

Company registration number: 666584

Gat Aircraft and Engine Leasing Limited
Directors' report and financial statements
for the financial year ended 31 December 2023

Gat Aircraft and Engine Leasing Limited

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Gat Aircraft and Engine Leasing Limited

Directors and other information

Directors	Nigel Woods David Byrne
Company Secretary	Amstrow Corporate Services (Ireland) Limited The Mill Enterprise Hub Newtown Link Road Drogheda Co. Louth
Registered number	666584
Registered office	Suite 10089 26 Upper Pembroke Street Dublin 2 Ireland
Auditor	PricewaterhouseCoopers One Spencer Dock North Wall Quay Dublin 1
Bankers	HSBC 1 Grand Canal Square Grand Canal Harbour Dublin 2 D02P820
Solicitors	Arthur Cox Ten Earlsfort Terrace Dublin 2 D02T380

Gat Aircraft and Engine Leasing Limited

Directors' report

For the year ended 31 December 2023

The Directors present their annual report and the audited financial statements of the Company for the financial year ended 31 December 2023.

Directors

The persons who served as Directors of the Company at any time during the financial year were:

Nigel Woods

David Byrne

Secretary

Amstrow Corporate Services (Ireland) Limited served as Company secretary for the year ended 31 December 2023.

Principal Activities

Gat Aircraft and Engine Leasing Limited ("the Company") is a single-member private company limited by shares. The Company was incorporated on 17 February 2020 under registration number 666584 and is a wholly owned subsidiary of GA Telesis LLC (the "Parent Entity"), a company incorporated in United States. The principal activity of the Company is the acquisition, financing, ownership, leasing and subleasing of aircraft, aircraft engines and aircraft parts.

Business Review

The Company started out the year with four aircraft assets (One Boeing and three Airbus) with one of the Airbus being disposed in January 2023 with lease intact. During the year the Company holds leases with three international airlines. The Company acquired two additional Aircraft in 2023 (commercial Airbus A320) and again entered into lease agreements. The Boeing and another Airbus were disposed of later in the period with leases intact. The Company earned a substantial profit from the sale of these assets. At the year end the Company held three Airbus A320 on lease agreements with two international airlines. All aircraft were financed through intercompany loans.

Political Contributions

The Company made no political donations during the year.

Gat Aircraft and Engine Leasing Limited

Directors' report (continued) For the year ended 31 December 2023

Going Concern

The Company is financed entirely by intercompany loans from its Parent Entity for the acquisition of aircraft and engines. The Parent entity has confirmed its continued financial support to enable the Company to finance future transactions and to meet all ongoing administrative costs. The Company during 2023 continued to generate revenue through new and existing lease agreements and sold some aircraft.

The Directors have reviewed the Company's operating activities, cash flows, and the profile of its assets. None of the Company's aircraft are leased to airlines operating in Russia or Belarus, and the Directors are not aware of any aircraft operating on routes that would require entry into Russian or Belarusian airspace. Given the broad nature of international sanctions and the global aviation environment, the Directors continue to monitor developments closely.

The Directors have a reasonable expectation that the Company will continue in operational existence for at least twelve months from the date of approval of these financial statements (the "period of assessment"). In forming this conclusion, the Directors considered:

- o the Company's assessment of the potential impact of the Russia/Ukraine conflict on its business and profitability.
- o Its current funding and liquidity position.
- o Updated cashflow forecasts; and
- o the repayment profile of intercompany loans.

Management has prepared cash flow forecasts for the 12-month period following the approval of these financial statements, based on current operating costs and contracted lease revenue. The forecasts demonstrate that the Company is expected to meet its obligations as they fall due.

Accordingly, the Directors consider that there are no material uncertainties that would cast significant doubt on the Company's ability to continue as a going concern over the period of assessment.

Gat Aircraft and Engine Leasing Limited

Directors' report (continued) For the year ended 31 December 2023

Principal Risks and Uncertainties

Asset risk

The Company bears the risk associated with re-leasing or selling aircraft at the end of their lease terms. A sustained reduction in demand for aircraft could adversely affect market lease rates and residual values and may result in an impairment charge.

