the Irish Auditing and Accounting Supervisory Authority's website at: <http://www.iaasa.ie/getmedia/b2389013->

[1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf](#). This description forms part of our auditor's report.

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.



Patrick Gorry
for and on behalf of Forvis Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2
Date: 19 December 2025

Macquarie Aviation Finance 235 Limited

Profit and loss account

For the financial year ended 31 March 2025

	Note	2025 \$'000	2024 \$'000
Turnover	3	11,797	1,516
Other operating (expenses)/income	3	(5,558)	36,276
Administrative expenses	3	(146)	(176)
Operating profit/(loss)		6,093	37,616
Interest receivable and similar income	4	-	-
Interest payable and similar charges	5	(9,146)	(9,504)
Net interest (expense)/income		(9,146)	(9,504)
Profit/(loss) on ordinary activities before taxation		(3,053)	28,112
Tax on profit/(loss) on ordinary activities	6	381	2,621
Profit/(loss) on ordinary activities after taxation		(2,672)	30,733

There were no other comprehensive income and expenses other than those included in the results above and therefore no separate statement of comprehensive income has been presented.

The accompanying Notes form an integral part of these financial statements.

Macquarie Aviation Finance 235 Limited

Balance sheet

As at 31 March 2025

	Note	2025 \$'000	2024 \$'000
Non-current assets			
Tangible assets	7	103,044	107,428
Debtors falling due more than one year	10	2,279	379
Deferred tax	9	3,454	6,679
		108,777	114,486
Current assets			
Debtors falling due within one year	10	4,274	2,869
		4,274	2,869
Creditors: amounts falling due within one year	11	(106,039)	(107,670)
Net current (liabilities)/assets		(101,765)	(104,801)
Total assets less current liabilities		7,012	9,685
Creditors: amounts falling due after more than one year	12	(2,358)	(2,359)
Net assets/(liabilities)		4,654	7,326
Capital and reserves			
Called up share capital and capital contribution presented as equity	13	7,565	7,565
Retained earnings/(accumulated deficit)	14	(2,911)	(239)
Total equity		4,654	7,326

The financial statements were approved by the Board of Directors on 17 December 2025 and were signed on its behalf by:



Eveleen Drohan



Victoria Clarke

The accompanying Notes form an integral part of these financial statements.

Macquarie Aviation Finance 235 Limited

Statement of changes in equity

For the financial year ended 31 March 2025

	Note	Called up share capital and capital contribution presented as equity \$'000	Retained earnings/ (accumulated deficit) \$'000	Total equity \$'000
Balance as at 30 September 2022		7,565	(30,972)	(23,407)
Profit/(loss) for the financial year	14	-	30,733	30,733
Other comprehensive income/(expense)		-	-	-
Total comprehensive income/(expense)		-	30,733	30,733
Balance as at 31 March 2024		7,565	(239)	7,326
Profit/(loss) for the financial year	14	-	(2,672)	(2,672)
Other comprehensive income/(expense)		-	-	-
Total comprehensive income/(expense)		-	(2,672)	(2,672)
Balance as at 31 March 2025		7,565	(2,911)	4,654

The accompanying Notes form an integral part of these financial statements.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements

For the financial year ended 31 March 2025

1. General information

Macquarie Aviation Finance 235 Limited (“the Company”, “we” or “us”) is a private company limited by shares and is incorporated and domiciled in Ireland. The address of its registered office is First Floor, Connaught House, 1 Burlington Road, Dublin 4, Ireland. The Company’s registration number is 627414.

The principal activities of the Company during the financial year ended 31 March 2025 were aircraft leasing, trading and management.

2. Summary of material accounting policies

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

Basis of preparation

The financial statements of the Company have been prepared on a going concern basis and in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council, including Financial Reporting Standard 101 “Reduced Disclosure Framework”) and Irish law. The financial statements have also been prepared in accordance with the requirements of the Companies Act 2014.

The Directors have a reasonable expectation that the Company will continue in operational existence for twelve months from the date of approval of these financial statements (‘the period of assessment’). The Company’s financial prospects are interlinked and dependent on the Group’s financial prospects.

Having considered the planned activities of the company and the support being provided by the parent, the Directors have concluded that the Company has no material uncertainties which would cast a significant doubt on the Company’s ability to continue as a going concern over the period of assessment.

FRS 101 sets out a reduced disclosure framework for a ‘qualifying entity’ as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements in accordance with the EU-adopted International Accounting Standards and with the requirements of the Companies Act 2014. The financial statements have been prepared under the historical cost convention.

