

Company Number: 576028

RED TAIL 1 LIMITED

Directors' Report and Audited Financial Statements
For the year ended 31 December 2024

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RED TAIL 1 LIMITED

Directors' and Other Information

Directors	Edwina Stroughair (appointed 16 January 2023) Philip McCaugherty (appointed 21 December 2022) Vanessa Devin (Alternate) (appointed 25 October 2024)
Registered Office	2nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland.
Company Secretary and Administrator	CSC Finance Holding Ireland Limited (previously Intertrust Management Ireland Limited) 2nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland.
Company Registration Number	576028
Independent Auditor	EisnerAmper Audit Limited, Chartered Accountants and Statutory Audit Firm, 6, The Courtyard Building, Carmanhall Road, Sandyford, Dublin 18,
Solicitors	Mason Hayes & Curran, South Bank House, Barrow Street, Dublin 4, Ireland.
Security Trustee and Investment Manager	Dubai Islamic Bank PJSC, P.O. Box 1080, Dubai, United Arab Emirates.
Bank	Allied Irish Bank plc, AIB Bankcentre, Ballsbridge, Dublin 4, Ireland.

RED TAIL 1 LIMITED

Directors' Report

The Directors present their annual report, together with the audited financial statements of Red Tail 1 Limited (the "Company"), for the year ended 31 December 2024. The financial statements have been prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

Principal Activities and Business Review

The Company was incorporated as special purpose vehicle under the provisions of the Companies Act 1963 to 2013 (as superseded by the Companies Act 2014) on 29 January 2016. The principal activity of the Company is the leasing of jet aircraft to international airlines.

The Company acquired one Airbus A380-800 aircraft in February 2016 with senior financing from Dubai Islamic Bank PJSC ("DIB") and with unsecured loan notes from Avia GmbH, EMP Structured Assets GmbH and Huskelapp Vermögensverwaltungsgesellschaft mbH. DIB acts as the Security Trustee for the senior financing.

The aircraft is leased to Red Tail 2 Limited (the "Lessee") who sub-leases the aircraft to Emirates (the "Sub-Lessee"). The terms and conditions relevant to the lease are set out in the lease agreement (the "Lease Agreement").

In February 2024, Red Tail 2 Ltd (the sub-lessee of MSN 138) exercised notice to Emirates under the permitted sub-lease its Return Condition Buyout Option. At the date of this report, negotiations are underway.

In April 2024, the company resolved that the security deposit shall be used to fund a distribution of interest to Curvature funding on the next interest payment date. On 5 June 2024, the noteholder has undertaken that if the sub-lessor becomes obliged to repay the security deposit the note holder will make repayment. On the same day a payment of USD \$4,547,684 was made to the noteholder using the funds accrued for security deposit.

No significant change in the Company's activities is expected. The Directors expect these activities to continue for the foreseeable future and will continue to review and seek business opportunities for the Company.

Results and Dividends

During the year, the Company made a profit after tax of USD1,662,052 (2023: profit USD5,258,595). Lease income amounted to USD28,796,305 (2023: USD29,351,185), general administration expenses amounted to USD31,723 (2023: USD27,230) and finance expenses amounted to USD4,915,625 (2023: USD6,318,745).

At the end of the financial year, the Company's financial position showed total assets of USD75,078,277 (2023: USD102,816,336), primarily comprising of property, plant and equipment of USD74,432,736 (2023: USD97,865,625) and cash USD120,886 (2023: USD4,648,266). The Company's total loans and borrowings, net of debt issuance costs, were USD31,134,212 (2023: USD54,948,983).

The results for the year are set out on pages [9](#) and [10](#). The Directors do not recommend the payment of a dividend for the year under review (2023: USDNil).

Principal risks and uncertainties

The airline industry is cyclical, economically sensitive and highly competitive. The oversupply of a specific type of aircraft in the market could depress the aircraft lease rates and values, which would affect re-lease rates. The supply and demand of aircraft is affected by various cyclical factors including:

- passenger air travel and air cargo demand;
- fuel prices;
- maintenance costs;
- geopolitical and economic risks, and;
- government and environmental regulations.

A key determinant of the Company's success is its financial strength and its ability to react and cope with the competitive environment in which it operates.

On 24 February 2022, Russia engaged in military actions in the sovereign territory of Ukraine and the conflict is continuing to the date of this report. In addition, there is also conflict between Israel and Hamas-led Palestinian militant groups in and around the Gaza Strip which began on the 7 October 2023, a cease fire was negotiated on 15 January 2025 with effect from 19 January 2025. The current political and financial uncertainty surrounding these conflicts may increase market volatility and the economic risk of trading in these countries and other impacted countries within the region. As at the date of authorisation of the financial statements, there has been no impact to the company. The directors will continue to monitor any potential impact on the activities of the company and its operating model.

