Next Ten Funding Limited and subsidiaries

Directors' report and consolidated
financial statements

Financial period from 5 June 2024 to 31 December 2024

Registered number: 910172

Next Ten Funding Limited and subsidiaries

Contents *Page*

Next Ten Funding Limited and subsidiaries

Directors and other Information

Directors:	Karl Griffin (Ireland) Brian Dowling (Ireland) Matthew Elwood (USA) Johanna Reimers (USA) Ryan Varkevisser (Ireland)
Company Secretary:	Conyers Corporate Services (Bermuda) Limited
Registered office:	Clarendon House, 2 Church Street Hamilton, HM 11, Bermuda
Trading Office	7th Floor, Block I Central Park Leopardstown Dublin 18 D18 HCP5 Ireland
Independent auditor	KPMG Chartered Accountants 1 Harbourmaster Place IFSC Dublin 1 Ireland
Bankers	Citibank 1 North Wall Quay, North Dock Dublin 1 Ireland
Solicitors	McCann FitzGerald Riverside One Sir John Rogerson's Quay Dublin 2 Ireland McGuireWoods 201 North Tryon Street Suite 3000 Charlotte NC 28202, USA
Registered number	910172

Directors' report

The Directors present this report together with the audited financial statements of Next Ten Funding Limited and subsidiaries (collectively, the "Group") for the financial period ended 31 December 2024. Next Ten Funding Limited (the "Company") was incorporated on 5 June 2024, and these financial statements represent its first reporting period. No comparative figures are available.

Principal activities, business review and future developments

Next Ten Funding Limited, a limited liability company, incorporated in Bermuda on 5 June 2024 and is tax resident in the Republic of Ireland. The principal activity of the Company is the leasing of commercial jet aircraft. The Group has a fleet of 16 owned Airbus and Boeing commercial aircraft assets on lease to 12 customers in 10 countries globally.

The Group is a 100% subsidiary of Genesis Aircraft Services Limited ("GASL"). The ultimate parent and controlling party is Massachusetts Mutual Life Insurance Company ("Mass Mutual").

After incorporation, the Group acquired 16 aircraft for an amount of $432.2 million, 15 of the aircraft acquired were from related parties in the form of asset and share purchases. The Group initially acquired six subsidiaries from a related party, GASL Bermuda B-1 Limited in July these subsidiaries owned 11 of the aircraft acquired. The Group then acquired 4 aircraft assets from GASL Bermuda B-1 Limited in August, the assets and liabilities of the 15 aircraft acquired from a related party were recognised at Book Value. The 1 external aircraft acquisition closed in September. The Group obtained debt financing to acquire these assets through the private placement of pass-through certificates on the Bermuda Stock Exchange. The private placement is on a limited recourse basis across A, B and C certificates which have a coupon of 6.73%, 8.05% and 10.25% respectively. Six institutions participated in the financing including one related party.

GASL is the servicer (the "Servicer") in respect of the Group. GASL is responsible on behalf of the Group for the day-to-day aircraft lease management and other operational activities of the Group such as sourcing acquisitions of aircraft, arranging financing for such acquisitions and managing, servicing, remarketing and disposing of aircraft and other related assets. The Group incurred fees of US$0.9 million in respect of these services.

The Directors have no plans to significantly change the activities and operations of the Group in the foreseeable future.

Results for the financial period and the state of affairs as of 31 December 2024

The Consolidated Statement of Profit or loss and Comprehensive Income for the financial period to 31 December 2024 and the Consolidated Statement of Financial Position at 31 December 2024 are set out on pages 11, 12 and 13. The Group loss before taxation for the financial period from 5 June 2024 to 31 December 2024 amounted to US$4.0 million. After charging tax of US$3.7 million, a net loss of US$7.7 million is transferred to reserves. Consolidated Shareholders' funds at 31 December 2024 amounted to a surplus of US$127.2 million. The Group received a capital contribution of US$173.5 million during the financial period from Genesis Aircraft Services Limited to assist in the financing acquisitions.

Directors' report *(continued)*

Dividend

The Directors do not recommend the payment of a dividend.

Principal risks and uncertainties

The Group is exposed to asset, market, credit, operational and liquidity risk during the course of its business activities. The Group has a risk management policy that is managed by the Directors. The Directors ensure that risks are identified and managed in accordance with the objectives of the Group.

Asset and market risk
The Group is highly dependent upon the continuing financial strength of the airline industry, which is cyclical, economically sensitive and highly competitive. The Group operates as a lessor to its lessees and bears the risk of non-performing leases by the airlines operating the aircraft. A significant deterioration in this sector could adversely affect it through a reduced demand for aircraft in the fleet, and/or reduced market rates, higher incidences of lessee default and aircraft off-lease.

A significant deterioration in the financial condition of or bankruptcy by a lessee could impair their ability to comply with their lease payment obligations to the Group and expose the Group to significant financial loss. The Group periodically perform reviews of aircraft values, trade receivables, and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties. Additionally, exposures to market and asset risk are managed through the requirement of airlines, that lease the Group's aircraft, to maintain insurance and adequate maintenance policies.

Liquidity risk
The ability of the Group to continue to operate is dependent upon its ability to meet its payment obligations under respective arrangements, which are dependent on factors outlined above. If the Group cannot meet its obligations under the various debt arrangements or its capital commitments, it may breach contracts and may even be unable to operate on a going concern basis. The debt issued to finance the acquisition of aircraft during the period contains scheduled principal and interest payments and covenant requirements, failure to make these payments or adhere to covenants will constitute an event of default if not remedied in accordance with the security agreements entered into will become due and payable.

The Group, monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Credit risk
Credit risk is defined as an unexpected loss in cash and earnings if the counterparty is unable to pay its obligations in due time. The Group is subject to the credit risk of its lessees as to collections of rental payments under its leases.

The value of trade receivables is highly dependent upon the financial strength of the commercial aviation industry. Defaults by the lessee could have a material adverse effect on the Group's cash flow, earnings and its ability to meet debt obligations.

The Group's objective in managing credit risk is to minimise potential losses incurred due to non-payment by lessees. The Directors review and monitor airline customer credit risk periodically. The creditworthiness of each customer is assessed on a continuous basis and the Group seeks deposits in the form of cash or letters of credit to mitigate its overall financial exposure to its lessees. The assessment process takes into account qualitative and quantitative sources of information with respect to the lessee's business activities, financial resources and performance or business risks, to the extent that the information is publicly available or otherwise disclosed to the Group.

Directors' report *(continued)*

Principal risks and uncertainties (continued)

***Credit risk* (continued)**
The Group continues to perform frequent reviews for customers. Credit policies are reviewed regularly, and the Group has no deferral arrangements in place with customers at the period end. The Group continues to monitor the economic environment and perform reviews of its trade receivables for expected credit losses based on the above assessment.

Operational risk
Operational risk is the risk of indirect or direct loss arising from a wide variety of causes associated with the Group's operations. The Group's objective is to manage operational risk by implementing appropriate processes and controls and monitoring those controls.

The Group is also exposed to interest rate risk, foreign currency risk and public liability risk. The Directors oversee the management of these risks and ensures these risks are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with policies of the Group and the Group's risk appetite. The Directors have identified the risks facing the Group and have undertaken approaches to deal with the relevant risks, as outlined in the financial risk management disclosures in note 22.

Geopolitical Risk

Geopolitical risks and uncertainties include political instability, regulatory changes, trade tensions and security threats. These elements pose potential disruptions to operations, affecting financial performance and global market dynamics. The Group proactively monitors geopolitical developments and maintains a diversified operational footprint. We employ risk mitigation instruments, such as insurance, to safeguard against unforeseen disruptions and minimise losses from geopolitical risks.