Currently, the Company's aircraft operate in the passenger and cargo markets, both of which remain in high demand and continue to grow.

Credit and concentration risk

The Company leases aircraft to two international airlines. The aviation industry is cyclical, economically sensitive, and highly competitive. The Company's performance depends on the financial strength of its lessees and their ability to operate effectively within a competitive environment.

The Company may experience concentration risk when leasing to a small number of airlines. Lessee financial difficulties could result in lease default or early termination.

The Directors mitigate this risk by obtaining deposits, collecting maintenance reserves, and ensuring appropriate guarantees are in place.

Interest rate risk

The Company's financial liabilities consist of unsecured, fixed-interest intercompany loans. As such, the Company is not exposed to significant interest rate risk arising from market fluctuations.

Liquidity risk

The Company's exposure to liquidity risk is limited as its borrowings are all intergroup. Liquidity is monitored through regular cash flow forecasting, and the Company maintains sufficient cash reserves to meet short-term obligations.

Borrowings consist solely of intercompany loans from the Parent Entity, which are repayable on demand. The Directors consider liquidity risk to be low due to the Parent Entity's commitment to support the Company.

Results and Dividends for the financial year

The results for the year are set out on page 10. The Directors do not recommend the payment of a dividend for the financial year ended 31 December 2023.

Events after the end of the reporting period

There have been no other significant events since the year end that require adjustment or disclosure in these financial statements.

Directors and secretary and their interests

At the year-end, the Directors and the Secretary had no interests in the shares or debentures of the Company or of any undertaking within the Group.

Gat Aircraft and Engine Leasing Limited

Directors' report (continued) For the year ended 31 December 2023

Accounting records

The Directors are responsible for ensuring that adequate accounting records, as required under Sections 281 to 285 of the Companies Act 2014, are kept.

To achieve this, the Company employs suitably qualified accounting personnel and maintains appropriate computerized accounting systems. Accounting records are maintained at the registered office: Suite 10089, 26 Upper Pembroke Street, Dublin 2, Ireland.

Relevant audit information

In accordance with Section 332 of the Companies Act 2014:

- as far as each Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- each Director has taken all steps necessary to make himself aware of any relevant audit information and to ensure that the auditors are aware of that information.

Auditors

PricewaterhouseCoopers will continue in office in accordance with Section 383(2) of the Companies Act 2014.

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



Mr. Nigel Woods
Director



Mr. David Byrne
Director

Gat Aircraft and Engine Leasing Limited

Directors' responsibilities statement

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

Irish law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the Company's assets, liabilities and financial position at the end of the financial year and of the profit or loss for the financial year. Under that law, the Directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (GAAP), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")*, and the requirements of the Companies Act 2014.

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities, financial position and profit or loss.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and disclose and explain any material departures; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps, or causes to be kept, adequate accounting records which correctly record and explain the transactions of the Company, enable financial position of the Company to be determined with reasonable accuracy at any time, ensure that the financial statements comply with the Companies Act 2014, and enable the financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditors' report to the members of Gat Aircraft and Engine Leasing Limited

Report on the audit of the financial statements

Opinion

In our opinion, Gat Aircraft and Engine Leasing Limited's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise:

- the Statement of Financial Position as at 31 December 2023;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a description of the accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.



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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or



error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Gillian Carroll
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
13 February 2026

Gat Aircraft and Engine Leasing Limited

Statement of Comprehensive Income Financial year ended 31 December 2023

		Year Ended 31/12/2023	Year Ended 31/12/2022
	Note	\$	\$
Turnover	3	4,792,408	4,839,043
Other operating income	4	536,500	-
Depreciation	11	(5,025,290)	(3,330,998)
		<hr/>	<hr/>
Gross profit		303,618	1,508,045
Administrative expenses		(2,547,530)	(438,240)
Gain on Disposal of Aircraft	5	8,701,580	48,380
Management support fee		(1,828,361)	-
		<hr/>	<hr/>
Operating profit	6	4,629,307	1,118,186
Interest payable and similar expenses	9	(1,626,087)	(1,743,883)
		<hr/>	<hr/>
Profit/(loss) before taxation		3,003,220	(625,697)
Tax on profit/(loss)	10	(730,475)	141,280
		<hr/>	<hr/>
Profit/(loss) for the financial period		2,272,745	(484,417)
		<hr/> <hr/>	<hr/> <hr/>

All results relate to continuing operations. No statement of other comprehensive income has been presented as the Company had no items of other comprehensive income during the financial year (2022: none).