Principal risks and uncertainties (continued)*Operational risk*

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risk arises from all the Company's operations. Certain management and administration functions have been outsourced by the Directors of the Company to CSC Finance Holding Ireland Limited (previously Intertrust Management Ireland Limited) ("CSC").

The activities and performance of the Company are regularly reviewed by the Directors. The Directors have assessed the financial risks facing the Company. The details of the principal financial risks and financial risk management are set out in note [20](#) to the financial statements.

Going concern

The Company's financial statements for the financial year ended 31 December 2024 have been prepared on a going concern basis.

The Directors have taken into consideration different factors and matters that may have an effect on the aviation sector and on the Company's activities in their going concern assessment.

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 the Directors considered the potential impact of various factors and matters on the aviation industry and the Company's business, including:

- The Company's initial assessment of the impact on its business and profitability;
- The Company's funding and liquidity position; and
- Cashflow forecasts from lease contracts, debt obligations for the next twelve months and potential impact of any rent deferral agreements requested, of which there were none, during the year or post year end.

The Directors have also noted that the limited recourse nature of the transaction whereby the company only pays the lender what it receives from the lessee which reduces its credit risk.

Based on this analysis and all information available at present, the Directors have concluded that none of the matters noted represent a material uncertainty that may cast doubt on the Company's ability to continue as a going concern over the period of assessment.

Change of director, company secretary and registered office

During the financial year, Vanessa Devin was appointed as Alternate Director on 25 October 2024 for Philip McCaugherty.

There have been no other changes in Directors, secretary, or registered office during the financial year or since the financial year end.

In accordance with the Company's constitution, the directors are not required to retire by rotation.

Directors, secretary and their interests

The Directors and secretary who held office at 31 December 2024 and during the year, had no interests in the share capital of the Company or any other group company that are required by the Companies Act 2014 to be recorded in the register of interests or disclosed in the Directors' report (2023: Nil).

Transactions involving Directors

There were no transactions during the financial year under review with any of the Directors who held office during the financial year or at year-end (2023: USDNil). Please refer to note [23](#) to the financial statements for further information.

Subsequent events

Please refer to note [19](#) of these financial statements for a detailed explanation of the subsequent events.

At the date of this report, other than as disclosed in note [19](#), the Directors are not aware of any other matter or circumstances which have arisen that has significantly affected the operations of the Company, the results of those operations or the state of affairs of the Company in the financial year subsequent to 31 December 2024.

Political donations

The Company made no political donations or incurred any political expenditure during the year (2023: USDNil).

Accounting Records

The Directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records through an outsourcing arrangement whereby the outsource provider employs accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at 2nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland.

Statement of relevant audit information

The Directors confirm that:

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

Directors' compliance statement

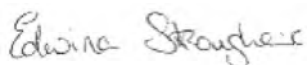
At this present time, the Company is operating within the balance sheet and turnover threshold limits as set out under Section 225 (7) of the Companies Act 2014, which enables the Company to avail of an exemption to the Compliance Policy Statement obligations. Accordingly, the Directors are not required to include a Compliance Statement in their statutory Directors' report for the current financial year ending.

As required by Section 225 of the Companies Act 2014, we, the Directors, acknowledge our responsibility for securing compliance with the relevant obligations of the Company as defined by the Companies Act 2014. The Board has established processes regarding internal control and risk management systems to ensure effective oversight with respect to our compliance with relevant obligations as set out in the Companies Act 2014 and has put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations. The Company relies on the Administrator, CSC Finance Holding Ireland Limited (previously Intertrust Management Ireland Limited), for assistance in meeting its' corporate governance responsibilities including compliance with relevant laws and regulations. The Administrator has policies and procedures in place to manage the Company's obligations.

Independent auditors

The auditors, EisnerAmper Audit Limited, Chartered Accountants and Statutory Audit Firm, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

The financial statements were approved and authorised for issue by the Board of Directors on 01 December 2025 and signed on its behalf by:



Edwina Stroughair
Director
01 December 2025



Philip McCaugherty
Director
01 December 2025

Directors' Responsibilities Statement

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

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

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

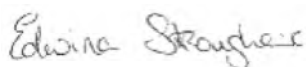
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and note the effect and reasons for any material departure from these 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 keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

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

On behalf of the board:



Edwina Stroughair
Director
01 December 2025



Philip McCaugherty
Director
01 December 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED TAIL 1 LIMITED**Report on the audit of the financial statements****Opinion**

We have audited the financial statements of Red Tail 1 Limited (the "Company") for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 2024 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and the requirements of the Companies Act 2014.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED TAIL 1 LIMITED (continued)

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

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

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

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

Matters on which we are required to report by exception

Based on our 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.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of the sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the Company. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5 of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that they give a true and fair view, 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED TAIL 1 LIMITED (continued)

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

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

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.