Directors, secretary and their interest

In accordance with the Constitution of the Company, the Directors are not required to retire by rotation. The names of the persons who were Directors during the financial period ended 31 December 2024 are set out below, unless indicated otherwise they served for the entire period:

Director	**Function**	**Appointment**	**Resignation**
Karl Griffin	Chief Executive Officer	5 June 2024	-
Matthew Elwood	Non-executive (US)	5 June 2024	-
Johanna Reimers	Chief Legal Officer	5 June 2024	-
Brian Dowling	Chief Technical Officer	5 June 2024	-
John Kelly	Senior Vice President Finance	5 June 2024	8 January 2025
Ryan Varkevisser	Vice President Finance	8 January 2025	-

The Directors and Secretary, who held office during the period and at 31 December 2024, had no interest in the shares in, or debentures or loan stock of the Company or group companies.

Transactions involving Directors

There were no loans advanced to the Directors at any time during the financial period. There were no contracts or arrangements in relation to the business of the Group in which the Directors had any interest at any time during the financial period ended 31 December 2024.

Going concern

The Directors have prepared the financial statements for the financial period ended 31 December 2024 on the going concern basis of preparation. In assessing this basis of preparation, the Directors assess for the existence of matters which might give rise to any uncertainty in realising assets or discharging liabilities in the normal course of business. The Directors have not identified the existence of such issues, evidenced by a strong net asset position at the period end including sufficient cash and cash equivalents combined with expected cash inflows to satisfy all short-term liabilities falling due within 12 months from the date of this report. The Directors have also completed an assessment of the cashflows arising from the aircraft for 12 months from the approval date of the financial statements and have concluded that cash and cash equivalents at the financial reporting date combined with expected cash inflows are significantly in excess of the forecasted cash outflows for 12 months from the approval date of the financial statements.

The Group has no near-term refinancing commitments due and there are no future orderbooks for purchase in the pipeline.

The material assumptions, judgements and estimates used as part of the Director's assessment, covering twelve months from the approval date of the financial statements, are as follows:

- availability of liquidity to the Group;
- lessee credit risk assessments and security;
- debt repayments;
- estimated cash inflows and outflows; and
- applying a stress test to each of the assumptions.

Based on the above assessment, the Directors have concluded that there is not a material uncertainty in relation to the Group's ability to continue as a going concern for at least twelve months from the approval date of these financial statements.

Directors' report *(continued)*

Subsequent events

There have been no significant events subsequent to the end of the reporting period that would require adjustment or disclosure in these financial statements.

Accounting records

The Directors believe that they have maintained adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Group are maintained at 7th Floor Block I, Central Park, Leopardstown, Dublin 18, D18 HCP5, Ireland.

Relevant audit information

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

Political and charitable contributions

The Company made no political donations or incurred any political expenditure during the period.

Independent auditor

The auditor, KPMG, Chartered Accountants, were appointed during the period and have expressed their willingness to continue in office.

Approved by the board and authorised for issue on 19 March 2025.

Karl Griffin	Ryan Varkevisser
Director	Director

Statement of Directors' responsibilities in respect of these financial statements

Directors are responsible for preparing the financial statements in accordance with the applicable financial reporting framework. They have decided to prepare the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union ("EU").

In preparing these financial statements, Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether they have been prepared in accordance with IFRS Accounting Standards;
- assessed the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and used the going concern basis of accounting unless they either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

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 which enable them to ensure that these financial statements comply with IFRS Accounting Standards and applicable regulation. They are also responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have a general responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors are responsible for the maintenance and integrity of the financial information included on the Group's website. Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

Karl Griffin	Ryan Varkevisser
Director	Director

KPMG

Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

Independent Auditors' Report to the Shareholders of Next Ten Funding Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Next Ten Funding Limited ("the Group") for the period ended 31 December 2024 set out on pages 11 to 47, which comprise the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, and consolidated statement of cash flows for the period then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of its financial performance and its cash flows for the period then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards), as issued by the IASB and EU-endorsed IFRS as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bermuda, together with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Aircraft and Related Components $416.5 million

Refer to page 16-30 (accounting policy) and pages 31 - 47 (financial disclosures).

The key audit matter	**How the matter was addressed in our audit**
At 31 December 2024, the carrying value of the Group's aircraft portfolio, including	In relation to the audit of the impairment assessment of aircraft and related

related components amounted to $416.5 million or 93% of Total Assets.

The Group applies the requirements of IAS-36 Impairment of Assets ('IAS- 36') in order to determine whether it is necessary to recognise an impairment loss on any aircraft and related components.

Determining whether or not an impairment exists, and the amount of any loss requires the exercise of significant judgement relating to aircraft current market values and estimated future residual values, future lease rentals, and the timing and cost of maintenance events.

We determined this matter to be a Key Audit Matter for the reasons set out above.

components, the procedures we undertook included, amongst others:

We obtained an understanding of and documented the key controls of the impairment assessment for aircraft and related components and assessed the effectiveness of design and implementation.

We inquired of the Servicer about plans for aircraft disposals or other actions that may impact on aircraft recoverable amounts.

We evaluated impairment indicators identified by the Servicer, considering whether the discounted cash flow forecasts on an aircraft-by-aircraft basis support the carrying value of the relevant assets and assessing the methodology adopted by the Servicer in its preparation of the discounted cash flow forecasts with reference to our understanding of the Group's business and the requirements of prevailing accounting standards.

We critically evaluated the Servicer's discounted cash flow forecast for each aircraft by comparing the significant assumptions adopted by the Servicers with the historical performance of the Group's aircraft portfolio and contractual arrangements (specifically in-fore lease agreements), recent trends and externally available industry economic and other data.

We reperformed a retrospective review for impairments taken in the previous year, comparing to 2024 actual information for areas such as aircraft sales prices, or other external factors.

We recalculated the recoverable amount to validate the accuracy of the Servicers calculations.

We developed an understanding of market updates from aircraft appraisers engaged by the Group for the purpose of:

- Determining the appropriateness of relying on the experts engaged by the Group (considering amount other matters their qualifications, competencies and experience to provide such valuations); and

	- Probing the Servicers views on particular aircraft types, factors affecting valuations and future trends We evaluated whether judgements taken by the Servicers when measuring recoverable amounts are indicators of possible management bias. We performed sensitivity analysis for assumptions which are most sensitive to a possible shift, primarily the discount rate used by the Servicers, assumed lease rates and aircraft residual values to derive the discounted cashflow. We evaluated the completeness, accuracy and relevance of disclosures required by International Financial Reporting Standards ('IFRS'), including disclosures relating to assumptions about the future and other major sources of estimation uncertainty. Based on procedures we performed, we considered that the significant assumptions relating to the valuation of aircraft and related components are reasonable

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion on that information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, 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.

Respective responsibilities and restrictions on use

Responsibilities of Directors for the Financial Statements

As explained more fully in their statement set out on page 7, is the Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and for such internal control as the Directors 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, is the Directors are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

KPMG

Independent Auditors' Report To the Shareholders of Next Ten Funding Limited (continued)

Those charged with governance are responsible for overseeing the the Group's financial reporting process.

Auditors' 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 auditors' 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 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.

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix to this report, which is to be read as an integral part of our report.

