

# Highclere Jet Leasing 3 Designated Activity Company

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**Directors' Report and Financial Statements**

**For The Year Ended 31 December 2025**

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**Highclere Jet Leasing 3 Designated Activity Company**

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## Company information

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### Directors

Claire O'Donovan (resigned 09-04-2025)

Darragh Wynne

Robert Morgan (appointed 09-04-2025)

### Company secretary

MFD Secretaries Limited

32 Molesworth Street

Dublin 2

Ireland

### Registered number

667783

### Registered office

32 Molesworth Street

Dublin 2

Ireland

### Independent auditors

Deloitte Ireland LLP

Chartered Accountants and Statutory Audit Firm

29 Earlsfort Terrace

Dublin 2

Ireland

### Bankers

Citibank Europe PLC

1 North Wall Quay

Dublin 1

Ireland

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## Highclere Jet Leasing 3 Designated Activity Company

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### Directors' report for the year ended 31 December 2025

The Directors present their report and the financial statements for the year ended 31 December 2025.

#### **Principal activities, business review and future developments**

The principal activity of Highclere Jet Leasing 3 Designated Activity Company (the "Company") is commercial aircraft leasing.

As at 31 December 2025, the Company owned one (2024: one) aircraft which is on lease to a lessee based in Asia.

During the year, there were no acquisitions nor disposals (2024: nil) of aircraft.

The Directors are satisfied with the performance of the Company during the year. The Company intends to continue its existing activities during the coming year.

#### **Principal risk and uncertainties**

The Directors continue to monitor the key risks and uncertainties facing the Company, including:

##### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. It is Company policy to investigate the credit worthiness of all counterparties prior to entering any transactions and to regularly review the counterparty's ability to make payments.

##### *Cash flow risk*

Cash flow risk is defined as the risk of being unable to fulfil current or future payment obligations in full or at the due date. The cash position of the Company is constantly monitored and short, medium and long term cash flow forecasts are regularly reviewed and appropriate action taken, where necessary.

##### *Asset risk*

Asset risk is the risk of an unexpected reduction in the value of the aircraft owned by the Company. Whilst the aircraft are on lease, the Company holds security deposits in the form of letters of credit. The Company also ensures that the aircraft have sufficient aviation insurance cover while the aircraft are both on and off lease.

##### *Interest rate risk*

The Company will be impacted by fluctuations in interest rates as changes will impact the cost of borrowing. The Company manages interest rate volatility and uncertainty by entering into interest rate hedging strategies where appropriate.

##### *Foreign currency risk*

Foreign currency risk is the potential change in income or the value of net worth arising from changes in currency exchange rates. The Company is incorporated in the Republic of Ireland. However, as sales are principally transacted in United States Dollars ("\$\$"), the functional and presentation currency is \$. Most of the Company's transactions are undertaken in \$, and consequently are naturally hedged.

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## Highclere Jet Leasing 3 Designated Activity Company

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### Directors' report for the year ended 31 December 2025

#### Key performance indicators

In managing the Company, the Directors use a series of key performance indicators against which the performance of the Company is measured. The principal indicators used include the following:

##### *Lease rates achieved compared to market rates*

No new leases or lease extensions were contracted during the year (2024: nil).

##### *Number and percentage of aircraft on/off lease*

The composition of the portfolio is regularly reviewed. The percentage of aircraft on/off lease is monitored monthly. The Company's one aircraft (2024: one) are on lease at 31 December 2025.

##### *Credit worthiness of customers and the level of lease income arrears*

The credit worthiness of potential customers is investigated prior to entering into any transaction. The customer's ability to make payments and the level of lease income arrears is regularly reviewed and appropriate action taken where necessary. No debt provisions or debt write-offs were taken during the year (2024: nil).

##### *Aircraft acquisition prices compared to market rates*

No aircraft nor simulators were acquired during the year (2024: none).

##### *Sales prices achieved compared to market rates*

No aircraft were sold during the year (2024: none). The aircraft portfolio at 31 December 2025 consisted of one (2024: one) ATR manufactured regional aircraft.

#### Events since the end of the year

There were no significant events since the year end that require adjustment to or disclosure in the financial statements.

#### Political donations and expenditure

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

#### Results and dividends

The loss for the year ended 31 December 2025 of \$187,384 (2024: profit of \$122,747) is set out in the Statement of comprehensive income.