The Company is a qualifying entity for the purposes of FRS 101. The related party information note gives details of the Company’s immediate and ultimate parent and from where the Group consolidated financial statements prepared in accordance with UK-adopted international accounting standards may be obtained.

In accordance with FRS 101, the Company has availed exemptions from the following requirements of International Financial Reporting Standards (“IFRS”):

- the requirements of IFRS 7 ‘*Financial Instruments: Disclosures*’, provided that equivalent disclosures are included in the consolidated financial statements of Macquarie AirFinance Limited (“MAF”), in which the Company is consolidated;

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

- the requirements of paragraphs 91 to 99 of IFRS 13 '*Fair Value Measurement*' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities), provided that equivalent disclosures are included in the consolidated financial statements of MAF, in which the Company is consolidated;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to 119(c), 120 to 127 and 129 of IFRS 15 '*Revenue from Contracts with Customers*';
- the requirements of International Accounting Standards ("IAS") 7 '*Statement of Cash Flows*';
- the requirements of paragraphs 30 and 31 of IAS 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 '*Impairment of Assets*', provided that equivalent disclosures are included in the consolidated financial statements of MAF, in which the Company is consolidated; and
- the requirements in IAS 24 '*Related Party Disclosures*' to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.

Changes in accounting policy, legislation and disclosures

(a) *New standards, amendments and interpretations adopted by the Company:*

International Tax Reform – Pillar Two Model

Pillar Two legislation was enacted in the United Kingdom on 11 July 2023 and in Ireland on 18 December 2023, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for financial years beginning on or after 31 December 2023. The Group has applied the mandatory exception under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

Amendments to existing standards

The following amendments are effective for annual reporting periods commencing on or after January 1, 2024, and have been adopted by the Group.

- i. Classification of Liabilities as Current or Non-current – Amendments to IAS 1;
- ii. Supplier finance arrangements – Amendments to IAS 7 and IFRS 7, and
- iii. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16.

(b) *New standards, amendments and interpretations not yet adopted by the Company:*

On 28 May 2025, the Financial Reporting Council (FRC) issued its amendments to FRS 101 to encompass the amendments made to IFRS Accounting Standards, notably disclosure exemptions from new requirements of IFRS 18, '*Presentation and Disclosure in Financial Statements*'. The amendments largely maintain current exemptions that apply to requirements under IAS 1 that have been retained in, or moved to other IFRS accounting standards by IFRS 18.

The Company is in the process of assessing the potential impact of the above for when they come into effect, which is for annual periods beginning on or after January 1, 2027.

The adoption of the above legislation and amendment to existing standards have not had a material impact on the financial statements.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

Critical accounting estimates and significant judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company and the financial statements, such as:

- recoverability of assets under operating lease. Refer to accounting policy 'Tangible assets', also refer to the 'Tangible assets' note;
- measurement of expected credit losses including the choice of inputs, estimates and assumptions relating to information about past events, current conditions and forecasts of economic conditions, refer to accounting policy 'Financial instruments';
- recoverability of deferred tax assets, refer to accounting policy note 'Taxation' and notes 'Tax on profit/(loss) on ordinary activities' and 'Deferred tax'; and
- recognition and measurement of supplemental income, maintenance reserves and end of lease compensation. Refer to accounting policy notes 'Revenue and expense recognition' and 'Maintenance reserves and end of lease compensation', also refer to notes 'Profit/(loss) on ordinary activities before taxation' and 'Creditors'.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management believes the estimates used in preparing the financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from our assumptions and estimates could require an adjustment to the carrying amounts of the assets and liabilities reported.

Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of foreign operations are measured using the currency of the primary economic environment in which the foreign operation operates (the "functional currency"). The Company's financial statements are presented in United States Dollars ("\$\$") (the "presentation currency"), which is the Company's functional currency.

(b) *Transactions and balances*

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

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the profit and loss account.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

The financial statements are presented in US Dollar, rounded to the nearest thousand (\$'000), unless otherwise indicated.

Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for each major revenue stream as follows:

Turnover

Turnover for the year comprises operating lease income and supplemental rent income.