Paul Cahill
For and on behalf of EisnerAmper Audit Limited
Chartered Accountants and Statutory Audit Firm
Dublin

4 December 2025

RED TAIL 1 LIMITED**Statement of Comprehensive Income**

For the year ended 31 December 2024

	Notes	For the year ended 31 December 2024 USD	For the year ended 31 December 2023 USD
Revenue			
Lease revenue	3	28,796,305	29,351,185
Other income	4	1,800,000	1,800,000
Total revenue		30,596,305	31,151,185
Expenses			
General and administrative expenses	5	(31,723)	(27,230)
Impairment	6	(1,341,062)	—
Depreciation	7	(22,091,827)	(17,793,750)
Total expenses		(23,464,612)	(17,820,980)
Profit on ordinary activities		7,131,693	13,330,205
Finance income and expense			
Net finance expense	8	(4,915,625)	(6,318,745)
		(4,915,625)	(6,318,745)
Profit for the financial year before taxation		2,216,068	7,011,460
Tax on profit on ordinary activities	9	(554,016)	(1,752,865)
Profit for the financial year after taxation		1,662,052	5,258,595
Other comprehensive income		—	—
Total comprehensive profit for the financial year		1,662,052	5,258,595

All items dealt with in arriving at the profit for the financial year ended 31 December 2024 related to continuing operations.

The Company has not recognised gains or losses in the financial year other than those included within the Statement of Comprehensive Income.

The accompanying notes on pages [13](#) to [32](#) form an integral part of these financial statements.

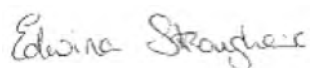
RED TAIL 1 LIMITED**Statement of Financial Position**

As at 31 December 2024

	Notes	As at 31 Dec 2024 USD	As at 31 Dec 2023 USD
Assets			
Non-current assets			
Property, plant and equipment	11	74,432,736	97,865,625
		<u>74,432,736</u>	<u>97,865,625</u>
Current assets			
Cash and cash equivalents	12	120,886	4,648,266
Trade and other receivables	13	524,655	302,445
		<u>75,078,277</u>	<u>102,816,336</u>
Total assets			
Non-current liabilities			
Investment financing	14	6,652,932	31,342,546
Security deposit	15	—	4,547,684
Deferred income	16	300,000	2,100,000
Deferred tax liability	17	10,330,917	9,776,901
		<u>17,283,849</u>	<u>47,767,131</u>
Total non-current liabilities			
Current liabilities			
Investment financing	14	24,481,280	23,606,437
Trade and other payables	18	522,610	314,282
Deferred income	16	1,800,000	1,800,000
		<u>26,803,890</u>	<u>25,720,719</u>
Total current liabilities			
Total liabilities			
		<u>44,087,739</u>	<u>73,487,850</u>
Equity			
Called up share capital	19	1	1
Retained earnings		30,990,537	29,328,485
		<u>30,990,538</u>	<u>29,328,486</u>
Total Equity			
Total equity and liabilities			
		<u>75,078,277</u>	<u>102,816,336</u>

The accompanying notes on pages [13](#) to [32](#) form an integral part of these financial statements.

Approved by the Board and authorised for issue on 01 December 2025.



Edwina Stroughair
Director
01 December 2025



Philip McCaugherty
Director
01 December 2025

RED TAIL 1 LIMITED**Statement of Changes in Equity**

For the year ended 31 December 2024

	Ordinary share capital USD	Retained earnings USD	Total equity USD
01 January 2023	1	24,069,890	24,069,891
Total comprehensive income for the year	—	5,258,595	5,258,595
As at 31 December 2023	1	29,328,485	29,328,486
01 January 2024	1	29,328,485	29,328,486
Total comprehensive income for the year	—	1,662,052	1,662,052
As at 31 December 2024	1	30,990,537	30,990,538

The accompanying notes on pages [13](#) to [32](#) form an integral part of these financial statements.