The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

**Statement of Financial Position
As at 31 December 2023**

		Year Ended 2023		Year Ended 2022	
	Note	\$	\$	\$	\$
Fixed assets					
Tangible assets	11	19,469,864		36,763,512	
Total fixed assets			19,469,864		36,763,512
Current assets					
Debtors	12	72,637		1,131,706	
Cash at bank and in hand	13	1,083,252		220,259	
Total current assets		1,155,889		1,351,965	
Creditors: amounts falling due within one year					
Deferred tax liability	16	(27,033)		-	
Corporation tax	10	(107,323)		-	
Other liabilities	14	(17,144,215)		(33,436,306)	
Total current liabilities		(17,278,571)		(33,436,306)	
Net current (liabilities)/assets			(16,122,682)		(32,084,341)
Total assets less current liabilities			3,347,182		4,679,171
Creditors: amounts falling due after more than one year	15	(2,565,015)		(6,169,749)	
Net assets/(liabilities)			782,167		(1,490,578)
Capital and reserves					
Called up share capital presented as equity	17		100		100
Profit and loss account			782,067		(1,490,678)
Shareholder funds – (deficit)			782,167		(1,490,578)

These financial statements were approved by the Board of Directors on 12 February 2026 and signed on their behalf by:


Nigel Woods
Director


David Byrne
Director

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Statement of Changes in Equity For the financial year ended 31 December 2023

	Contributed Shared Capital	Profit and loss Account	Total
	\$	\$	\$
At 1 January 2022	100	(1,006,261)	(1,006,161)
Loss for the financial year	-	(484,417)	(484,417)
At 31 December 2022	100	(1,490,678)	(1,490,578)
Profit for the financial year	-	2,272,745	2,272,745
At 31 December 2023	100	782,067	782,167

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements Financial year ended 31 December 2023

1. General information

Gat Aircraft and Engine Leasing Limited is a private company limited by shares (registered under Part 2 of the Companies Act 2014), incorporated in the Republic of Ireland under company number 666584. The registered office is Suite 10089, 26 Upper Pembroke Street, Dublin 2.

The financial statements are presented in USD (\$) which is the functional currency of the Company.

2. Accounting policies and measurement bases

2.1 Basis of Preparation of Financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2.16).

The Company is a qualifying entity for the purpose of FRS 102. Note 20 gives details of the Company's ultimate parent and from where the Group consolidated financial statements may be obtained.

The Company has availed of the following exemptions in accordance with paragraph 1.12 of FRS 102 in respect of:

- The requirements of Section 7 Statement of Cash Flows.
- The requirements of Section 33.1A disclosures are not given of transactions with fellow wholly owned group companies and key management personnel.

The comparative amounts owed to group undertakings have been represented as due within one year to conform with current year presentation.

The following material accounting policies have been applied:

2.2 Going Concern

The Directors have reasonable expectations that the Company will continue in operational existence for twelve months from the date of approval of the financial statements ('the period of assessment') and have prepared the financial statements on a going concern basis. In making this assessment and in light of the Russian/Ukraine conflict management have reviewed the profile of the Company's assets and conclude that there are no aircraft currently leased to airlines operating in Russia or Belarus. They are also not aware of any of their aircraft operating in routes which would involve them entering the airspace of Russia or Belarus. Management have also considered the residual impact of Covid19 on the aviation industry and the Company's business, including:

- o the Company's initial assessment of the impact on its business & profitability.
- o the Company's funding and liquidity position.
- o cashflow forecasts.
- o support from its parent entity