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

Our report is made solely to the Group's Directors, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Group's Directors those matters we are required to state to them in an auditors' 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 Group's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

KPMG

KPMG **27 March 2025**
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1

Appendix to the Independent Auditors’ Report

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Next Ten Funding Limited and subsidiaries

Consolidated statement of profit or loss and other comprehensive income

for the financial period from 5 June 2024 to 31 December 2024

	Note	**31 December 2024 US$**
Operating income		
Lease revenue	3	23,578,737
Total revenue		23,578,737
Other operating income	4	64,696
		23,643,433
Operating Expenses		
Operating expenses	5	(1,670,489)
Depreciation and amortisation	10	(15,702,017)
Profit from Operating Activities		**6,270,927**
Fair value movement on derivatives	6	5,833
Finance expenses	7	(10,315,427)
Net Finance Costs		**(10,309,594)**
Loss Before Taxation		**(4,038,667)**
Tax on loss	9	(3,692,567)
Loss from Continuing Operations		**(7,731,234)**
Other comprehensive income		-
Total Comprehensive Loss for the period		**(7,731,234)**

All income relates to continuing operations. All losses and comprehensive income for the current financial period are attributable to the owners of the Company.

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

Next Ten Funding Limited and subsidiaries

Consolidated statement of financial position
as at 31 December 2024

	Note	**2024** **US$**
Assets		
Non-current assets		
Aircraft & related components	10	416,477,835
Lease incentive asset	13	9,637,664
Derivatives	6	5,833
Total non-current assets		**426,121,332**
Current assets		
Cash and cash equivalents	11	17,493,407
Other assets	12	445,465
Lease incentive asset	13	1,664,670
Total current assets		**19,603,542**
Total assets		**445,724,874**
Liabilities and equity		
Non-current liabilities		
Deferred tax liabilities	9	3,434,482
Interest bearing loans and borrowings	17	242,877,168
Maintenance reserves and security deposits	18	35,821,348
Total non-current liabilities		**282,132,998**
Current liabilities		
Term loan	17	19,461,293
Maintenance reserves and security deposits	18	12,528,654
Due to related parties	16	899,799
Trade and other payables	19	3,484,364
Total current liabilities		**36,374,110**
Total liabilities		**318,507,108**

Next Ten Funding Limited and subsidiaries

Consolidated statement of financial position (continued)
as at 31 December 2024

	Note	2024 US$
Equity		
Called up share capital presented as equity	20	1
Capital contribution		173,491,279
Merger reserve		(38,542,280)
Retained deficit		(7,731,234)
Total equity		**127,217,766**
Total equity and liabilities		**445,724,874**

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

Approved by the board and authorised for issue on 19 March 2025.

Karl Griffin
Director

Ryan Varkevisser
Director

Consolidated statement of changes in equity

for the financial period from 5 June 2024 to 31 December 2024

	Ordinary Share Capital US$	Capital Contribution US$	Merger Reserve US$	Retained Earnings/ (Deficit) US$	Total Equity US$
Balance at 5 June 2024	-	-	-	-	-
Issue of share capital	1	-	-	-	1
Capital contribution	-	173,491,279	-	-	173,491,279
Merger reserve	-	-	(38,542,280)	-	(38,542,280)
Total comprehensive income	-	-	-	(7,731,234)	(7,731,234)
Balance at 31 December 2024	**1**	**173,491,279**	**(38,542,280)**	**(7,731,234)**	**127,217,766**

All equity is attributable to the holders of the ordinary shares of the Company.

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

Next Ten Funding Limited and subsidiaries

Consolidated statement of cash flows
for the financial period from 5 June 2024 to 31 December 2024

	Note	31 Decemeber 2024 US$
Cash flow from operating activities:		
Loss before tax		(4,038,667)
Adjustment for:		
Depreciation and amortisation	10/13	16,888,027
Interest expense	7	10,315,427
Fair value movement of derivatives	6	(5,833)
Increase in amounts due from related parties, lease incentive and other assets	12 /13/16	2,283,772
Increase in maintenance reserves and security deposits	18	2,306,275
Increase in trade and other payables	19	713,339
		28,462,340
Interest paid		(8,765,888)
Net cash flows from operating activities		19,696,452
Cash flows used investing activities:		
Purchase of property, plant and equipment	10 /14	(64,477,001)
Acquisition of Subsidiaries	14	(219,397,441)
Net cash flows used in investing activities		(283,874,442)
Cash flows from financing activities:		
Drawdown of term debt	17	271,756,314
Repayment of term debt	17	(10,005,383)
Issue of Share Capital		1
Capital contribution received		19,920,465
Net cash flows from financing activities		281,671,397
Net movement in cash and cash equivalents		17,493,407
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	11	17,493,407

1 Reporting entity

Next Ten Funding Limited and subsidiaries was incorporated in Bermuda on 5 June 2024 and is tax resident in the Republic of Ireland. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The registered number of incorporation is 910172. The financial statements of the Group are presented as at and for the period from 5 June 2024 to 31 December 2024.

The principal activity of the Group is the acquisition, financing, leasing and selling of commercial jet aircraft. The Directors expect these activities to continue for the foreseeable future.

2 Material accounting policies

A Basis of preparation and statement of compliance

The consolidated financial statements have been prepared on a historical cost basis except for derivatives, that have been measured at fair value. The financial statements have been prepared in accordance with International Financial Reporting Standards Accounting Standards ("IFRS accounting standards"), as adopted by the European Union. As this is the Group's first financial statement, no prior period comparative figures are presented.

The Group's financial statements consolidate the financial statements of the Group and all subsidiary undertakings for the financial period ending 31 December 2024. The financial statements are prepared on a going concern basis. The Group is operated and managed as a single operating segment in Ireland.

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

Going Concern

The Directors have prepared the financial statements for the period ended 31 December 2024 on the going concern basis of preparation. In assessing this basis of preparation, the Directors assess for the existence of matters which might give rise to any uncertainty in realising assets or discharging liabilities in the normal course of business. The Directors have not identified the existence of such issues, evidenced by a strong net asset position at the period end including sufficient cash and cash equivalents combined with expected cash inflows to satisfy all short-term liabilities falling due within 12 months from the date of this report.

The Directors have also completed an assessment of the cashflows arising from the aircraft for 12 months from the approval date of the financial statements and have concluded that cash and cash equivalents at the financial reporting date combined with expected cash inflows are significantly in excess of the forecasted cash outflows for 12 months from the approval date of the financial statements.

The Group has no near-term refinancing commitments due and there are no future orderbooks for purchase in the pipeline.

The material assumptions, judgements and estimates used as part of the Director's assessment, covering twelve months from the approval date of the financial statements, are as follows:

- availability of liquidity to the Group;
- lessee credit risk assessments and security;

2 Material accounting policies (continued)

A Basis of preparation and statement of compliance (continued)

Going Concern (continued)

- debt repayments;
- estimated cash inflows and outflows; and
- applying a stress test to each of the assumptions.

Based on the above assessment, the Directors have concluded that there is not a material uncertainty in relation to the Group's ability to continue as a going concern for at least twelve months from the approval date of these financial statements.

New and amended accounting standards adopted

New and amended accounting standards adopted

In preparing the financial statements, the Group adopted the following International Financial Reporting Standards, interpretations and amendments which have been adopted by the EU for annual reporting periods beginning on or after 1 January 2024:

Description	Effective date (Period beginning)
- Amendments to IFRS 16 – Sale and Leaseback	1 January 2024
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements	1 January 2024

The Group has reviewed the impact of the initial application of these amendments and has determined that there is no material impact for the Group.

New standards not yet adopted

Standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are listed below. This listing of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective. The Group is currently assessing the impact of such changes on the consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

2 Material accounting policies (continued)

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the financial statements, including for items currently labelled as 'other'. IFRS 18 is currently not endorsed by the EU but is undergoing the European Financial Reporting Advisory Groups endorsement process.

The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements

Description	**Effective date (Period beginning)**
- Amendments to IAS 21 – Lack of Exchangeability	1 January 2025
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (not yet EU endorsed)	1 January 2026
- Annual Improvements to IFRS Accounting Standards – Volume 11 (not yet EU endorsed)	1 January 2026
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (not yet EU endorsed)	1 January 2027

B Functional and presentation currency

These financial statements are presented in US Dollars, being the functional currency of the Group. All financial information is presented in US Dollars.

C Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Foreign currency differences are recognised in profit or loss.

D Operating income

Lease income

Assets leased to customers shall be classified as either operating leases or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease.

Operating income consists of rental income from operating leases which is recognised on a straight-line basis over the term of the lease. The difference between lease rentals invoiced and amounts recognised in the Statement of Profit and Loss, resulting from the straight-lining of rental income, are deferred on the Statement of Financial Position. Rental income received in advance is recognised as deferred on the Statement of Financial Position until earned.

Operating income arising from lease arrangements where payments are dependent on variable factors such as market interest rates are recognised when the variability associated with the index or rate is resolved and the invoice is issued.

Modifications to lease contracts are accounted for at the effective date of signing. Leases are straight-lined from that date and the existing balances included within the straight-line assessment. Deferral agreements are considered as received on a case-by-case basis. If approved by the Board an assessment is performed to determine if the deferral constitutes a modification to the terms or consideration of the lease. If so, the deferral is accounted for as a modification to the lease, otherwise it is accounted for as standard operating lease rentals.

E Operating expenses

Operating expenses are recognised in the Statement of Profit or Loss on an accrual basis.

F Interest expense

Interest on loans payable is recognised on an effective interest rate basis. A prepayment is recorded for interest payments made and not yet incurred. For interest that has been incurred but unpaid at the end of the financial period, an accrual is recorded.

G Aircraft and related components

The Group recognises all aircraft and related components at cost less accumulated depreciation and impairment. The costs of the assets consist of the initial direct acquisition costs incurred plus any costs directly attributable to bringing the asset into working condition for its intended use. The purchase price of an aircraft is allocated to its major components, aircraft and related components, maintenance rights, maintenance liabilities, lease premiums and lease deficits based on the fair value of each component.

2 Material accounting policies (continued)

G Aircraft and related components (continued)

The depreciable amount of the aircraft and related components, consisting of the asset cost less its estimated salvage value, is allocated on a systematic basis over the assets' useful economic life. The useful economic life of the aircraft and related components is assessed to be 20-25 years from the date of manufacture. If an asset coming to the end of its useful economic life is employed in a new leasing arrangement that exceeds its current useful economic life calculated from the date of manufacture, the expected useful economic life will increase, and the estimated residual value will decrease.

Impairment of assets are recognised in accordance with IAS 36 Impairment of Asset which stipulates that the recoverable amount of an asset is measured if events or changes in circumstances indicate that the carrying amount of an asset is impaired. At the end of the financial period, the Group assesses whether there is an indication that an asset may be impaired. If an event or circumstance exists, the Group measures the asset's recoverable amount which is the higher of an asset's fair value less costs to sell and its value in use.

Value in use is the estimated future cash flows associated with the aircraft and related components, discounted to their present value using a pre-tax discount rate that reflects current market assessments at the time value of money and the risks specific to the asset. The aircraft and related components cash flows consist of current contractual lease rental payments, forecast lease rentals over the asset's useful economic life, maintenance adjusting cash flows and any other relevant cash flow.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount with the resultant impairment charge recognised in the Statement of Profit and Loss.

Maintenance right assets/liabilities

Maintenance right assets/liabilities represent the value in the difference between the contractual right under the acquired leases to receive the aircraft in a specified maintenance condition at the end of the lease and the actual physical condition of the aircraft at the date of acquisition. This asset is held on the statement of financial position until the end of the lease at which point the value differential of the aircraft is capitalised onto the asset to the extent realised in the return condition. In accordance with IFRS 16, maintenance right assets are included as part of the aircraft & related components as set out in Note 10.

Lease premium/deficits

Lease premium/deficits represent the value of an acquired lease where the contractual rent payments are above/below the market lease rate at the date of acquisition. Such premium/deficits are recognised at cost and the estimated cost is amortised on a straight-line basis over the remaining term of the related lease and recorded as a component of amortisation in revenue.

H Financial Instruments

The Group holds and has issued a number of financial instruments. These comprise of:

- Cash and cash equivalents;

2 Material accounting policies (continued)

H Financial Instruments (continued)

- Amounts receivable from related parties;
- Derivatives;
- Maintenance reserves and security deposits;
- Trade and other payables.

I Financial assets

Financial assets are classified on initial recognition and subsequently measured at either of the following:

- At amortised cost;
- At Fair Value Through Other Comprehensive Income ("FVTOCI"); or
- At Fair Value Through Profit or Loss ("FVTPL").

The Group classifies financial assets on initial recognition at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the following 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 specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured using the Effective Interest Rate ("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 are cash and cash equivalents and amounts receivable from related parties.

2 Material accounting policies (continued)

I Financial assets (continued)

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, derivatives financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivative, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVTOCI, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised includes any dividends or interest earned on the financial asset. The Group holds derivatives at FVTPL.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and a corresponding liability that reflects the rights and obligations that the Group has retained.

2 Material accounting policies (continued)

I Financial assets (continued)

Derecognition of financial assets (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument measured at FVTOCI, the cumulative gain or loss in the revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Impairment of financial assets

The Group recognises an allowance for Expected Credit Losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages:

- For credit loss exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for that result from default events that are possible within the next 12-months ("12-month ECL").

- For credit loss exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("lifetime ECL").

For financial assets measured at amortised cost, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group, in assessing whether a financial asset is in default, 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 Group's historical experience, informed credit assessments and other relevant forward-looking information. Factors such as length of maturity of exposures, current credit risk based on credit ratings and fluctuations in the credit risk based on the risk of default occurring over the expected life of the asset are considered. Loss allowances, if any, are deducted from the gross carrying amount of the assets. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

J Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of notes payable and other liabilities, net of directly attributable transaction costs. Financial liabilities are subsequently measured at either amortised cost or FVTPL.

Financial liabilities at amortised cost

Financial liabilities measured subsequently at amortised cost use the EIR method. The EIR method is a method of calculating the amortised cost of a financial liability and allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts), through the expected life of the financial liability, to the amortised cost of a financial liability. The Group holds security deposits and other liabilities at amortised cost.

2 Material accounting policies (continued)

J Financial liabilities (continued)

Derecognition of financial liabilities

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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

If the terms are not substantially different, the modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the liability discounted at the original EIR with the difference in carrying amounts recognised as a modification gain or loss in the Statement of Profit and Loss. The present value of the modified cash flow is subsequently amortised using the EIR method over the remaining life of the financial liability and recognised as interest expense in the Statement of Profit and Loss. The terms of the Group's existing financial liabilities have not been modified.

K Derivative financial instruments

Options

Options are contractual agreements that convey the right, but not the obligation, for the purchases to buy or sell a specified amount of financial instrument at a fixed price, either at a fixed future date or at any time within a specified period.

Options purchased by the Group provide it with the opportunity to purchase (call option) the underlying asset at an agreed value either on or before the expiration of the option. The Group is exposed to the credit risk on purchased option only to the extent of their carrying amount, which is their fair value.

Determination of fair values of derivative financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Equity options are valued using valuation techniques, such as regression analyses using forward curves, which employ the use of market observable inputs. Disclosure concerning the fair value of derivatives are in Note 22.

2 Material accounting policies (continued)

L Non-derivative financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less. Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Trade receivables

Trade receivables represent amounts due from lessees under operating lease contracts and are recognised initially at fair value. Trade receivables are subsequently measured at amortised cost less any expected credit loss ("ECL") allowance. Please see detail in Use of estimates and judgments.

Loans Payable

Loan notes payable are initially recognised at fair value, which is usually their issue proceeds, net of any incremental transaction costs incurred. The term loans are subsequently measured at amortised cost, with the difference between the proceeds net of transaction costs and the redemption value and interest payments recognised in the statement of income using the effective interest rate method.