(a) *Operating lease income*

Operating lease income consists of rental payments received in exchange for the lease of aircraft. A lease is classified as an operating lease where it does not transfer substantially all the risks and rewards incidental to ownership. The lease agreements provide for the periodic payments of fixed or variable amounts of rent. Variable rent leases are either linked to an interest rate or the usage of the aircraft, commonly called “power by the hour” arrangements. The minimum operating lease income under the contract is recorded as revenue on an accrual and a straight-line basis over the non-cancellable term of the lease. If applicable, the contingent rent component, which is comprised of the variable rent leases, is based on future changes in interest rates or usage and is recognised through an increase or decrease in rental of flight equipment revenue in the financial period when the change occurs.

Timing differences between rental amounts billed and earned under the lease agreements are recorded as either deferred income in Creditors or accrued revenue in Debtors.

In certain instances, the Company provides lease concessions to the customer, generally in the form of lease rental deferrals. While these deferral arrangements affect the timing of lease rental payments, the total amount of lease rental payments required over the lease term is generally the same as what was required under the original lease agreement. The Company accounts for the deferrals as if no modifications to the lease agreements were made and records the deferred rentals as accrued revenue since there is no change in either the scope of the lease or total consideration for the lease. As a result, there is no change to the straight-line revenue recognition.

Where the Company provides a rent concession in the form of a forgiveness coupled with a lease extension or other scope change, the Group considers this to meet the definition of a lease modification due to the change in total consideration for the lease. The accrued lease receivables which are forgiven are treated as part of the new lease. Consequently, the Company does not change the amount previously recognised on the balance sheet for contractually due past rentals upon modification, but instead, recognises lower lease income over the remaining term of the lease. The same approach is used for leases which are extended, with any accrued lease payments being considered part of the lease payments for the new lease.

Past-due rentals are recognised on the basis of management’s assessment of whether future economic benefit will flow to the entity. Estimating whether future economic benefit will flow to the entity requires a level of subjectivity and judgement. Future economic benefit is evaluated based on factors such as the lessee’s credit rating, payment performance, financial condition, requests for modifications of lease terms and conditions as well as security received from the lessee. Depending on factors such as the lessee’s financial condition, there may be doubts about the recoverability of rental amounts due. In these circumstances, we continue to recognise revenue for the rental of flight equipment under IFRS but will also record a loss allowance against the related receivable in accordance with IFRS. This loss allowance is recorded within credit impairment charges in Other operating expenses.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

(b) *Supplemental rent income*

In all cases the lessees are responsible for maintenance and repairs, including major maintenance events (“MMEs”) over the term of the lease.

Under certain leases the Company requires lessees to make regular additional rent payments based on aircraft and engine utilisation. These payments are calculated on the basis of flight hours, flight cycles or at an agreed rate specified in the lease. These payments are recorded as Supplemental rent revenue. In these situations, the Company is obliged to reimburse the lessee for the cost of MMEs (up to the amount of supplemental rent paid).

In some cases, usually after the first lease has ended, the Company offers an incentive to the next lessee by committing to contribute to lessee’s cost for the next planned MMEs for major aircraft components over and above supplemental rent paid by that lessee. These lessor contributions reflect the prior lessee’s utilisation of the relevant components in respect of which the lessor has usually received payment under the terms of the previous lease. These contributions are recorded as an operating lease incentive to the new lessee and recorded on a straight-line basis over the lease term as contra-revenue in supplemental rent with a corresponding entry in maintenance reserve liability. Refer to accounting policy ‘Maintenance reserves and end of lease compensation’.

In certain circumstances, the Company agrees to an alternative mechanism to compensate the lessor for the usage of the aircraft and engines. Under an end of lease (“EoL”) compensation mechanism, the lessor agrees to defer the receipt of the lessee’s compensation for the use of the aircraft and engines until the end of the lease term. The compensation is typically calculated on the basis of the condition of each major component at the end of the lease relative to the commencement of the lease. If each major component is returned in better condition, the lessor would typically make a payment to the lessee. If each major component is returned to the lessor in worse condition, the lessee is required to make a payment to the lessor. Such payment will be calculated on the basis of condition measured by hours, number of cycles or calendar time at an agreed rate specified in the lease agreement. EoL compensation is estimated and recognised over the lease term as supplemental rent or contra supplemental rent.

For all of the above scenarios, the Company estimates the total payments toward the cost of MMEs or EoL compensation expected to be received or paid over the lease term, at the beginning of each new lease or whenever there is a change in lease terms. The Company regularly reviews these estimates, and adjustments are made accordingly. The estimates are determined based on quantitative and qualitative information including aircraft utilisation, area of operation, and costs and timing of MMEs. Where applicable, management relies on specialists, aircraft manufacturers and operators’ data to assist in determining the inputs for these estimates. The evaluation also considers the costs and timing of any MMEs for the affected or similar aircraft types, lease activity and any other factors affecting the MMEs and EoL compensation.