RED TAIL 1 LIMITED**Statement of Cash Flows**

For the year ended 31 December 2024

	For the year ended 31 December 2024 USD	For the year ended 31 December 2023 USD
Cash flows from operating activities		
Profit for the year	1,662,052	5,258,595
<i>Add/(deduct) non cash effects on operating income:</i>		
Amortisation of debt issue costs	235,000	235,000
Loan note interest	3,000,625	4,616,977
Depreciation	22,091,827	17,793,750
Impairment	1,341,062	
Taxation	554,016	1,752,865
Fair value movement on derivatives	—	—
<i>Changes in operating assets and liabilities</i>		
Decrease in security deposit	(4,547,684)	—
Increase in trade and other receivables	(222,210)	(302,444)
Decrease in trade and other payables	(1,591,672)	(1,512,078)
Net cash inflows from operations	22,523,016	27,842,665
Cash flows from investing activities		
Acquisition of property, plant and equipment	—	—
Net cash flows from investing activities	—	—
Cash flows from financing activities		
Additional loans and borrowings	—	—
Investment financing principal repayment	(24,049,771)	(23,201,655)
Investment financing variable expense paid	(3,000,625)	(4,616,978)
Net cash outflows from financing activities	(27,050,396)	(27,818,633)
Net (decrease)/increase Cash at bank and in hand	(4,527,380)	24,032
Cash at bank and in hand at the beginning of the year	4,648,266	4,624,234
Cash at bank and in hand at the end of the year	120,886	4,648,266
Cash at bank and in hand at the end of the year	120,886	4,648,266

The accompanying notes on pages [13](#) to [32](#) form an integral part of these financial statements.

Notes to the Financial Statements**For the year ended 31 December 2024****1. General information and going concern**

The Company was incorporated as special purpose vehicle under the provisions of the Companies Act 1963 to 2013 (as superseded by the Companies Act 2014) on 29 January 2016. The principal activity of the Company is the leasing of jet aircraft to international airlines.

The Company acquired one Airbus A380-800 aircraft in February 2016 with senior financing from Dubai Islamic Bank PJSC ("DIB") and with unsecured loan notes from Avia GmbH, EMP Structured Assets GmbH and Huskelapp Vermögensverwaltungsgesellschaft mbH. DIB acts as the Security Trustee for the senior financing.

The aircraft is leased to Red Tail 2 Limited (the "Lessee") who sub-leases the aircraft to Emirates (the "Sub-Lessee"). The terms and conditions relevant to the lease are set out in the lease agreement (the "Lease Agreement").

In February 2024, Red Tail 2 Ltd (the sub-lessee of MSN 138) exercised notice to Emirates under the permitted sub-lease its Return Condition Buyout Option. At the date of this report, negotiations are underway.

In April 2024, the company resolved that the security deposit shall be used to fund a distribution of interest to Curvature funding on the next interest payment date. On 5 June 2024, the noteholder has undertaken that if the sub-lessor becomes obliged to repay the security deposit the note holder will make repayment. On the same day a payment of USD \$4,547,684 was made to the noteholder using the funds accrued for security deposit.

No significant change in the Company's activities is expected. The Directors expect these activities to continue for the foreseeable future and will continue to review and seek business opportunities for the Company.

The Company has no employees and administration services are contracted from a related party and third parties.

The Company's financial statements for the year ended 31 December 2024 have been prepared on a going concern basis. The Directors anticipate that the Company's financial assets will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due.

2. Material Accounting Policy Information**2.1. Statement of compliance**

The Company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU"), as applied in accordance with the Companies Act 2014. The standards adopted are those endorsed by the EU and effective as of 01 January 2024.

The accounting policies set out below have been applied in preparing the financial statements for the financial year ended 31 December 2024.

2.2. Application of new and revised IFRS

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations that are effective for an annual period that begins on or after 01 January 2024 and has had an impact in these financial statements.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

The amendments had no impact on the Company's financial statements.

2. Material Accounting Policy Information (continued)**2.2. Application of new and revised IFRS (continued)****Amendments to IAS 1 – Classification of Liabilities as Current and Non-current and Non-current Liabilities with Covenants**

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendments had no impact on the Company's financial statements.

Amendments to IAS 7 and IFRS 7– Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The amendments had no impact on the Company's financial statements.

Standards and amendments issued that are not yet effective and have not been early adopted by the company

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standard	Title of Standard or Interpretation	Effective date
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Financial Instruments and Financial Instruments: Disclosures	1 January 2026
Introduction IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Introduction IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except as noted below:

Amendments to IAS 21 – Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted, in which case, an entity is required to disclose that fact. The date of initial application is the beginning of the annual reporting period in which an entity applies the amendments.

The amendments are not expected to have a material impact on the Company's financial statements.

2. Material Accounting Policy Information (continued)**2.2. Application of new and revised IFRS (continued)****Amendments to IFRS 9 and IFRS 7 – Financial Instruments and Financial Instruments: Disclosures**

The key amendments to IFRS 9 and IFRS 7:

- Derecognition of a financial liability settled through electronic transfer
- Classification of financial assets
- Disclosure requirements

Derecognition of a financial liability settled through electronic transfer

New exemption where companies may elect to derecognise a financial liability settled using an electronic payment system before the settlement date providing certain criteria are met. If this accounting policy choice is made, it must be applied to all settlements made through the same electronic system.

Classification of financial assets

Assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features.

Disclosure requirements

Amendments to the disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The amendments are not expected to have a material impact on the Company's financial statements.