The Directors do not recommend the payment of a dividend during the year (2024: \$225,000).

#### Directors and Secretary and their interests

The Directors and Secretary who held office at any time during the year are listed in the Company Information. Unless indicated otherwise, they served for the entire period. In accordance with the Company Constitution, the Directors are not required to retire by rotation.

In accordance with Section 260 of the Companies Act 2014, the Directors and Secretary who held office at 31 December 2025 had no interests in the shares of the Company, or the Group to disclose. No Director has or has had any interest in any transaction with the Company or other Group companies which is or was unusual in its nature or conditions or significant to the business of the Company or the Group during the year.

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## Highclere Jet Leasing 3 Designated Activity Company

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### Directors' report for the year ended 31 December 2025

#### Accounting records

The Directors are responsible for ensuring that adequate accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the Company. To achieve this, the Directors have appointed professionally qualified accountants who report to the board and ensure that the requirements of Sections 281 to 285 of the Companies Act 2014 are complied with.

The books and accounting records are maintained at Falko Regional Aircraft Limited, 1 Bishop Square, Hatfield, Hertfordshire AL10 9NE, United Kingdom. A copy of these books and accounting records is available at the Company's registered office at 32 Molesworth Street, Dublin 2, Ireland, to comply with Section 283(2) of the Companies Act 2014.

#### Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered the factors that impact the Company's future development, performance, cashflows and financial position in forming their opinion on the going concern basis. The Directors have reached the conclusion that the Company has adequate resources to continue to operate and meet its obligations as they fall due for the foreseeable future, and for at least 12 months from the date of approval of these financial statements. Based on the most current estimates and information available, they are satisfied with the Company's ability to continue as a going concern.

#### Disclosure of information to the auditors

The Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as they are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Auditors

The auditors, Deloitte Ireland LLP, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

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



Robert Morgan  
Director



Darragh Wynne  
Director

Date: 26 March 2026

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## Highclere Jet Leasing 3 Designated Activity Company

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### Directors' responsibilities statement for the year ended 31 December 2025

The Directors are responsible for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council.

Irish Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the assets, liabilities and financial position of the Company and of the profit or loss of the Company for that financial period and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the Company's financial statements 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, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit and loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and director's report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Robert Morgan  
Director



Darragh Wynne  
Director

Date: 26 March 2026

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGHCLERE JET LEASING 3 DESIGNATED ACTIVITY COMPANY

### Report on the audit of the financial statements

#### Opinion on the financial statements of Highclere Jet Leasing 3 Designated Activity Company ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2025 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 23, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council ("the relevant financial reporting framework").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGHCLERE JET LEASING 3 DESIGNATED ACTIVITY COMPANY

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors 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.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinion on other matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, we report that:

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

#### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

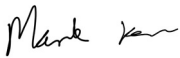
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
HIGHCLERE JET LEASING 3 DESIGNATED ACTIVITY COMPANY**

**Use of our report**

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



Mark Kerr  
For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

27 March 2026

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**Highclere Jet Leasing 3 Designated Activity Company**

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**Statement of comprehensive income  
for the year ended 31 December 2025**

	Note	2025 \$	2024 \$
Lease revenue	4	1,785,840	1,785,840
Depreciation	10	(861,378)	(861,378)
<b>Gross profit</b>		<b>924,462</b>	<b>924,462</b>
Administrative expenses	5	(237,171)	(216,383)
Derivative fair value change	16	(213,423)	140,869
<b>Operating profit</b>		<b>473,868</b>	<b>848,948</b>
Interest receivable and similar income		822	1,100
Interest payable and similar charges	7	(688,465)	(709,766)
<b>(Loss)/profit before tax</b>		<b>(213,775)</b>	<b>140,282</b>
Tax on (loss)/profit	8	26,391	(17,535)
<b>(Loss)/profit for the year</b>		<b>(187,384)</b>	<b>122,747</b>

All amounts are related to continuing operations.

There were no recognised gains and losses for 2025 or 2024 other than those included in the statement of comprehensive income.

The notes on pages 12 to 21 form part of these financial statements.