In certain circumstances the lessee and the Company have agreed that select major components may be maintained under a cost-per-hour agreement with a third party maintenance provider. These agreements require an amount to be paid to the maintenance provider each month based on the utilisation of the component. In return, the related overhaul events are performed by the provider at a fixed cost. The Company records the payments as a contra revenue item in supplemental rent on an accrual basis. The Company recharges these costs to the lessee and records this additional income as part of supplemental rent.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

Expenses

Expenses are brought to account on an accrual basis and, if not paid at the end of the reporting period, are reflected on the balance sheet as a payable.

Other operating expense/income

Other operating expense/income comprise depreciation expense on flight equipment, aircraft ownership expenses, service fees to related parties, management fees, credit impairment charges/reversal, foreign exchange loss/gain and other income/expense.

Administrative expenses

Administrative expenses comprise audit fees, compliance fees and legal and professional fees.

Interest income/expense

Interest income/expense is brought to account using the effective interest method. The effective interest method calculates the amortised cost of a financial instrument and allocates the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

Taxation

The tax benefit or expense for the financial year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income ("OCI") or directly in equity.

The current income tax credit or charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and tax legislation that have been enacted or substantially enacted by the balance sheet date and are expected to apply when (a) the related deferred income tax asset is realised or (b) the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Income tax liability is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous financial years.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

Where allowed, the taxable losses from individual entities are offset against taxable income in other entities within the same jurisdiction. The provision for income taxes incorporates assumptions that these allocations will be reimbursed through intragroup payments.

The Group notes that Pillar Two legislation was enacted in the United Kingdom on 20 June 2023 and in Ireland on 18 December 2023, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for financial years beginning on or after 31 December 2023. The Group has prepared its tax estimates in accordance with the legislation and has applied the mandatory exception under IAS 12 to recognising and disclosing information concerning deferred tax assets and liabilities related to top-up income taxes.

Tangible assets

Flight equipment

Tangible assets include flight equipment held under operating lease and is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Costs related to lessee specific modifications paid by the Company are typically capitalised as part of flight equipment held under operating lease when it is probable that the future economic benefits associated with the item will flow to the Company. They are amortised over either the term of the lease or the depreciable life of the aircraft or improvement, depending upon the nature of the improvement. To the extent the Company has pre-delivery payments made in advance of the purchase of flight equipment; these are included in aircraft purchase deposits and are reclassified to flight equipment held under operating lease when the asset is delivered.

Aircraft are depreciated using either a straight-line or declining balance method depending on the type and/or the age of the aircraft. Other than the new technology aircraft described below, all aircraft are depreciated on a declining balance basis until the aircraft is 15 years old from date of manufacture. The rates applied range from 5.5% to 8% per year depending on the type of aircraft. When an aircraft turns 15 years old, management determines an appropriate depreciation estimate from that date until the end of its useful life. All new technology aircraft primarily consisting of 737-MAXs, A320neos, and A220s are depreciated on a straight-line basis until the aircraft is 25 years old from the date of manufacture with a 15% residual value.

Where applicable, the depreciation method, useful life and residual values are estimated based on data from independent appraisers or management's view where supporting transaction data exists. Various factors including the intended use of the asset, prevailing market conditions and estimates of fair values are considered. The determination of residual values, useful life and depreciation method involve significant judgements and estimates. The Company evaluates the appropriateness of these judgements and assessments each reporting period.

Aircraft are assessed for recoverability in accordance with IAS 36, at each reporting date or whenever events or changes in circumstances indicate their carrying value may not be recoverable. For the purposes of measuring an impairment loss, each aircraft is tested individually by comparing its carrying amount to the higher of value in use and fair value less cost to sell. Value in use is the total cash flows expected to be generated by an aircraft discounted at 6.53% (2024: 6.23%). Fair value is based on independent appraisers' valuations or management's view where supporting transaction data exists.

The review for recoverability has a level of subjectivity and requires the use of judgement in the assessment of estimated future cash flows associated with the use of an aircraft and its eventual disposition. Expected future cash flows are based on all relevant information available, including the existing lease, current contracted rates for similar aircraft, residual values, economic conditions, technology, airline demand for a particular aircraft type, appraisal data and industry trends, and assumptions about downtime between re-leasing events and the amount of re-leasing costs.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

The Company capitalises initial direct costs incurred by it in connection with identifying, negotiating and delivering aircraft to lessees, to the extent they are identifiable and incremental. The costs are amortised over the initial non-cancellable term of the related lease against operating lease income.