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements Financial year ended 31 December 2023

Accounting policies (continued)

2.2 Going Concern (continued)

Management have prepared a 12 months cashflow forecast from the date of the approval of these financial statements based on current operating costs and lease rental income and expect the Company to meet its commitments as they fall due over the next 12 months. On the basis of the above, management has concluded that the Company has no material uncertainties which would cast a significant doubt on the company's ability to continue as a going concern over the period of assessment.

a. Revenue

Revenue from aircraft operating leases is recognized as turnover in the Statement of income and retained earnings as it accrues over the term of the lease on a straight line basis.

Most of the Company's leases require lease rental to be paid in advance. Rentals received but unearned at the reporting date are recorded as deferred income. A gain or loss on the disposal of an asset is recognized in the Statement of income and retained earnings once the sale has occurred.

b. Foreign currency translation

Functional and presentation currency

These financial statements are expressed in US Dollars ("USD"), as this is the Company's functional currency, being the currency of the primary economic environment in which the Company operates.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

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

c. Aircraft

Aircraft assets acquired are capitalized as tangible fixed assets.

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements Financial year ended 31 December 2023

Accounting policies (continued)

c. Aircraft (continued)

Tangible fixed assets are initially measured at cost in accordance with Section 1A (Small Entities) and Section 17, Property, Plant and Equipment of FRS 102. Cost represents the Company's acquisition costs, including directly attributable costs capitalized.

Subsequent to initial measurement, aircraft is stated at cost, less accumulated depreciation and any impairment. Depreciation is calculated on a straight line basis over the term of each operating lease to arrive at the asset's residual value.

Estimated residual values of the aircraft are reviewed annually. Where estimated residual values are found to have changed significantly, this is recorded prospectively as a change in estimate and depreciation charges over the remaining useful life are adjusted to take account of the revised estimate.

Depreciation and residual values are dependent on the aircraft estimated useful life ("EUL"). Residual values are estimated to give each aircraft an EUL of 25 years for passenger aircraft and 30 years from build date for freighter aircraft.

d. Impairment

In accordance with Section 27, Impairment of Assets of FRS 102, an asset is considered to be impaired where its carrying value is in excess of its recoverable amount, being the higher of the asset's fair value, less costs to sell and its value still in use. Value in use is calculated as the present value of the future cash flows to be derived from the operation of the asset. Future cash flows are discounted using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

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

Impairment is reviewed by the Directors at least annually.

e. Finance Costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

f. Taxation

Tax is in profit recognized or loss except that a charge attributable to an item of income and expense recognized as other comprehensive income or to an item recognized directly in equity is also recognized in other comprehensive income or directly in equity respectively.

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

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements Financial year ended 31 December 2023

Accounting policies (continued)

f. Taxation (continued)

Deferred tax balances are recognized in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- * The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- * Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognized in respect of permanent differences except in respect of business combinations, when deferred tax is recognized on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

g. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortized cost using the effective interest method, less any impairment.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is recognized when there is objective evidence that the Company will not be able to collect amounts due accordingly to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the debtors are impaired.

h. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

i. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortized cost using the effective interest method.

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements Financial year ended 31 December 2023

Accounting policies (continued)

j. Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortized cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortized cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortized cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognized in the Statement of income and retained earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

k. Security deposits

The Company collects security deposits from the Lessees in accordance with the lease agreement. Security deposits are recorded in the statement of financial position within creditors: amounts falling due after more than one year.