Introduction IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The new standard is expected to impact the Statement of Comprehensive income and the disclosure of the three new categories in the Company's financial statements.

Introduction IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

2. Material Accounting Policy Information (continued)**2.2. Application of new and revised IFRS (continued)****Introduction IFRS 19 – Subsidiaries without Public Accountability: Disclosures (continued)**

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The amendments are not expected to have a material impact on the Company's financial statements.

2.3. Use of accounting estimates and judgements

The preparation of the financial statements in conformity with the IFRSs as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based 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 recognised in the period in which the estimates are 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 material judgement in respect of Property, Plant and Equipment is the identification and subsequent measurement of impairment. The Directors assess if there is an indication of impairment. In the current year the Directors are of the view that no impairment should be recognized in the financial statements for the period of 31 December 2024.

2.4. Basis of preparation

The Company's financial statements for the financial year ended 31 December 2024 have been prepared on a going concern basis. The Directors anticipate that the Company's assets will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due. The financial statements are presented in US dollars ("USD") which is the functional and presentation currency of the Company.

The Directors have assessed the impact of the war between Russia and Ukraine and the Gaza conflict on the Company, on the Lessee and the Sub-Lessee. Based on this assessment, the Directors are satisfied that the Sub-Lessee will be in a financial position to meet the lease rent repayments to the Lessee for a period of 12 months from the signing of these financial statements. As a result, the Lessee will also be in a financial position to meet the lease payments to the Company under the Lease Agreement for the same period.

2.5. Basis of measurement

The financial statements have been prepared under the historical cost convention and using the accruals basis of accounting.

2.6. Classification of financial instruments issued by the Company**Financial assets****Initial recognition and measurement**

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

2. Material Accounting Policy Information (continued)**Financial assets (continued)**

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

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

- financial assets at amortised cost;
- financial assets at FVOCI with recycling of cumulative gains and losses;
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition; and
- financial assets at FVTPL.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost are trade and other receivables and cash and cash equivalents.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Statement of Comprehensive Income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated FVOCI are not subject to impairment assessment.

The Company does not hold and equity instruments at FVOCI.

The Company measures debt instruments at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Comprehensive Income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company does not hold any debt instruments at FVOCI.

Financial assets at fair value through profit or loss

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

2. Material Accounting Policy Information (continued)**Financial assets (continued)****Financial assets at fair value through profit or loss (continued)**

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

Financial assets at FVTPL are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Comprehensive Income.

The Company does not hold any financial assets at FVTPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Statement of Financial Position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

ECLs are recognised in two stages. For credit loss exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Based on its historical credit loss experience, the Company applies an expected loss percentage to high risk receivables.

For debt instruments FVOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Company considers a financial asset in default when contractual payments are 150 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off for these reasons when there is no reasonable expectation of recovering the contractual cash flows.

2. Material Accounting Policy Information (continued)**Financial liabilities****Initial recognition and measurement**

The Company's financial liabilities are all categorised as financial liabilities measured at amortised cost or fair value through profit or loss. Financial liabilities measured at amortised cost comprise loans and borrowings, trade and other payables, security deposits and deferred income in the Statement of Financial Position. Financial liabilities comprising of "derivative financial liabilities" are measured at fair value through profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at FVTPL.

After initial recognition, interest bearing loans payable are subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the Statement of Comprehensive Income using the EIR method.

Derecognition

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

2.7. Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables (excluding prepayments), other loans, cash and cash equivalents, loans and borrowings, and trade and other payables (excluding deferred income and security deposits).

Trade and other receivables

Trade and other receivables are recognized initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If payments received from customers exceed the income recognised, then the difference is presented as deferred income.

A provision for ECLs of trade and other receivables is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. A provision for ECLs is recognised through the Statement of Comprehensive Income. The company applies a simplified approach in calculating ECLs. The Company recognises a loss allowance based on lifetime ECL's at each reporting date. Based on its historical credit loss experience, the company applies on expected loss percentage to high risk debtors.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks which are subject to insignificant risk of changes in their fair value. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost.

2.8. Property, plant and equipment

Property, plant and equipment comprise aircraft acquired by the Company. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated over 12 years less 10% residual value. During the 2024 year the Directors reviewed the accounting estimates and highlighted that due to the sub-lessee exercising of the Buyout Option, the estimates needed to be reconsidered. There have been no agreements entered into yet and negotiations are currently at hand. The Directors are of the opinion that it is likely that the lessee (Emirates) of the sub-lessee (Red Tail 2) may exercise their right to purchase the aircraft at the end of the lease in February 2026. Accordingly, the Directors consider that the useful life of the aircraft would be up to February 2026 and the residual value to be updated to the middle of the expected consideration as provided for in the Buyout Option. The Directors believe that these estimates more accurately represent the value of the property, plant and equipment.