At the time flight equipment is retired or sold, the cost and accumulated depreciation are removed from the related accounts and the difference, net of proceeds, is recorded as a gain or loss in profit or loss.

Intangible lease premium/deficiency

In instances where the purchase of flight equipment or the allocated fair value in a business combination includes consideration which can be allocated to the value of an acquired lease containing above market terms, such allocated cost is recognised as an intangible lease premium asset and amortised on a straight-line basis over the term of the related lease. Similarly, the Company recognises a lease deficiency liability for lease contracts where the terms of the lease contract are unfavourable to market terms and amortises the liability over the term of the related lease as an addition to lease revenue. The Company does not include lease renewals in the determination of the lease premiums or deficiencies given a market participant would expect the lessee to renegotiate the lease on market terms. These intangible lease premium/deficiency amounts are included in the flight equipment held under operating leases on the balance sheet as part of the fair value on the acquisition date.

Assets and liabilities held for sale

Non-current assets for which the carrying value is expected to be recovered primarily through a sale rather than through continuing use, and for which a sale is considered highly probable, are classified as held for sale. Sale of the non-current asset is anticipated to occur within one year from the date of classification as held for sale. Non-current assets held for sale are measured at the lesser of carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. When liabilities directly associated with assets held for sale will be transferred in the transaction, they are presented separately from other liabilities, within Liabilities held for sale in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

The Company continues to recognise rent revenue from flight equipment held for sale until the date the aircraft is sold. Flight equipment is not depreciated while classified as held for sale.

Financial instruments

(a) Classification

Financial assets are classified in the following categories:

- i. those to be measured subsequently at fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), and
- ii. those to be measured at amortised cost.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

(b) *Recognition of financial instruments*

Regular-way purchases and sales of financial assets that are subject to a standard settlement process are recognised on trade date, the date on which the Company commits to purchase or sell the asset.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. The Company's financial liabilities are categorised as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost at initial recognition.

(c) *Initial and subsequent measurement*

A financial instrument is initially recognised at fair value and is adjusted for (in the case of instruments not carried at FVTPL) transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument. Transaction costs relating to financial instruments carried at FVTPL are expensed in the profit and loss account. Financial assets that do not have cash flows that represent solely payments of principal and interest are subsequently measured at FVTPL.

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest rate method ("EIR"). Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

(d) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a current legally enforceable right to offset the amounts and either there is an intention to settle on a net basis or realise the financial asset and settle the financial liability simultaneously.

(e) *Derecognition of financial instruments*

i. Financial assets

Financial assets are de-recognised when:

- the rights to cash flows have expired
- the Company has transferred the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset.

ii. Financial liabilities

Financial liabilities are de-recognised from the balance sheet when the Company's obligation has been discharged, cancelled or has expired.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

(f) *Impairment of financial assets*

The Company recognises an allowance for expected credit losses (“ECL”) for all financial assets not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The determination of ECL takes into account collateral held or other credit enhancements that are integral to the contractual terms such as security deposits and/or letters of credit.

Loss allowances of the Company are measured either by applying the simplified approach or general approach.

i. Simplified approach

The Company applies the simplified approach to provide for ECL for all trade receivables, end of lease maintenance reserve receivables, loan receivables from lessees and accrued revenue. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

ii. General approach

Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition. This is commonly referred to as stage I.

Periodically, and at a minimum at each reporting date, the Company assesses whether there is a significant increase in credit risk (“SICR”) since initial recognition. If there is, the loss allowance is measured at an amount equal to lifetime ECL. This is commonly referred to as stage II.

When evaluating changes in credit risk the Company primarily relies on internal credit ratings. The Company assigns an internal credit rating to each exposure at origination based on information available at that date. The internal ratings for each exposure are reviewed at least once a year, or more frequently if necessary, to ensure any deterioration is identified and reflected in an adjustment to their rating. Furthermore, other indicators of deterioration in credit quality are regularly monitored, such as payment history, changes in the exposure’s business and other external data. Because of the nature of our business and operations and our historical experience, exposures which are 30 days past due are not automatically considered to represent a SICR.

Financial assets with objective evidence of impairment at the reporting date are classified as credit impaired. For these assets lifetime ECL are recognised. This is commonly referred to as stage III.

Default is generally defined as the point when the counterparty is unlikely to pay its credit obligations in full, without recourse by the Company to the realisation of collateral; or the borrower is 90 days or more past due.