Security deposits

Security deposits on leased aircraft are generally paid by the lessee on the execution of the lease and are non-refundable during the term of the lease. The amounts are held as a security for the timely and faithful performance by the lessee of its obligations during the lease and are included on the Consolidated Statement of Financial Position. Security deposits are refundable to the lessees, based on the terms of the various aircraft lease agreements. The deposit may be applied against amounts owing from the lessee for rent or returned to the lessee on the termination of the lease.

Maintenance reserves

Maintenance reserves are accounted for as a provision in accordance with *IAS 37 — Provisions, Contingent Liabilities and Contingent Assets*.

The Group's aircraft usually enter into leases where the lessee is responsible for the maintenance of the aircraft through one of two types of leases: (i) Periodic maintenance payments throughout the term of the lease ("MR Leases"); and (ii) payments at the end of leases based on return conditions of the aircraft ("EOL Leases").

2 Material accounting policies (continued)

L Non-derivative financial instruments (continued)

Under MR Leases, the lessee has the obligation to pay for usage of the aircraft and to make a full or partial prepayment, calculated at an hourly rate, into a maintenance reserve fund held by the Group against which the lessee can draw down upon in respect of maintenance expenditures for major overhauls. The Group retains any cash in excess of the required reimbursement to the lessee, only when the lessee’s right to reimbursement has expired, and is recognised as other operating income in the Statement of Profit and Loss.

Under EOL Leases, the lessee is obliged to comply with certain return conditions which require the lessee to perform lease and maintenance work or make cash compensation payments at the end of the lease to bring the aircraft into a specified maintenance condition. When an end of lease payment is received it is recognised in the Statement of Profit and Loss when received.

Lessor contributions

At the beginning of each new lease, accruals for lessor contributions representing net contractual obligations on the part of the Group to contribute to the lessee’s cost of the next planned major maintenance event, expected to occur during the lease, are established. These are subject to a large degree of estimation given the nature of these costs. Lessor contributions represent a lease incentive and are recorded as a charge to the income statement over the life of the associated lease.

When aircraft are sold, any balance of lessor contribution amounts are released from the statement of financial position as part of the gain or loss on sale of the aircraft.

M Provisions

A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

N Ordinary shares

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

Ordinary dividends declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when declared.

O Taxation

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity, in which case it is recognised in Other Comprehensive Income or directly in equity.

Current tax is the expected tax payable on the taxable income for the financial period using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2 Material accounting policies (continued)

O Taxation (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is not recognised for differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination, and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

P Basis of consolidation

The consolidation financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the Subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

2 Material accounting policies (continued)

P Basis of consolidation (continued)

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Q Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Where a business is transferred between entities under common control, and that control is not transitory in nature, it is the policy of the Group to account for such transactions at predecessor book value. In such cases, the difference between the consideration transferred and the carrying value of the net identifiable assets and liabilities assumed is recognised as a merger reserve.

Assets and liabilities contributed are recognised at fair value as at the date of the transaction. Contributions may include cash, equity instruments, or other assets transferred by the entities involved in the transaction. Any excess of the consideration paid, if any, over the fair market value of the contributed assets and liabilities is recorded as goodwill.

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

2 Material accounting policies (continued)

R Use of estimates and judgements

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

In the process of applying the Group's accounting policies, the Directors have made the following judgements and estimates that have the most significant impact on the amounts recognised in the financial statements.

Maintenance reserves

When calculating the excess maintenance reserves, the Group estimates the future maintenance costs based on forecasted aircraft utilisation. Please refer to Note 2 (L) Non derivative financial instruments for more detail.

Impairment

To assess if there is an impairment charge, the Group uses estimates of an assets fair value less cost of disposal and future cash flows expected resulting from the use of assets and their eventual disposal. These estimated cash flows are then adjusted to the present value using an appropriate discount rate that reflects the risks and uncertainties associated with the forecasted cash flows. Actual outcomes could vary from such estimates. See Note 10.

Significant judgement is required when evaluating the inputs into the recoverable amount of the Group/Company's aircraft. In assessing the impairment charge the following table sets out the key items in relation to the impairment value in use assessment;

(i) Valuation technique

Discounted cash flows: In considering whether impairment exists, the Directors assess: (i) current market values using external independent appraisers; and (ii) value-in-use. Value-in-use are the estimated future cash flows from an asset discounted at a risk adjusted market rate expected to be obtainable as a result of an asset's continued use.

(ii) Significant inputs

- Changes in contracted lease rates reflect all concessions granted during the financial year;
- Expected utilisation of aircraft;
- Future lease rates as based on market rates adjusted for aircraft specific release terms;
- Expected end of lease adjustments;
- Estimated residual values are equal to scrap value plus maintenance value remaining on return or expected sales proceeds; and
- Discount rate.

2 Material accounting policies (continued)

R Use of estimates and judgements (continued)

Depreciation

When estimating depreciation, the Group uses assumptions about the salvage value and useful economic life of aircraft and related components based on historical information and industry standards. See Note 2 (G) Aircraft and related components.

Maintenance right components

Maintenance right components are estimated by calculating the current condition of the aircraft in value terms based on aircraft utilisation to date and the Servicer's best estimate of maintenance costs. This is then compared with the redelivery condition of the aircraft from the underlying lease, and the value differential is considered for recognition as a component with reference to any underlying maintenance reserves or contributions. See Note 2 (G) Aircraft and related components.

Expected credit loss

Expected credit losses are calculated based on credit risk profiles assigned to each lessee. Credit risk profiles are internally generated and determined based on a weighed profile which includes external ratings, financial statements, industry information, days overdue and security available to the Group.

IFRS 9 establishes a simplified impairment approach for qualifying trade receivables and lease receivables and allows the Group to recognise a loss allowance based on lifetime expected credit losses at each reporting date. Management calculates expected credit losses using a simplified approach on the amounts receivable in excess of collateral held based on the probability of default from a third-party rating agency and an estimated loss given default determined using the aging of the receivable and credit risk associated with the counterpart.

3 Operating income

	2024 US$
Operating income is comprised of the following:	
Operating lease rentals	21,845,027
Amortisation of lease incentive	(1,186,010)
End of lease income	38,728
Maintenance income	2,880,992
	23,578,737

Lease incentive include lessor contributions that relate to existing leases that have been extended and new leases. These are capitalised to the Statement of Financial Position and amortised over the life of the lease.

	2024 US$
Geographical distribution of revenue generation	
America	9,598,505
Europe	7,322,342
Asia	3,776,014
Africa	1,148,166
	21,845,027

There are two floating rate leases. The revenue on the contingent element of these leases for the period to 31 December 2024 totalled US$1.0 million.

The Group has entered into non-cancellable operating leases on its aircraft. The leases have remaining term of different length, with no restrictions placed upon the Group. Future minimum rentals receivable under the current signed leases are as follows:

	2024 US$
Within 1 year	45,586,458
More than 1 year but less than 2 years	40,704,646
More than 2 years but less than 3 years	31,893,650
More than 3 years but less than 4 years	26,467,455
More than 4 years but less than 5 years	26,461,215
Later than 5 years	50,418,169
	221,531,593

4 Other operating income

	2024 US$
Other operating income	**64,696**

5 Operating expenses

	2024 US$
Servicer fees	872,617
Aircraft related costs & other technical expenses	70,780
Professional fees	727,092
	1,670,489

Aircraft related costs and other technical expenses consists of light maintenance expenses incurred usually when placing an aircraft on lease or leasing in engines etc. These are expensed in the financial period in which they are incurred. Other expenses predominantly relate to administration costs.