In the event the Lessee defaults on its obligations to pay the Company in accordance with the terms of the operating lease agreement, the Company may apply the security deposit as a whole or in part, towards the payments of any amount owing to the Company.

l. Management support fee

The Company is party to an agreement with GA Telesis LLC whereby GA Telesis provides services to the Company including Management support to assist in operating its leasing business. Since the Company solely has employees focused on sales and marketing, any other functions needs would come from GA Telesis, such as marketing, finance, HR, IT, legal and tax activities. Management support fees and group fees adjustments in respect of the years ended 31 December 2021 and 31 December 2022 have been reflected in the financial statement for the year ended 31 December 2023.

m. Aircraft lease maintenance

Typically, under operating leases, the lessee is responsible for performing all maintenance on the leased aircraft during the operating lease period but would further be required to make deposit payments to the lessor for heavy maintenance, overhaul or replacement of certain high-value components of an aircraft. Such maintenance payments are based on hours or cycles of utilization or on calendar time, depending upon the component. The lessor would typically be obliged to reimburse the lessee for certain costs the lessee incurs for maintenance costs

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements Financial year ended 31 December 2023

Accounting policies (continued)

m. Aircraft lease maintenance (continued)

incurred during the operating lease period.

The Company records the maintenance reserves as liabilities to the extent that the Company expects reimbursements to occur. Amounts in excess of projected reimbursements are recognized as income. Amounts not refunded during the lease are recorded as lease revenue at lease termination, or disposal of the aircraft.

Under certain operating leases, the Lessee is required to make payments for heavy maintenance overhaul or replacement of certain high-value components of the aircraft. These maintenance payments are based on hours or cycles of utilization or on calendar time, depending upon the component.

n. Share Capital

Share capital is denominated in USD (\$). Dividends are recognized as a liability in the financial year in which they are approved.

o. Judgements in Applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The estimates and associated assumptions 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 the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Useful economic lives of aircraft, residual values and impairment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets.

An assessment is performed annually to determine if there have been any indicators of impairment. If there have been any indicators of impairment an impairment review is performed. Key input assumptions including future lease rates, maintenance cash flows, discount rates, aircraft holding periods and residual values are reviewed and revised as necessary.

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements Financial year ended 31 December 2023

3. Turnover

An Analysis of Turnover by class of business is as follows:

	Year Ended 31/12/23	Year Ended 31/12/22
	\$	\$
Operating lease revenue	4,792,408	4,839,043
	<u>4,792,408</u>	<u>4,839,043</u>

The Company had two customers at the end of the year based in Europe and Africa.

The turnover is attributable to the one principal activity of the Company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Year Ended 31/12/23	Year Ended 31/12/22
	\$	\$
Africa	1,059,000	2,118,000
Europe	3,733,408	2,721,043
	<u>4,792,408</u>	<u>4,839,043</u>

4. Other operating income

	Year Ended 31/12/23	Year ended 31/12/2022
	\$	\$
Management fees	536,500	-
	<u>536,500</u>	<u>-</u>

5. Gain on Disposal

During the year aircraft were sold for a gain of \$8,701,580 (2022: \$48,380).

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements Financial year ended 31 December 2023

6. Operating profit

Operating profit is stated after charging:

	Year Ended 31/12/23	Year Ended 31/12/22
	\$	\$
Depreciation of tangible fixed assets	5,025,290	3,330,998
Foreign exchange differences	(13,951)	(3,026)
Engine lease recharges	1,922,438	-
Repairs	107,141	-
Fees payable for the audit of the financial statements	30,000	16,000
Corporate Service Fee	48,510	35,245
Taxation and consultancy fees	4,800	5,711
Legal Fees	16,725	64,576
Travelling & Entertainment	29,102	15,602
Bank and other Charges	6,449	5,586
Salaries & staff costs	312,591	254,583
Rent	<u>83,724</u>	<u>43,961</u>
	<u>7,572,819</u>	<u>3,769,236</u>

Auditors' remuneration for work carried out relate to fees payable to PricewaterhouseCoopers Ireland, the statutory audit firm. Taxation services fee also represents fees payable to PricewaterhouseCoopers Ireland, for services provided. These figures are exclusive of VAT.

Fees payable for the audit of the financial statements	30,000	16,000
Taxation and consultancy services	4,800	5,711
	<u>34,800</u>	<u>21,711</u>

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements Financial year ended 31 December 2023

7. Staff costs

	Year Ended 31/12/23	Year Ended 31/12/22
	\$	\$
Wages and salaries	281,178	229,053
Social insurance costs	31,413	25,530
	<u>312,591</u>	<u>254,583</u>

The Company had two full-time employees during the financial year. One employee also acts as the Director of the Company. See Note 6 below.