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**Highclere Jet Leasing 3 Designated Activity Company****Registered number: 667783**

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**Statement of financial position  
as at 31 December 2025**

		2025	2024
		\$	\$
<b>Non current assets</b>			
Aircraft	10	14,689,488	15,550,866
Derivative asset	16	-	154,579
		<u>14,689,488</u>	<u>15,705,445</u>
<b>Current assets</b>			
Trade and other receivables	11	2,560,559	2,738
Cash and cash equivalents	12	435,977	370,957
		<u>2,996,536</u>	<u>373,695</u>
Creditors: amounts falling due within one year	13	(2,030,809)	(1,136,290)
Net current assets/(liabilities)		<u>965,727</u>	<u>(762,595)</u>
Total assets less current liabilities		<u>15,655,215</u>	<u>14,942,850</u>
Creditors: amounts falling due after more than one year	14	(10,115,120)	(9,247,253)
Derivative liability	16	(58,844)	-
Deferred taxation	9	(89,525)	(116,487)
Net assets		<u><u>5,391,726</u></u>	<u><u>5,579,110</u></u>
<b>Equity</b>			
Called up share capital presented as equity	17	1,148	1,148
Other reserves	18	4,762,548	4,762,548
Retained earnings	18	628,030	815,414
<b>Total equity</b>		<u><u>5,391,726</u></u>	<u><u>5,579,110</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf:



Robert Morgan  
Director



Darragh Wynne  
Director

Date: 26 March 2026

The notes on pages 12 on to 21 form part of these financial statements.

**Highclere Jet Leasing 3 Designated Activity Company**

**Statement of changes in equity  
For The Year Ended 31 December 2025**

	<b>Called up share capital presented as equity \$</b>	<b>Other reserves \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
At 1 January 2024	1,148	4,987,548	692,667	5,681,363
Profit for the year	-	-	122,747	122,747
Distributions	-	(225,000)	-	(225,000)
At 01 January 2025	1,148	4,762,548	815,414	5,579,110
Loss for the year	-	-	(187,384)	(187,384)
<b>At 31 December 2025</b>	<b>1,148</b>	<b>4,762,548</b>	<b>628,030</b>	<b>5,391,726</b>

The notes on pages 12 to 21 form part of these financial statements.

## **1 General information**

Highclere Jet Leasing 3 Designated Activity Company (the "Company") is a company limited by shares and was incorporated under the laws of Ireland on 4 March 2020. The Company's principal activity is to own and lease aircraft to an international airline. The Company's registered office is at 32 Molesworth Street, Dublin 2, Ireland. As at 31 December 2025, Highclere Asset Management Ireland DAC (the "Parent Company"), a company registered in Ireland, owned 100% of the outstanding shares of the Company.

Falko Regional Aircraft Opportunities Fund II L.P., a limited partnership incorporated in Jersey, is the ultimate controlling parent of the Company.

The Company is a tax resident in Ireland.

## **2 Material accounting policies**

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

### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historic 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' (FRS 102) 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The functional and presentation currency of these financial statements is United States Dollars ("\$"), which is the principal operating currency of the Company and of the aviation industry.

### **2.2 Disclosure exemptions for qualifying entities under FRS 102**

The Company has taken advantage of the following disclosure exemptions in preparing its financial statements, as permitted by FRS 102.

- the requirements of Section 7 Statement of Cash Flows and paragraph 3.17(d).
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(A) and 12.29A as equivalent information is included in the consolidated financial statements of the Group in which the Company is consolidated.
- the requirement of paragraph 33.7 and paragraph 33.1A.

The information is included in the consolidated financial statements of Drake Asset Management Jersey 3 Limited ("DAMJ3"), the parent company of Highclere Asset Management Ireland DAC, as at 31 December 2025 and these financial statements are available to the public and may be obtained from its registered address, which is IFC5, St. Helier, Jersey, JE1 1ST, Channel Islands.

### **2.3 Going concern**

The financial statements have been prepared on a going concern basis. The Directors have considered the factors that impact the Company's future development, performance, cashflows and financial position in forming their opinion on the going concern basis. The Directors have reached the conclusion that the Company has adequate resources to continue to operate and meet its obligations as they fall due for the foreseeable future, and for at least 12 months from the date of approval of these financial statements. Based on the most current estimates and information available, they are satisfied with the Company's ability to continue as a going concern.

## **2 Material accounting policies (continued)**

### **2.4 Foreign currency translation**

#### **Functional and presentation currency**

The Company's functional and presentational currency is \$.