6 Derivative financial instruments

	2024 US$
At beginning of period	-
Derivatives at fair value through profit or loss	5,833
Exercises, sales and purchases	-
At end of period	**5,833**

The gain on derivative at fair value through profit or loss relates to an interest rate cap. The fair value at financial period end is determined by reference to external valuations.

7 Finance expenses

	2024 US$
Interest arising from external bank financing	9,520,619
Amortisation of deferred financing costs	587,530
Swap interest expense	207,278
	10,315,427

Financing costs incurred in relation to the financing or re-financing of aircraft are deferred over the financing period and amortised through the Statement of Profit or Loss. Please see Note 17. All interest expenses are calculated on an effective interest rate basis and relate to financial instruments measured at amortised cost.

8 Statutory and other information

The Group had no employees at 31 December 2024. The Group has engaged GASL to provide management and other operational services with respect to its activities.

The Group did not pay fees to the Directors during the period. Director services are provided by the Servicer. The total fees to the Servicer are US$872,617.

9 Tax

	2024 US$
Current tax	177,537
Current tax charge	**177,537**
Deferred tax	
Deferred tax origination	3,515,030
Total tax charge/(credit) for the financial period	**3,515,030**

The tax assessed for the financial period is higher than the standard rate of corporation tax in Ireland of 12.5%. The differences are explained below:

Reconciliation of effective tax rate

	2024 US$
Loss on ordinary activities before taxation	4,038,667
Tax on loss on operating activities at standard Irish corporation tax rate of 12.5%	(504,833)
Effects of:	
Non assessable income/expense	98,909
Income taxed at higher rate	135,952
Intragroup transfers at tax written down value	3,962,539
Total tax charge	**3,692,567**

Deferred tax represents the amount of tax recoverable in respect of tax losses available in the current period which are available for carry forward against future taxable profits, temporary timing differences and an excess of capital allowances over depreciation. Net deferred tax for the financial period is as follows:

Deferred tax asset/(liability)

	2024 US$
Balance at 5 June 2024	-
Deferred tax liability acquired	(80,548)
Current period charge	3,515,030
Balance at 31 December 2024	**3,434,482**

Current tax liability

Balance at 5 June 2024	-
Current period charge	177,537
Balance at 31 December 2024	**177,537**

9 Tax (continued)

The implementation of BEPS 2.0 represents a substantial overhaul of international tax rules. The Group has assessed the impact and scope of the Pillar Two rules and the Group does not fall into scope. The board and advisors will continue to monitor this going forward.

10 Aircraft and related components

	Aircraft US$	Maintenance rights US$	Lease premium / deficit US$	Total US$
Cost				
At beginning of period	-	-	-	-
Additions	388,805,438	33,480,901	9,893,513	432,179,852
At end of period	**388,805,438**	**33,480,901**	**9,893,513**	**432,179,852**
Depreciation/impairment				
At beginning of period	-	-	-	-
Charge for period	13,058,979	-	2,643,038	15,702,017
At end of period	**13,058,979**	**-**	**2,643,038**	**15,702,017**
Net book value				
At 31 December 2024	**375,746,459**	**33,480,901**	**7,250,475**	**416,477,835**

Maintenance rights assets/liabilities represent the value in the difference between the contractual right under the acquired leases to receive the aircraft in a specified maintenance condition at the end of the lease and the actual physical condition of the aircraft at the date of acquisition. This asset is held on the Statement of Financial Position until the end of the lease at which point the value differential of the aircraft is capitalised onto the asset to the extent realised in the return condition. All leases with maintenance rights assets are expected to expire within the next six years.

Lease premiums consist of the lease premium or discounts acquired with the aircraft at the acquisition date.

There was one external acquisition in the period which was an asset on lease to a Europe based lessee for an amount of US$14.4 million.

The average age of aircraft & related components is 12.7 years.

10 Aircraft and related components (continued)

The carrying values of specific assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is assessed by comparing the carrying value of an asset with its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell or the value in use being the net present value of future lease cash flows and expected residual value. Value in use is calculated based on a discount rate of 8.1%. Impairment losses are recognised in the Statement of Profit or Loss. The Group recorded an impairment of US$Nil during the financial period.

Reasonable possible changes at the reporting date to one of the significant inputs (see Note 2 (R) Use of Estimates and Judgements), while holding the others constant, was considered for the variables set out below;

- Discount rate applied +/- 0.5%
- Residual values +/- 10%
- Future lease rates +/- 10%
- End of lease adjustments +/- 10%

Sensitivities on expected utilisation were excluded from consideration as the corresponding impact would be reflected in residual values upon disposition. None of the above possible changes in significant inputs would give rise to a material impairment charge for the Group's aircraft.

Acquisitions

During the financial period, the Group acquired 16 aircraft for an amount of $432.2 million, 15 of the aircraft acquired were from related parties in the form of asset and share purchases. The acquisitions was financed through a combination of third-party debt and intragroup promissory notes received as capital contributions. There was no contingent consideration as part of the sale and the fair values of the assets acquired are not subject to revision. Please refer to Note 14 for further details of acquisitions from related parties.

11 Cash and cash equivalents

	2024 US$
Cash and cash equivalents	**17,493,407**

Expected credit loss has been assessed on cash and cash equivalents is not recognised due to it being immaterial.

12 Other assets

	2024 US$
VAT receivable	235,725
Other receivables	209,740
Total other assets	**445,465**

13 Lease incentive assets

	2024 US$
At 5 June 2024	-
Additions	12,488,344
Amortisation	(1,186,010)
At 31 December 2024	**11,302,334**
Non-current	9,637,664
Current	1,664,670
Total Lease Incentive Assets	**11,302,334**

Please see note 14 for details of lease incentive assets acquired from related parties. There was one third party lease incentive asset added during the period following acquisition.

14 Acquisition of businesses

During the period, the Group acquired 100% of the outstanding shares and therefore control of six subsidiaries from a related party GASL Bermuda B-1 Limited for an amount of US$341.0 million. The entities were acquired from an entity under common control, assets and liabilities were recognised at their book values. The total net book value of the net assets acquired amounted to $322.2 million. The difference between the net assets acquired and the purchase price has been recognised as a merger reserve of $18.8 million.

The Group acquired four aircraft by way of transfer from a related party GASL Bermuda B-1 Limited and its subsidiaries for an amount of US$76.8 million. The entities were acquired from an entity under common control, assets and liabilities were recognised at their book values. The total net book value of the net assets acquired amounted to $57.1 million. The difference between the net assets acquired and the purchase price has been recognised as a merger reserve of $19.7 million. The Directors have determined that whether the aircraft and a particular set of activities is a business by assessing whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability produce outputs.

For the purposes of this assessment, the Directors consider that Aircraft Servicing arrangements constitute the relevant substantive processes and have determined that servicing arrangements associated with the aircraft assets acquired were substantively similar before and after the transaction to the point that both assets and processes were acquired. The portfolio acquisition is therefore within the scope of business combination accounting. The net assets were made up of the following major classes of assets and liabilities:

14 Acquisition of businesses (continued)

Acquiree's net assets at the acquisition date:	**US$**
Aircraft and related components	417,303,887
Lease incentive assets	9,527,733
Cash and cash equivalents	191,589
Trade and other receivables	2,385
Maintenance reserves	(41,030,727)
Security deposits	(5,013,000)
Other liabilities	(1,730,754)
Net identifiable assets and liabilities	379,251,113
Consideration paid:	
Cash	271,985,682
Intragroup promissory notes received as a capital contribution	145,807,711
	417,793,393
Merger Reserve arising on acquisition	38,542,280

15 Investments in subsidiaries

The Group has a shareholding in the following subsidiaries:

Name	Registered address	Ownership
Next Ten Funding Limited	7th Floor Block I, Central Park, Leopardstown, Dublin 18	100%
GASL Leasing Ireland No.1 Limited	Riverside One Sir John Rogerson's Quay, Dublin 2	100%
GASL Leasing Ireland No.3 Limited	Riverside One Sir John Rogerson's Quay, Dublin 2	100%
GASL Leasing Ireland No.7 Limited	Riverside One Sir John Rogerson's Quay, Dublin 2	100%
GASL Leasing Ireland No.8 Limited	Riverside One Sir John Rogerson's Quay, Dublin 2	100%
GASL Leasing Ireland No.9 Limited	Riverside One Sir John Rogerson's Quay, Dublin 2	100%
GASL Leasing Ireland No.10 Limited	Riverside One Sir John Rogerson's Quay, Dublin 2	100%

The principal activity of the subsidiaries is the leasing and subleasing of aircraft and related assets.