8. Directors' remuneration

One of the Company's Directors, David Byrne, is an employee of the Company. The cost of the provision of his directorship during the financial period was US \$Nil.

Amstrow Corporate Services (Ireland) Limited acts as a corporate administrator to the Company in accordance with the terms of the Corporate Service Agreement. One of the Company's Directors, Nigel Woods is an employee of Amstrow Corporate Services (Ireland) Limited. The cost of the provision of directorships, payable by the Company to Amstrow Corporate Services (Ireland) Limited, during the financial period was US \$Nil. The total cost of corporate administration for the financial period was US\$ 48,510 (2022: US\$ 35,245). The amount of emoluments allocated from the corporate service fee towards directorship services for the purposes of the Companies Act is \$3,000.

9. Finance income and expenses

	Year Ended 31/12/23	Year Ended 31/12/22
	\$	\$
Other interest payable and similar expenses	(1,626,087)	(1,743,883)

Interest payable relates to intergroup loans obtained from the Parent entity. Loans have a fixed interest rate of 5% per annum and do not have a maturity date but are repayable on demand.

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements
Financial year ended 31 December 2023

10. Tax on profit/loss

	Year ended	Year ended
	31/12/2023	31/12/2022
Current tax:	\$	\$
Irish current tax (12.5%)	107,323	-
movements in deferred tax	623,152	(141,280)
Tax on profit	730,475	(141,280)
Profit before taxation	3,003,220	(625,697)
Profit multiplied by rate of tax (12.5%)	375,403	(78,212)
Other	363,674	-
Adjustments in respect of capital allowance and depreciation	(8,602)	(63,068)
Tax on profit	730,475	(141,280)

11. Tangible fixed assets

	Aircraft Assets	Fixtures, Fittings and equipment	Total Fixed Assets
	\$	\$	\$
Cost			
At 1 January 2023	41,460,141	2,461	41,462,602
Additions	21,057,532	-	21,057,532
Disposals	(40,276,641)	-	(40,276,641)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	22,241,032	2,461	22,243,493
Depreciation			
At 1 January 2023	4,697,449	1,640	4,699,089
Charge for the financial year on owned assets	5,024,470	820	5,025,290
Disposals	(6,950,750)	-	(6,950,750)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	2,771,169	-	2,773,629
Net Book Value			
at 31 December 2023	19,469,863	-	19,469,864

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

**Notes To the Financial Statements
Financial year ended 31 December 2023**

12. Debtors: Amounts falling due within one year

	Year Ended 31/12/23	Year Ended 31/12/2022
	\$	\$
Vat Recoverable	5,037	250
Other Debtors	67,600	525,610
Prepayments	-	9,727
Deferred tax asset (note 16)	-	596,119
	<u>72,637</u>	<u>1,131,706</u>

Other debtors relate to accrued rent at the year end.

	Year Ended 2023	Year Ended 2022
	\$	\$
Rent	67,500	206,876
Maintenance reserves	<u>-</u>	<u>318,634</u>
	<u>67,500</u>	<u>525,510</u>

13. Cash and Cash equivalents

	Year Ended 2023	Year Ended 2022
	\$	\$
Cash at bank and in hand	<u>1,083,252</u>	<u>220,259</u>

The Company has assigned a charge over its accounts to HSBC bank in relation to a financing facility provided to GA Telesis LLC Group. This cash is currently unrestricted.

14. Creditors: amounts falling due within one year

	Year Ended 2023	Year Ended 2022
	\$	\$
Amounts owed to group undertakings	16,846,821	33,210,127
Rent Prepaid	230,500	176,500
Accruals	<u>66,894</u>	<u>49,679</u>
	<u>17,144,215</u>	<u>33,436,306</u>

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

Notes To the Financial Statements
Financial year ended 31 December 2023

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

	Year Ended 2023	Year Ended 2022
	\$	\$
Security Deposits	1,003,500	983,000
Maintenance reserves	1,561,515	5,186,749
	<u>2,565,015</u>	<u>6,169,749</u>

Security Deposits: When a lease agreement requires the Lessee to pay a security deposit these deposits are refundable to the Lessee upon expiration of the lease and the Lessee satisfies the aircraft return conditions.