Property, plant and equipment are assessed for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purposes of measuring an impairment loss, each asset is tested individually by comparing its carrying amount to the higher of value in use and fair value less cost to sell. Impairment is charged to the statement of comprehensive income to reduce the carrying value of specific assets to the recoverable amount where impairment is considered to have occurred. Where the recoverable amount is greater than the carrying value, no impairment is recognised.

Recoverable amount is the higher of the net realisable value and value in use. Net realisable value is the amount at which an asset could be disposed of less any direct selling costs, and value in use is the present value of future cash flows obtainable as a result of an asset's continued use, including those resulting from its ultimate disposal.

2.9. Lease revenue

Lease revenue comprises revenue from aircraft on operating lease. The rental received from operating leases is recorded as income on a straight-line basis over the lease term even if the payments are not made on such a basis. Rentals received but unearned are recorded as deferred income in trade and other payables.

2.10. Finance income and expense

Interest on deposits with financial institutions is recognised as earned. A receivable is recorded for interest income earned but not yet received. To the extent interest is received but not yet earned a deferred income is recorded for the unearned portion.

Interest on loans and borrowings is recognised as incurred. A prepayment is recorded for interest payments made and not yet incurred. For interest that has been incurred but unpaid at the end of the year, an accrual is recorded.

Debt issue costs incurred are capitalised and netted against the related borrowings and are amortised to the statement of comprehensive income as a component of net finance costs as part of the effective interest rate of the associated borrowings.

2.11. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

2.12. Taxation

Current tax, including Irish corporation tax and foreign taxes, is provided on the Company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the end of the reporting year.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the end of the reporting period. Provision is made at the rates expected to apply when the temporary differences reverse. Temporary differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted. Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.13. Share Capital

Share capital is issued in USD and each ordinary share has a par value of USD 1. Dividends are recognised as liabilities in the financial period in which they are approved.

2.14. Security deposit

In accordance with the terms of the Lease Agreement, the Lessee is required to provide a security deposit. This security deposit is refundable to the Lessee upon termination of the lease and recorded as part of the liabilities in the statement of financial position.

RED TAIL 1 LIMITED**Notes to the Financial Statements (continued)**

For the year ended 31 December 2024

2.15. Deferred income

Deferred income relates to the initial lease revenue payment received in full at the outset of the Lease Agreement. The Company has initially recognised this lease payment in full as deferred income and this amount will be amortised over the life of the lease in the statement of comprehensive income.

2.16. General expenses

The general expenses of the Company are recognised in the financial statements on an accruals basis.

3. Lease revenue

	For the year ended 31 December 2024	For the year ended 31 December 2023
	USD	USD
Lease revenue	<u>28,796,305</u>	<u>29,351,185</u>

All lease revenue is derived from leasing of aircraft to Red Tail 2 Limited who sub-leases the aircraft to Emirates.

Lease revenue is derived from the following geographical locations:

	For the year ended 31 December 2024	For the year ended 31 December 2024	For the year ended 31 December 2023	For the year ended 31 December 2023
	USD	%	USD	%
UAE	28,796,305	100	29,351,185	100
	<u>28,796,305</u>	<u>100</u>	<u>29,351,185</u>	<u>100</u>

The future minimum lease rentals receivable under a non-cancellable operating lease are as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
	USD	USD
Not later than one year	26,955,520	30,702,817
Later than one year but not later than five years	2,256,325	27,599,694
Later than five years*	—	—
	<u>29,211,845</u>	<u>58,302,511</u>

Operating lease revenue is governed by the lease agreements established with the Lessee and Sub-Lessee. The lease will expire in February 2026.

4. Other income

	For the year ended 31 December 2024	For the year ended 31 December 2023
	USD	USD
Amortisation of deferred income*	<u>1,800,000</u>	<u>1,800,000</u>

*Amortisation of deferred income relates to the initial lease revenue payment received in full at the outset of the Lease Agreement amortised over the life of the lease.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

5. General and administrative expenses

	For the year ended 31 December 2024	For the year ended 31 December 2023
	USD	USD
Administration fees*	(14,805)	(14,212)
Audit fees	(10,800)	(8,487)
Taxes & surcharges	(4,428)	(3,700)
Realised foreign exchange	(451)	(172)
Bank charges	(1,239)	(659)
	<u>(31,723)</u>	<u>(27,230)</u>

*The Company has entered into a servicing agreement with CSC Finance Holding Ireland Limited (previously Intertrust Management Ireland Limited) to provide administration services to the Company. Fees for the year amounted to USD14,805 (2023: USD14,212).