A financial asset loss allowance calculation is upgraded from lifetime ECL (stage II or stage III) to 12-month ECL (stage I) if a counterparty performs consistently for at least six months and meets its credit obligations. There were no such movements in the current reporting year or in the prior year.

Write-off

When the Company concludes that there is no reasonable expectation of recovering cash flows from the financial asset, all possible collateral has been realised, and it is no longer subject to enforcement activity, the financial asset is written off, either partially or in full, against the related allowance. Recoveries of financial assets previously written off are recorded based on the cash received.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

Forward-looking information (“FLI”)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and includes forward-looking information. In incorporating FLI management has exercised judgement in determining the inputs and application of the methodology to calculate ECL. Changes in actual or future economic conditions could vary which would result in variances between the calculated ECL and actual results.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and all highly liquid investments with maturities of three months or less.

Restricted cash

Restricted cash is with qualifying financial institutions and includes cash deposits accessible only under specific conditions governed by the terms of the Group’s credit facilities.

Security deposits

Security deposits consist of deposits paid by the lessees to ensure lessee compliance during a lease term. They can be in the form of cash or letters of credit. The cash deposits are refundable to the lessees at the successful completion of a lease.

Maintenance reserves and end of lease compensation

Lessees are responsible for aircraft maintenance during the lease.

Under certain leases, the Company reimburses or pays the lessee for qualifying MMEs performed (collectively termed as “lessor contributions”). This applies primarily when the lessee is paying monthly supplemental rent. The payments could be a reimbursement of the cash previously collected or part of the lease incentive offered to the lessee. In other situations, the Company has EoL compensation arrangements and expects to pay or receive a payment at the end of the lease depending on the relative condition of the major components.

The lessee has an obligation to make periodic payments which are calculated with reference to the utilisation of airframes, engines and other major life-limited components during the lease (supplemental amounts). Upon lessee presentation of the invoices evidencing the completion of the qualifying work on the aircraft, the Company reimburses the lessee for the work, up to a maximum of the supplemental rent amounts received with respect to such work.

At the beginning and throughout the term of each lease, the Company estimates the maintenance liability for MMEs which are expected to occur during the lease and accrues for this over the same term with a corresponding contra-revenue entry in supplemental rent. Amounts not expected to be reimbursed during the lease are recorded as supplemental rent income when the Company has reliable information that the lessee will not seek reimbursement of maintenance reserves based on the maintenance forecasting model.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

Under EoL compensation arrangements, the Company accrues the expected lessee's compensation for the use of the aircraft and engines over the term of the lease as EoL maintenance reserves receivable with a corresponding entry in supplemental rent or contra supplemental rent and agrees to defer the receipt of this compensation until the lease ends. In estimating the EoL maintenance reserves receivable, the Company incorporates the credit risk of the counterparty as part of the estimate. In determining credit risk, the Company applies the impairment methodology described in the 'Financial instruments' accounting policy.

In some cases, instead of paying reserves as described above, the lessee can provide a letter of credit for the benefit of the Company.

Maintenance costs incurred when an aircraft is off lease are recorded as Aircraft ownership expenses in profit or loss in the period incurred.

In situations where EoL compensation applies and the lessee is an entity within the Group, the related party balance related to EoL compensation or maintenance reserves is classified as short term or long term based on the contractual lease term. Under EoL arrangements, the total expected EoL compensation due to, or receivable from, the lessee is accrued over the life of the lease as a maintenance reserve asset or liability (depending on the expected relative condition of the major components compared with the condition at the inception of the lease).

Called up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

3. Profit/(loss) on ordinary activities before taxation

	2025 \$'000	2024 \$'000
Turnover		
Operating lease income	9,895	808
Supplemental rent income	1,902	708
Total turnover	11,797	1,516
Other operating (expenses)/income		
Depreciation: flight equipment (Note 7)	(4,384)	(9,473)
Aircraft ownership expenses	(204)	(64)
Service fee to related party	(330)	(42)
Management fees	(639)	(290)
Foreign exchange (loss)/gain	(1)	-
Other (expense)/income	-	46,145
Total other operating (expenses)/income	(5,558)	36,276
Administrative expenses		
Compliance fees	(6)	(6)
Legal and professional fees	(140)	(173)
Other (expense)/income	-	3
Total administrative expenses	(146)	(176)

The Company currently recognises fixed and variable both rent lease income on its aircraft.