#### **Transaction 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 on a historical cost basis are translated using the exchange rate at the date of the transaction, and non-monetary items measured at fair value in a foreign currency are translated using the rate at the date when the 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 recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

### **2.5 Turnover**

Turnover represents the value, net of value added tax, of operating lease rentals.

Operating lease rental income is recognised in turnover on a straight-line basis in the period when the rent falls due. Rentals received in advance of the rental period to which they relate are reported as deferred income on the Statement of financial position.

### **2.6 Operating expenses**

The operating expenses of the Company are recognised in the financial statements on an accrual basis.

### **2.7 Interest income and expenses**

Interest income and expenses are recognised in the Statement of comprehensive income on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable.

### **2.8 Debt arrangement fees**

Arrangement fees paid in connection with the debt financing on owned aircraft are capitalised, and in subsequent periods stated at cost less accumulated amortisation. Amortisation is recognised on a straight-line basis over the estimated useful life. The useful life for the capitalised debt arrangement fees is based on the length of the debt repayment period.

## 2 Material accounting policies (continued)

### 2.9 Taxation

The tax shown in the Statement of comprehensive income comprises current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### 2.10 Aircraft

Aircraft are stated at the lower of depreciated cost and their recoverable amount.

Depreciation is charged to the Statement of comprehensive income on a straight-line basis over the expected useful life of the aircraft down to an estimated residual value (determined to be 5% of original cost).

Aircraft	-	20 years from date of manufacture
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Recoverable amount is the greater of net realisable value of the aircraft and its value in use. Net realisable value is the amount for which an asset could be disposed, less any direct selling costs. Value in use represents the present value of the future cash flows obtainable as a result of the aircraft's continued use, including those resulting from its ultimate disposal.

The assessment of current market values and future appraised market values for the purpose of impairment and value in use calculations is based on the average of half-life valuations provided by two independent aircraft appraisers.

Impairment losses on aircraft are recognised in the Statement of comprehensive income. Reversals of impairment losses are also recognised in the Statement of comprehensive income to increase the carrying value of the aircraft to an amount not greater than that which it would have been had the impairment not taken place.

### 2.11 Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

### 2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits with financial institutions repayable without penalty on notice of not more than 24 hours, other highly liquid investments that mature in no more than three months from the date of acquisition and bank overdrafts. Bank overdrafts, where applicable, are shown within 'Creditors: amounts due within one year'.

## **2 Material accounting policies (continued)**

### **2.13 Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **2.14 Loans and borrowings**

Loans and borrowings are initially booked at fair value being their issue proceeds net of any transaction costs incurred and are subsequently measured at amortised cost on the Statement of financial position.

### **2.15 Equity**

Ordinary shares are classified as equity. Dividends are recognised in the financial year in which they are approved.

### **2.16 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method, with interest recognised on an effective yield basis.

Financial assets are assessed for indicators of impairment at each reporting date, and if there is evidence of impairment, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### **2.17 Impairment of financial assets**

The Company's principal financial assets subject to impairment are trade and other receivables resulting from its leasing activities, as well as cash and cash equivalents. The Company applies an incurred loss model to measuring impairment, which requires recognizing an impairment loss only when there is objective evidence of impairment resulting from one or more events that have occurred after the initial recognition of the asset, and which impacts the estimated future cash flows of the financial asset. Letters of credit and security deposits held are considered integral to trade receivables and are included in the impairment calculation.

### **2.18 Derivative financial instruments**

The Company uses interest rate swaps to adjust interest rate exposures. Such derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

## Highclere Jet Leasing 3 Designated Activity Company

### 3 Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's material accounting policies, which are described in note 2, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where accounting judgements and estimation uncertainty have the most significant effect on the amounts recognised in the financial statements are described below:

#### Aircraft valuation

Aircraft are reviewed for impairment annually to determine if the aircraft carrying values may not be recoverable. Establishing whether an impairment has occurred typically requires various estimates and assumptions. The recoverable amount is the greater of net realisable value of the aircraft and its value in use. Net realisable value is the amount for which an asset could be disposed, less any direct selling costs. Value in use represents the present value of the future cash flows obtainable as a result of the aircraft's continued use, including those resulting from its ultimate disposal. These reviews are carried out with reference to the future cash flows expected to be generated by the asset. Estimates include the aircraft residual value (currently at end of the lease), with independent appraiser values used to determine these future market values.