16 Related party transactions

Related parties include directors and associated companies, directly or indirectly owned by the Group's parent. The Directors of the Group also hold Directorships of associated companies and form part of key management personnel. The Group recognises the Directors of the Company as key management personnel. Directors' remuneration has been disclosed in note 8. The Directors do not hold any interest in the Group or its related parties.

The Group holds a capital contribution of US$173,491,278 from Genesis Aircraft Services Limited. During the financial period, the Group received a capital contribution of US$173,491,278 from Genesis Aircraft Services Limited. The capital contributions are non-repayable.

Genesis Aircraft Services Limited acts as servicer for the Group. The total fees incurred for the financial period were US$872,617.

Barings LLC (a related party) participated across all tiers in the private placement ultimately contributing US$143,980,270.

The Group acquired 15 aircraft in the form of asset and share purchases from GASL Bermuda B-1 Limited. Further details on this transaction has been disclosed in Note 14.

Details of transactions with related parties and balances with them as at the financial period end were as follows:

16 Related party transactions (continued)

Trading transactions

At 31 December 2024

	Interest income/(expense) US$	Balance US$
Parent of the Group:		
Genesis Aircraft Services Limited	**(872,617)**	**(899,799)**

Balances due to related parties are trading balances in the normal course of business. No interest applies to the receivable/payable.

As part of our expected credit loss assessment there was no material impact on the intercompany receivables and no expected credit loss was recognised.

17 Interest bearing loans and borrowings

	Term loan US$	Deferred financing costs US$	Total US$
At 5 June 2024	-	-	-
Additions	276,753,333	(4,997,019)	271,756,314
Repayments	(10,005,383)	-	(10,005,383)
Amortisation	-	587,530	587,530
At 31 December 2024	**266,747,950**	**(4,409,489)**	**262,338,461**

Movement in borrowings consist of cash and non-cash movements. Amortisation of deferred financing costs are non-cash movements all other amounts are cash payments made to institutional lenders and professional service providers in respect of costs associated with obtaining financing.

The Group obtained financing from six institutions in 2024 following the private placement of pass-through certificates on the Bermuda Stock Exchange. The private placement is on a limited recourse basis across A, B and C certificates which have a coupon of 6.73%, 8.05% and 10.25% respectively. Principal and interest payments are made monthly with bullet repayments made at the final repayment dates for the certificates. Payment is made based on seniority of the debt with A being the most senior. Six institutions participated in the financing including one related party. Summary detail of the loans are as follows:

Interest rate type	Carrying amount – US$	Maturity
Fixed	262,338,461	2029

The loans were entered into during 2024. The Group’s loans are subject to covenants and complied with these throughout the financial period.

Covenants cover aircraft loan-to-value, utilisation of aircraft being the percentage of aircraft on lease during the period and debt service coverage ratios.

Minimum future contractual principal payments due under the loan payable as of 31 December 2024 are as follows:

17 Term loan (continued)

	2024 US$
Net of deferred loan costs	
Within one year	19,461,293
Between 2 to 5 years	242,877,168
Net of deferred loan costs	**262,338,461**

18 Maintenance reserves and security deposits

The obligation to pay for maintenance costs on the airframe and engines which arise, during the term of the leases are paid to the Group against which the lessee can draw down upon in respect on maintenance expenditures for major checks. Amounts held in respect of aircraft maintenance, which are net of any releases to the Statement of Profit or Loss, are presented as a component of other liabilities in the Group Statement of Financial Position. Any light maintenance costs borne directly by the Group which are not paid by the lessee are expensed as incurred.

Maintenance reserves are held as security over maintenance obligations the lessee has on the aircraft. Once the maintenance tasks have been completed and paid to the satisfaction of the lessor, the relevant amount is reimbursed by the lessor to the lessee. At 31 December 2024, the Group held US$43,094,502 in maintenance reserves. There were maintenance additions to liability of US$35,499,187 and releases of liability obligations of US$6,252,569, of which US$371,576 relates to maintenance claims. There were Lessor Contribution additions of US$13,847,884 during the financial period. At 31 December 2024, the Group held US$5,255,500 security deposits. Please see note 14 for details of Maintenance Reserves and Lessor Contributions acquired from related parties.

The table below summarises the timing of repayment of maintenance reserves based on the expected timing of maintenance events:

	2024 US$
Within 1 year	12,528,654
More than 1 year but less than 5 years	29,896,780
More than 5 years	669,068
	43,094,502

The table below summarises the timing of repayment of security deposits based on the current expiry of leases:

	2024 US$
Within 1 year	-
More than 1 year but less than 5 years	3,453,000
More than 5 years	1,802,500
	5,255,500
Non-current maintenance reserves and security deposits	35,821,348
Current maintenance reserves and security deposits	12,528,654
	48,350,002

19 Trade and other payables

	2024
	US$
Deferred Income	1,757,288
Accrued expenses	255,090
Accrued interest on term loan	799,318
Current tax liability	177,537
Other payables	495,131
	3,484,364

20 Called up share capital presented as equity

	2024
	US$
Authorised	
1,000 ordinary shares of US$1 each	1,000
Allotted, called up and fully paid	
1 class A common share of US$1 each	1

Class A shares carry the right to attend and to vote at any general meeting of the Group. Holders of a Class A share shall have one vote per Class A share held and be entitled to such dividends as the Board may from time to time declare.

Capital contributions:

The Group received a capital contribution of US$173,491,278 from Genesis Aircraft Services Limited The capital contribution is non-repayable and non-interest bearing.

21 Group membership and ultimate parent undertaking

The Group is a 100% subsidiary of Genesis Aircraft Services Limited. The ultimate parent and controlling party is Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfield, MA, 01111, USA.

22 Financial instruments and associated risks

The Group is exposed to market, credit, interest rate, operational foreign currency, public liability and liquidity risk. The Group's Directors oversee the management of these risks. The Directors ensure these risks are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with its policies and risk appetite.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The risks affecting the Group's operations relating to market prices are credit risk and interest rate risk.

The Group is highly dependent upon the continuing financial strength of the airline industry, which is cyclical, economically sensitive and highly competitive. The Group operates as a lessor to its lessees and bears the risk of non-performing leases by the airlines operating the aircraft. A significant deterioration in this sector could adversely affect it through a reduced demand for aircraft in the fleet, and/or reduced market rates, higher incidences of lessee default and aircraft off-lease.

22 Financial instruments and associated risks (continued)

Market risk (continued)

A significant deterioration in the financial condition of or bankruptcy by a lessee could impair their ability to comply with their lease payment obligations to the Group and expose the Group to significant financial loss. The Group periodically perform reviews of aircraft values, trade receivables, and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties. Additionally, exposures to market and asset risk are managed through the requirement of airlines, that lease the Group's aircraft, to maintain insurance; adequate maintenance policies and/or contribute to a maintenance reserve for the major maintenance on each aircraft. The Group also manages its risk by diversifying its leasing portfolio by leasing to different airlines across multiple geographical regions.