Supplemental rent income

EoL income accrual	1,900	379
Accruals for expected maintenance events	2	329
Total supplemental rent income	1,902	708

Audit fees (excluding value added tax ("VAT") and including expenses) to the Statutory Audit Firm, Forvis Mazars Ireland of \$6,000 (2024: \$6,000) is in relation to the statutory audit of the financial statements. There are no other fees paid or payable by the Company to the Statutory Audit Firm in the current or prior years.

The Company had no employees and staff costs during the year (2024: \$nil).

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

4. Interest receivable and similar income

	2025 \$'000	2024 \$'000
Interest receivable from related parties	-	(91)
Interest receivable from external parties	-	91
Total interest receivable and similar income	-	-

5. Interest payable and similar charges

	2025 \$'000	2024 \$'000
Interest payable to related parties	(9,146)	(5,123)
Interest payable to external parties	-	(4,381)
Total interest payable and similar charges	(9,146)	(9,504)

6. Tax on profit/(loss) on ordinary activities

(a) Analysis of tax (charge)/credit for the year

	2025 \$'000	2024 \$'000
Current tax:		
Current tax (payable)/receivable	2,138	-
Adjustments to tax in respect of prior years	1,468	-
Total current tax	3,606	-
Deferred tax:		
Origination and reversal of timing differences	(1,757)	2,621
Adjustments to tax in respect of prior years	(1,468)	-
Total deferred tax	(3,225)	2,621
Tax on profit/(loss) on ordinary activities	381	2,621

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

(b) Factors affecting the tax (charge)/credit

The tax (charge)/credit for the year ended 31 March 2025 is equal to (2024: lower than) the standard rate of corporation tax in the Republic of Ireland of 12.5% (2024: 12.5%).

	2025 \$'000	2024 \$'000
Profit/(loss) on ordinary activities before taxation	(3,053)	28,112
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 12.5% (2024: 12.5%)	381	(3,514)
Tax effects of:		
- Non-taxable items	-	5,768
- Other items	-	367
Tax on profit/(loss) on ordinary activities	381	2,621

During the current financial year, the Company will surrender tax losses to related parties for which a payment will be received.

7. Tangible assets

	2025 \$'000	2024 \$'000
Assets for operating lease		
Flight equipment		
Cost	148,749	148,749
Less: accumulated depreciation and impairment	(45,705)	(41,321)
Total flight equipment	103,044	107,428
Total assets for operating lease	103,044	107,428
Work in progress: flight equipment	-	-
Total tangible assets	103,044	107,428

Reconciliation of the movement in the Company's tangible assets at their carrying value:

Balance at the beginning of the financial year	107,428	116,901
Depreciation expense (Note 3)	(4,384)	(9,473)
Balance at the end of the financial year	103,044	107,428

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

8. Operating lease receivables and commitments

Operating lease rental receivables – Company as lessor

The Company leases out aircraft under non-cancellable operating leases. The lease arrangement does not have renewal or purchase options or escalation clauses.

The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	2025	2024
	\$'000	\$'000
Within 1 year	9,120	7,480
Between 1 and 2 years	9,120	9,120
Between 2 and 3 years	9,120	9,120
Between 3 and 4 years	9,120	9,120
Between 4 and 5 years	9,120	9,120
Later than 5 years	30,451	39,571
Total	76,051	83,531

The Company recognised contingent rent income of \$1,050 during the year ended 31 March 2025 (2024: \$nil).

9. Deferred tax

	2025	2024
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
Tax losses carried forward	12,292	13,723
Capital allowances in excess of depreciation	(9,572)	(7,815)
Other	734	771
Net deferred tax	3,454	6,679

The above amounts are expected to be settled after 12 months of the balance sheet date by the Company.

	2025	2024
	\$'000	\$'000
Reconciliation of the Company's movement in deferred tax balances:		
Balance at the beginning of the financial year	6,679	4,058
Timing differences:		
Amounts (charged)/credited to profit or loss (Note 6)	(3,225)	2,621
Balance at the end of the financial year	3,454	6,679

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

10. Debtors

	2025 \$'000	2024 \$'000
Amounts falling due within one year:		
Amounts owed by related parties	-	2,761
Taxation	2,138	-
Total amounts owed by related parties, net	2,138	2,761
Prepayments and accrued revenue	2,136	108
Total other assets	2,136	108
Total amounts falling due within one year	4,274	2,869
Amounts falling due after more than one year:		
EoL maintenance reserves receivable	2,279	379
Total amounts falling due after more than one year	2,279	379
Total debtors	6,553	3,248

Amounts owed by related parties include related party balances and management fees payable, as applicable, that have been offset according to the Group omnibus agreement. This is a legally enforceable right of set-off of all related balances between Group companies. Amounts owed by related parties are unsecured and are repayable on demand or at a specified time within one year. The Company earns interest income on amounts owed by related parties as applicable.