### 4 Lease revenue

An analysis of turnover by class of business is as follows:

	2025	2024
	\$	\$
Operating lease rentals	1,785,840	1,785,840

The Company's entire turnover for the year was generated from the leasing of aircraft to an operator based in Asia.

Future minimum contracted rental under operating leases at 31 December, were as follows:

	2025	2024
	\$	\$
Less than one year	1,785,840	1,785,840
From one year to five years	5,243,425	7,037,746
	7,029,265	8,823,586

### 5 Administrative expenses

	2025	2024
	\$	\$
Professional fees	35,703	58,469
Servicer's fees	83,339	71,434
Insurance	50,268	43,668
Difference on foreign exchange	(3,346)	2,085
Others	71,207	40,727
	237,171	216,383

There were no employees in the year (2024: nil) as all administrative activities of the Company are outsourced to Falko Regional Aircraft Limited, a third party.

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### 6 Statutory information

	2025	2024
	\$	\$
Audit of the financial statements	7,131	6,402
Taxation compliance services	3,455	3,167
Directors' remuneration	11,637	11,951
	11,637	11,951

Directors' remuneration is in the form of a corporate administration fee paid to a specialist service provider.

There are no other assurance or non audit services provided during the year.

### 7 Interest payable and similar charges

	2025	2024
	\$	\$
Long-term debt interest payable	688,465	709,766
	688,465	709,766

### 8 Taxation

	2025	2024
	\$	\$
<b>Corporation tax</b>		
Corporation tax on profits for the year	275	-
Adjustments in respect of previous periods	296	-
<b>Total current tax</b>	571	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(26,825)	17,535
Adjustments in respect of previous periods	(137)	-
<b>Total deferred tax</b>	(26,962)	17,535
<b>Tax on (loss)/profit</b>	(26,391)	17,535

The tax assessed for the year is higher than (2024 - the same as) the (loss)/profit before tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2024 - 12.5%) as set out below:

	2025	2024
	\$	\$
<b>Reconciliation of tax credit</b>		
(Loss)/profit before tax	(213,775)	140,282
(Loss)/profit before tax multiplied by the standard rate of corporation tax of 12.50% (2024 - 12.50%)	(26,722)	17,535
<b>Effects of:</b>		
Adjustment to tax charge in respect of prior periods	159	-
Income subject to 25% tax rate	275	-
Interest income taxable at a higher rate	(103)	-
<b>Total tax (credit)/charge for the year</b>	(26,391)	17,535

## Highclere Jet Leasing 3 Designated Activity Company

### 9 Deferred taxation

	<b>2025</b>
	<b>\$</b>
At 01 January 2025	(116,487)
Credited to profit or loss	26,962
<b>At 31 December 2025</b>	<u><u>(89,525)</u></u>

The deferred tax balance is made up as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Accelerated capital allowances	(719,755)	(543,855)
Tax losses carried forward	630,230	427,368
	<u><u>(89,525)</u></u>	<u><u>(116,487)</u></u>

### 10 Aircraft

	<b>Aircraft</b>
	<b>\$</b>
<b>Cost</b>	
At 01 January 2025	18,148,767
<b>At 31 December 2025</b>	<u><u>18,148,767</u></u>
<b>Depreciation and impairment</b>	
At 01 January 2025	(2,597,901)
Depreciation charged for the year	(861,378)
<b>At 31 December 2025</b>	<u><u>(3,459,279)</u></u>
<b>Net book value</b>	
At 31 December 2025	<u><u>14,689,488</u></u>
At 31 December 2024	<u><u>15,550,866</u></u>

A full impairment assessment has been carried out on the aircraft during the year and no impairment charge (2024: \$nil) has been taken.

### 11 Trade and other receivables

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Amounts owed by group undertakings	2,557,821	-
Other receivables	2,738	2,738
	<u><u>2,560,559</u></u>	<u><u>2,738</u></u>

## Highclere Jet Leasing 3 Designated Activity Company

### 12 Cash and cash equivalents

	2025	2024
	\$	\$
Cash and cash equivalents	435,977	370,957

The Company entered into a loan agreement with various banking institutions. As part of the agreement, any cash generated by the Company is subject to restrictions by the lenders and the cash is prevented from being distributed outside the Group.