Credit risk

The Group is subject to the credit risk of its lessees as to collection of rental payments and maintenance payments under its leases. Credit risk is defined as potential loss in cash and earnings if the counterparty is unable to pay its obligations in due time. Creditworthiness of each new customer is assessed with specific focus on lease revenue contribution and the Group seeks security deposits in the form of cash or Letter of Credit to mitigate overall financial exposure to its lessees.

The Group continues to perform frequent reviews for customers. Credit policies are reviewed regularly and the Group has no deferral arrangements in place with customers at the period end. The Group continues to monitor the economic environment and perform reviews of its trade receivables for expected credit losses based on the above assessment.

IFRS 9 establishes a simplified impairment approach for qualifying trade receivables and lease receivables and allows the Group to recognise a loss allowance based on lifetime expected credit losses at each reporting date.

Management calculates expected credit losses by using a simplified approach on the amounts receivable in excess of collateral held based on the probability of default from a third-party rating agency and an estimated loss given default determined using the aging of the receivable and credit risk associated with the counterpart.

In instances where maintenance reserves and security deposits are not required by the Group. The Group considers that these lessees will be in a position to pay for any deterioration in the aircraft when required. Maximum exposure to credit risk at the reporting date was:

	2024 US$
Other assets	445,465
Cash and cash equivalents	17,493,407
	17,938,872

Cash during the financial period relates to cash held in Citibank. N.A. pledged accounts as required per financing arrangements. Rating agencies Moodys and S&P assign Citibank. N.A. a credit rating of Aa3 and A+ respectively.

22 Financial instruments and associated risks (continued)

Credit risk (continued)

The aviation industry is cyclical, economically sensitive and highly competitive. A key determinant of the Group's success is the financial strength of its customers and their ability to react to and cope with the competitive environment in which they operate. If a customer experiences financial difficulty, this may result in default. This risk is mitigated by comprehensive credit reviews of customers both prior to and during the course of a service contract.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by exploring refinancing opportunities when interest rates are favourable.The Group holds derivatives to manage the interest rate risk associated with lease rentals subject to floating rate resets on a quarterly basis. Please see note 3 for details income associated with the contingent element of these floating rate leases.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, when revenue or expense are dominated in a different currency from the Group's functional currency.

The Group manages its foreign currency risk by undertaking all major transactions both inflows and outflows, in the Company's functional currency and significant cash balances in US$. Movements in foreign currencies do not materially affect the Group.

Liquidity risk

The Group has funded a large part of its operations with debt financing. The ability of the Group to continue to operate is dependent upon its ability to meet its payment obligations and adhere to covenant requirements under the respective loan agreements, which are dependent upon the factors outlined above. Please see note 17 for details of covenants.

If the Group cannot meet its obligations under the various debt arrangements or its capital commitments, it may be subject to contract breach damages suits and may even be unable to continue to operate on a going concern basis.

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows. It monitors the risk to shortage of funds by regular analysis of cash flow movements, forecasts and adherence to all loan covenants.

In addition to debt financing and the significant cash flow generated from the leasing of aircraft, as well as the cash generated from the collection of maintenance reserves and the requirement that lessees provide security deposits in respect of leased aircraft, the Group also includes cash generated from the potential sale of aircraft as an integral aspect of its liquidity strategy. The Group's exposure to liquidity risk is minimal as the Group can meet its short-term liabilities as they fall due.

22 Financial instruments and associated risks (continued)

Liquidity risk (continued)

The below tables summarise the expected cashflows of the financial assets for the financial period ended 31 December 2024 of the Group:

At 31 December 2024	Less than 12 months US$	Between 1-3 years US$	More than 3 years US$	Total US$
Financial assets:				
Cash and cash equivalents	17,493,407	-	-	17,493,407
Other assets	454,465	-	-	454,465
Total	**17,938,872**	**-**	**-**	**17,938,872**

The below tables summarise the gross contractual cashflows of the financial liabilities for the financial period ended 31 December 2024 of the Group:

At 31 December 2024	Less than 12 months US$	Between 1-3 years US$	More than 3 years US$	Total US$
Financial liabilities:				
Term loan	39,156,045	81,552,719	219,026,628	339,735,392
Security deposits	-	3,453,000	1,802,500	5,255,500
Accrued interest	799,318	-	-	799,318
Due to related parties	899,799	-	-	899,799
Trade and other payables	1,707,863	-	-	1,707,863
Total	**42,563,025**	**85,005,719**	**220,829,128**	**348,397,872**

Capital management

Capital includes equity attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to minimise its weighted average cost of capital, while maintaining sufficient and relevant Equity to Asset ratio.

The Group manages its capital structure and adjusts it, considering changes in economic conditions.

22 Financial instruments and associated risks (continued)

Capital management (continued)

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Fair value measurement

It is the Group's policy to maximise the use of observable inputs and minimise the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy as described below. Where limited or no observable market data exists, fair value measurements for assets and liabilities are based primarily on management's own estimates and are calculated based upon our pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results may not be realised in actual sale or immediate settlement of the asset or liability.

The three broad levels included in the fair value hierarchy is as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as at the reported date.

Level 2 - The fair values determined through Level 2 of the fair value hierarchy are derived principally from or corroborated by observable market data. Inputs include quoted prices for similar assets, liabilities (risk adjusted) and market-corroborated inputs, such as market comparables, interest rates, yield curves and other items that are to be determined.

Level 3 - The fair values pertaining to Level 3 of the fair value hierarchy are derived principally from unobservable inputs from our own assumptions about market risk developed based on the best information available, subject to cost benefit analysis, and may include our own data.

When there are no observable comparable, inputs used to determine value are derived through extrapolation and interpolation and other company-specific inputs such as projected financial data and our own views about the assumptions that market participants would use.

22 Financial instruments and associated risks (continued)

Fair value measurement (continued)

The Group has financial assets at fair value, the following tables summarise the fair value at 31 December 2024 by level within the fair value hierarchy:

	Carrying value US$	Quoted prices in active markets for identical assets (level 1) US$	Using significant other observable inputs (level 2) US$	Using Significant Unobservable Inputs (level 3) US$
As at 31 December 2024				
Derivative at fair value through profit or loss	5,833	-	5,833	-

The following tables summarise the fair value of our financial assets and financial liabilities held at amortised cost as at 31 December 2024 by level within the fair value hierarchy. Due to the nature of these assets and liabilities the carrying value approximates fair value.

	Carrying value US$	Quoted prices in active markets for identical assets (level 1) US$	Using significant other observable inputs (level 2) US$	Using Significant Unobservable Inputs (level 3) US$
As at 31 December 2024				
Cash and cash equivalents	17,493,407	17,493,407	-	-
Term loan	(262,338,461)	-	(262,338,461)	-
Security deposits	(5,255,500)	(5,255,500)	-	-

22 Financial instruments and associated risks (continued)

Fair value measurement (continued)

The carrying amounts and fair values of our financial instruments as at 31 December 2024 are as follows:

	Carrying amount of asset/(liability) US$	Fair value of asset/(liability) US$
Assets		
Cash and cash equivalents	17,493,407	17,493,407
Derivatives	5,833	5,833
Liabilities		
Term loan	(262,338,461)	(262,338,461)
Security deposits	(5,255,500)	(5,255,500)

23 Commitments and contingencies

Claims, suits and complaints arise in the ordinary course of our business. Currently, the Directors are not aware of any such claims or contingent liabilities that would be material to our final position or results of operations that require disclosure.

24 Subsequent events

There have been no significant events subsequent to the end of the reporting period that would require adjustment or disclosure in these financial statements.

25 Approval of financial statements

The Directors approved these financial statements on 19 March 2025