11. Creditors: amounts falling due within one year

	2025 \$'000	2024 \$'000
Amounts falling due within one year:		
Amounts owed to related parties	(1,479)	(7,560)
Term loan payable	(103,895)	(100,101)
Total amounts owed to related parties	(105,374)	(107,661)
Deferred income	(665)	-
Accrued audit fees	-	(9)
Total creditors: amounts falling due within one year	(106,039)	(107,670)

Amounts due to related parties include related party balances and management fees payable, as applicable, that have been offset according to the Group omnibus agreement. This is a legally enforceable right of set-off of all related balances between Group companies. The Company incurs interest expense on amounts owed to related parties, as applicable, at market rates and at 31 March 2025 the interest rate applied was SOFR plus 1.13% (2024: SOFR plus 0.96%).

The term loan matures in October 2025 (2024: October 2024) and bears interest at 9.23% (2024: SOFR plus 3.04%).

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

12. Creditors: amounts falling due after more than one year

	2025 \$'000	2024 \$'000
Amounts falling due after more than one year:		
Security deposits	(2,280)	(2,280)
Maintenance reserves	(78)	(79)
Total creditors: amounts falling due after more than one year	(2,358)	(2,359)

Security deposits are interest free and refundable to the lessee at the successful completion of the lease term. As at 31 March 2025, the Company held \$nil (2024: \$nil) in the form of letters of credit from the lessee in relation to security deposits.

As at 31 March 2025, the Company held \$nil (2024: \$nil) in the form of letters of credit from the lessee in relation to maintenance reserves.

13. Called up share capital and capital contribution presented as equity

	2025 Number of shares	2024 Number of shares	2025 \$'000	2024 \$'000
Ordinary share capital:				
Opening balance of fully paid ordinary shares	1	1	0	0
Closing balance of fully paid ordinary shares presented as equity	1	1	0	0
Capital contribution:				
Opening balance of capital contribution on ordinary shares	-	-	7,565	7,565
Closing balance of called up share capital and capital contribution presented as equity	1	1	7,565	7,565

At 31 March 2024, the Company, along with certain affiliates of the Company, guaranteed all unsecured financial indebtedness of the Company's indirect parent, Macquarie AirFinance Holdings Limited ("MAHL"). On 30 August 2024, all subsidiary guarantees of MAHL's financial indebtedness were terminated and released. The effect of this termination and release is that from 30 August 2024, neither the Company (nor any other subsidiary of MAHL) guarantees MAHL's unsecured financial indebtedness.

Macquarie Aviation Finance 235 Limited

Notes to the financial statements (continued)

For the financial year ended 31 March 2025

14. Retained earnings/(accumulated deficit)

	2025	2024
	\$'000	\$'000
Balance at the beginning of the financial year	(239)	(30,972)
Profit/(loss) attributable to the ordinary equity holders of the Company	(2,672)	30,733
Balance at the end of the financial year	(2,911)	(239)

15. Related party information

As of the reporting date, the immediate parent company of the Company is Macquarie Aircraft Leasing Limited. The ultimate parent undertaking and controlling party of the Company is MAF, a company incorporated in England. MAF is the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements for MAF can be obtained from the Company Secretary, 4 Coleman Street, London, EC2R 5AR, United Kingdom.

As 100% of the voting rights of the Company are controlled within the Group headed by MAF, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the Group. The consolidated financial statements of MAF, within which the Company is included, can be obtained from the address given above.

The Company does not have any related party transactions or balances other than those with entities which form part of the Group as mentioned above.

16. Directors' remuneration

During the financial years ended 31 March 2025 and 31 March 2024, all Directors were employed by, and received all emoluments from, other Group undertakings. The Directors perform duties as directors for multiple entities in the Group, as well as their employment duties within the Group. There was no remuneration paid to the Directors in relation to their services as directors of the Company in both years presented.

17. Contingent liabilities and commitments

The Company had no purchase commitments or contingent liabilities which are individually material or a category of commitments or contingent liabilities which are material.

18. Events after the reporting date

The Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial year subsequent to 31 March 2025.

19. Approval of accounts

The Directors approved the financial statements on 17 December 2025.