### 13 Creditors: amounts falling due within one year

	2025	2024
	\$	\$
Current portion of long-term debt, net of deferred financing costs	774,508	894,033
Amounts owed to group undertakings	1,044,174	38,073
Trade payable and accruals	63,307	55,364
Deferred income	148,820	148,820
	2,030,809	1,136,290

Amounts owed to group undertakings are unsecured, interest-free and payable on demand.

Trade payable and accruals are paid at various dates in the three months following the financial year end in accordance with suppliers' usual and customary credit terms.

Deferred income pertains to the advanced payments made by the lessee.

### 14 Creditors: amounts falling due after more than one year

	2025	2024
	\$	\$
Long-term debts, net of deferred financing costs	10,115,120	9,247,253

### 15 Long-term debts

Long-term debts consists of the following:

	2025	2024
	\$	\$
Term loan	10,947,100	10,186,635
Less: deferred financing costs	(57,472)	(45,349)
	10,889,628	10,141,286
Less: current portion, net of deferred financing costs	(774,508)	(894,033)
	10,115,120	9,247,253

In December 2025, the long-term debts were refinanced and subsequently repaid with the new loans. These term loans are repayable in monthly instalments of \$ 66,139 (2024: ranging from \$70,454 to \$77,742), bearing a nominal interest rate of 2% plus SOFR, which has been hedged at a fixed rate of 3.53% (2024: 2.75% plus SOFR, which has been hedged at a fixed rate of 3.55%), maturing in December 2028 (2024: February 2026). This loan is secured by its respective aircraft.

## Highclere Jet Leasing 3 Designated Activity Company

### 16 Derivative

The Company has entered into interest rate swaps on certain of its amortising term loans, converting a portion of its floating interest rate debt to fixed rates for the average duration of each loan and facility. Each interest rate swap is intended to hedge the variability of future interest rates and related interest payments on its respective loan.

The fair value of interest rate swaps was \$58,844 (2024: derivative asset of \$154,579) at 31 December 2025 and is recorded as derivative liability. During the year ended 31 December 2025, the Company recognised a loss on derivative fair value change of \$213,423 (2024: gain of \$140,869) in the Statement of comprehensive income. The derivative associated with the previous loans was closed, and the Company entered into a new swap agreement to hedge the variable interest element of the new term loan.

### 17 Share capital

	2025 Number	2025 \$	2024 Number	2024 \$
Allotted and fully paid				
Ordinary shares of €1.00 each	879	1,148	879	1,148

The \$ equivalent of the allotted, called-up and fully paid shares is \$1,148 (2024: \$1,148).

### 18 Reserves

#### Other reserves

In 2023, a portion of the share premium were transferred into other reserves to facilitate the return of funds to the Shareholders. In 2025, the Company distributed \$Nil (2024: \$225,000) to its Shareholders. As at 31 December 2025, the remaining distributable reserves amounted to \$4,762,548 (2024: \$4,762,548).

#### Retained earnings

	2025 \$	2024 \$
At the beginning of year	815,414	692,667
(Loss)/profit for the year	(187,384)	122,747
At the end of year	628,030	815,414

### 19 Commitments and contingent liabilities

The Company has no capital commitments and contingent liabilities at 31 December 2025 (2024: \$Nil).

### 20 Related party transactions

The Company is availing of the exemption available under FRS 102 from disclosing transactions entered between two or more members of a group under DAMJ3, provided that any subsidiary party to the transactions is wholly owned by such a member.

Payable to related parties	2025 \$	2024 \$
Highclere Jet Leasing 7 DAC	295,000	-
Highclere Jet Leasing 8 DAC	173,000	-
Highclere Jet Leasing 11 DAC	142,308	-
Drake Jet Leasing 8 DAC	317,712	-
<b>Total</b>	928,020	-

**21 Events after the end of the reporting year**

There were no significant events since the year end that require adjustment to or disclosure in the financial statements.

**22 Ultimate holding company and controlling party**

The Company is a wholly subsidiary of Highclere Asset Management Ireland DAC which is incorporated in Ireland.

The Company's ultimate parent and controlling party is Falko Regional Aircraft Opportunities Fund II L.P., a limited partnership in Jersey, Channel Islands.

**23 Approval of the financial statements**

The Board of Directors approved these financial statements for issue on 26 March 2026.