6. Impairment expenses

	For the year ended 31 December 2024	For the year ended 31 December 2023
	USD	USD
(Impairment)/impairment reversal of aircraft	(1,341,062)	—
	<u>(1,341,062)</u>	<u>—</u>

7. Statutory information

The profit for the financial year has been arrived at after charging:

	For the year ended 31 December 2024	For the year ended 31 December 2023
	USD	USD
Directors remuneration	—	—
Depreciation	(22,091,827)	(17,793,749)
	<u>(22,091,827)</u>	<u>(17,793,749)</u>

The auditor's remuneration which was paid or accrued for during the period is as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
	USD	USD
Audit of the financial statements	(10,800)	(8,487)
Non-audit services – tax compliance services	(4,428)	(3,700)
	<u>(15,228)</u>	<u>(12,187)</u>

The Company did not pay directors' remuneration for the financial year ended 31 December 2023 (2023: USDNil) as no Directors were entitled to a fee for the year.

Pursuant to section 305A(1)(a) of the Companies Act 2014 (as amended), CSC received USD 2,000 (2023: USD 2,000) as consideration for the making available of individuals to act as Directors of the Company.

Notes to the Financial Statements (continued)
For the year ended 31 December 2024
7. Statutory information (continued)

The terms of the corporate services agreement in place between the Company and the Corporate Administrator provide for a single fee for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation.

The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company. For the avoidance of doubt, notwithstanding the Directors of the Company are employees of the Corporate Administrators, they each do not receive any remuneration for acting as Directors of the Company. All remaining categories in Section 305 of the Companies Act 2014 relevant to Directors' remuneration are USDNil for the financial year. There were no other contracts of any significance in relation to the business of the Company in which the Directors had an interest, as defined in the Companies Act 2014, at any time during the financial year.

8. Net finance expense

	For the year ended 31 December 2024	For the year ended 31 December 2023
	USD	USD
Finance expense		
Investment financing variable expense	(3,000,625)	(4,403,745)
Interest expense on loan notes	(1,680,000)	(1,680,000)
Amortisation of debt issue cost	(235,000)	(235,000)
Net finance expense	<u>(4,915,625)</u>	<u>(6,318,745)</u>

9. Tax on profit on ordinary activities

	For the year ended 31 December 2024	For the year ended 31 December 2023
	USD	USD
(a) Analysis of tax charge for the year		
Current tax charge		
Current year tax	—	—
<i>Deferred tax credit the year</i>		
Origination and reversal of temporary differences	(889,282)	(1,752,865)
Taxation for the year	<u>(889,282)</u>	<u>(1,752,865)</u>
(b) Reconciliation of effective tax rate		
Profit for the financial year before taxation	2,216,068	7,011,460
Corporation Tax on ordinary activities at 25%	(554,016)	(1,752,865)
Effects of:		
Tax losses available for carry forward	3,429,504	8,024,036
Excess of capital allowances over depreciation	(4,318,786)	(9,776,901)
Total tax credit	<u>(889,282)</u>	<u>(1,752,865)</u>

The Company is taxed at a rate of 25% in accordance with the provisions of Section 110 TCA 1997.

10. Employees

The Company had no persons in employment as at 31 December 2024. The Company has entered into a corporate services agreement with CSC Finance Holding Ireland Limited (previously Intertrust Management Ireland Limited) to provide administrative services to the Company for a fee of USD14,805 (2023: USD14,212).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

11. Property, plant and Equipment

	As at 31 December 2024	As at 31 December 2023
	USD	USD
<i>Cost</i>		
At beginning and end of the year	237,250,000	237,250,000
At the end of the year	237,250,000	237,250,000
<i>Accumulated depreciation</i>		
At beginning and end of the year	(139,384,375)	(121,590,625)
Depreciation charge for the year	(22,091,827)	(17,793,750)
At the end of the year	(161,476,202)	(139,384,375)
<i>Impairment</i>		
At beginning and end of the year	—	-
Impairment charge for the year	(1,341,062)	-
At the end of the year	(1,341,062)	-
<i>Net book value</i>		
Balance at end of the year	74,432,736	97,865,625

The Company acquired one Airbus A380-800 aircraft with investment financing obtained from DIB and loan notes from Curvature Funding. In March 2022, unsecured loan notes were transferred to Curvature Funding. The aircraft is on operating lease to Red Tail 2 and sub-leased to Emirates.

Depreciation is calculated over 12 years less 10% residual value. During the 2024 year the Directors reviewed the accounting estimates and highlighted that due to the sub-lessee exercising of the Buyout Option, the estimates needed to be reconsidered. There have been no agreements entered into yet and negotiations are currently at hand. The Directors are of the opinion that it is likely that the lessee (Emirates) of the sub-lessee (Red Tail 2) may exercise their right to purchase the aircraft at the end of the lease in February 2026. Accordingly, the Directors consider that the useful life of the aircraft would be up to February 2026 and the residual value to be updated to the middle of the expected consideration as provided for in the Buyout Option. The Directors believe that these estimates more accurately represent the value of the property, plant and equipment.