Amounts owed to group undertakings relate to intercompany loans from the Parent Entity to purchase aircraft. Interest is at a fixed rate of 5%. Recourse to the loans are limited solely to amounts payable to the Company in respect of the Aircraft or recovered by the Company in connection with or in relation to the Aircraft (including, without limitation, any payments made to the Company under any lease of the Aircraft and any sale proceeds or insurance proceeds in relation to the Aircraft payable to the Company). Although Loans are repayable on demand the Parent entity will not call in the Loans within 12 months from the approval of these financial statements, therefore they are presented in creditors amounts falling due after more than one year.

Maintenance reserves: The Company records such supplemental amounts as maintenance reserves in other creditors due more than one year. There were no maintenance claims during the period.

	Year Ended 2023	Year Ended 2022
	\$	\$
Opening balance on 1 January	5,186,749	2,187,224
Maintenance reserves received	4,922,382	2,999,525
Maintenance reserves claimed	-	-
Maintenance reserves released on disposal	(8,547,616)	-
Closing balance on 31 December	<u>1,561,515</u>	<u>5,186,749</u>

16. Deferred tax

The deferred tax included in the Statement of Financial Position as of 31 December 2023 is as follows:

	Year Ended 2023	Year Ended 2022
	\$	\$
Opening balance on 1 January	596,119	454,839
Current year temporary difference	(623,152)	141,280
Closing Balance on 31 December	<u>(27,033)</u>	<u>596,119</u>

The deferred tax liabilities represent the taxable temporary differences between the carrying amounts of assets and liabilities and their respective tax bases and are measured using enacted or substantively enacted tax rates expected to apply upon reversal.

Gat Aircraft and Engine Leasing Limited

**Notes To the Financial Statements
Financial year ended 31 December 2023**

17. Called up share capital presented as equity

Authorized share capital

	2023		2022	
	Number	\$	Number	\$
Ordinary shares of \$ - each (2022: \$1.00)	1,000,000	1,000,000	1,000,000	1,000,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Issued, called up and fully paid

	2023		2022	
	Number	\$	Number	\$
Allotted, called up and fully paid:				
Ordinary shares of \$ - each (2022: \$1.00)	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18. Capital commitments

-

As of 31 December 2023, the Company had annual commitments under non-cancellable operating leases expiring on 31 March 2026 of \$51,940 relating to Land and Buildings. (2022; \$51,940). Refer Note 18.

At the reporting date, the Company had no contingent liabilities.

19. Operating leases

The Company as Lessee

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

	Year Ended 2023	Year Ended 2022
Not later than 1 year	\$ 51,940	\$ 51,940
Later than 1 year and not later than 5 years	<u>64,925</u>	<u>116,865</u>
	<u>116,865</u>	<u>168,805</u>

The notes on pages 13 to 26 form part of these financial statements

Gat Aircraft and Engine Leasing Limited

**Notes To the Financial Statements
Financial year ended 31 December 2023**

20. Related party transactions

The Board is availing of the exemption in paragraph 33.1(a) of FRS 102 which permits a qualifying entity to not provide disclosures on transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Amstrow Corporate Services (Ireland) Limited are deemed to be a related party as they provide fiduciary and corporate services and also share common director in Mr. Nigel Woods. Corporate service fees payable in the period are included in Note 4.

21. Events after the end of the reporting period

There have been no other significant events after the year-end that would require adjustment or disclosure in these financial statements.

22. Controlling party

The Company is wholly owned subsidiary of GA Telesis LLC with registered office at 1850 NW 49TH Street, Fort Lauderdale, Florida 33309, USA.

23. Approval of financial statements

The board of directors approved these financial statements for issue on 12 February 2026