The aircraft is subject to a specific charge related to the Company's financing. At each reporting date the aircraft is assessed for a triggering event to determine if there is an indication of possible impairment. The directors have determined that impairment exists and have recognised an impairment charge of USD1,341,062 for the period 31 December 2024.

12. Cash and cash equivalents

	As at 31 December 2024	As at 31 December 2023
	USD	USD
Cash at bank	120,886	4,648,266

All cash and cash equivalents are held with AIB.

13. Trade and other receivables

RED TAIL 1 LIMITED**Notes to the Financial Statements (continued)**

For the year ended 31 December 2024

	As at 31 December 2024	As at 31 December 2023
	USD	USD
Unpaid share capital	1	1
Other receivables	524,654	302,444
Total	524,655	302,445

Notes to the Financial Statements (continued)
For the year ended 31 December 2024
14. Investment financing

	As at 31 December 2024	As at 31 December 2023
<i>Investment financing</i>	USD	USD
Balance at the beginning of the year	50,658,152	73,859,807
Principal repayments during the year	(24,049,771)	(23,201,655)
Balance at the end of the year	26,608,381	50,658,152
	As at 31 December 2024	As at 31 December 2023
<i>Unsecured loan notes</i>	USD	USD
Balance at the beginning of the year	4,800,000	4,800,000
Principal repayments during the year	—	—
Balance at the end of the year	4,800,000	4,800,000
	As at 31 December 2024	As at 31 December 2023
<i>Debt issue cost</i>		
Balance at the beginning of the year	(509,169)	(744,169)
Amortisation of debt issue during the year	235,000	235,000
Balance at the end of the year	(274,169)	(509,169)
Net balance at the end of the year	31,134,212	54,948,983
	As at 31 December 2024	As at 31 December 2023
Repayable in:	USD	USD
Within 1 year	24,481,280	23,606,437
Between 2 - 5 years	1,852,932	26,542,546
Greater than 5 years	4,800,000	4,800,000
Amounts due after more than one year	6,652,932	31,342,546
Balance at the end of the year	31,134,212	54,948,983

During the period ended 31 December 2016 the Company acquired one Airbus A380-800 aircraft. The Company financed the acquisition with investment financing from DIB and unsecured loan notes to Curvature Funding. The DIB investment financing has a maturity of January 2026. In February 2016 the Company drew down financing in the amount of USD 210,000,000. The financing bears a monthly variable expense at a rate of 2.25% and 1 month USD LIBOR. The aircraft is pledged as security to DIB for the senior financing.

On 24th April 2023, the company made an amendment to the Deed of Application of Proceeds with DIB, to allow for the phase out of Libor and to transition to SOFR. On the same date, the monthly variable expense rate was amended to allow credit adjustment spread of 0.02% per annum.

The unsecured loan notes mature in February 2036 and as at 31 December 2024 total USD4,800,000 (2023: USD USD4,800,000). The loan notes bear interest at 30% for years 1 to 4 subject to a fixed maximum of USD 1,440,000. From years 5 – 9 the loan noteholders shall be entitled to interest on the loan notes calculated by reference to all available cash of the Company after the payment, discharge and/or provision by the Company of all its operating expenses in the relevant accrual period provided that the Company has adequate provision for the payment or reimbursement of the security deposit.

RED TAIL 1 LIMITED**Notes to the Financial Statements (continued)**

For the year ended 31 December 2024

15. Security deposit

	As at 31 December 2024	As at 31 December 2023
	USD	USD
Security Deposit	<u>—</u>	<u>4,547,684</u>

In April 2024, the company resolved that the security deposit shall be used to fund a distribution of interest to Curvature funding on the next interest payment date. On 5 June 2024, the noteholder has undertaken that if the sub-lessor becomes obliged to repay the security deposit the note holder will make repayment. On the same day a payment of USD \$4,547,684 was made to the noteholder using the funds accrued for security deposit.

16. Deferred income

	As at 31 December 2024	As at 31 December 2023
	USD	USD
Balance at the start of the year	3,900,000	5,700,000
Amortisation during the year	(1,800,000)	(1,800,000)
Total	<u>2,100,000</u>	<u>3,900,000</u>
Within 1 year	1,800,000	1,800,000
After more than 1 year	300,000	2,100,000
Total	<u>2,100,000</u>	<u>3,900,000</u>

Deferred income relates to the initial lease revenue payment received in full at the outset of the Lease Agreement. The Company has initially recognised this lease payment in full as deferred income and this amount will be amortised over the life of the lease in the statement of comprehensive income. The Company has amortised USD1,800,000 (2023: USD1,800,000) in the year ended 31 December 2024.

17. Deferred tax liability

	As at 31 December 2024	As at 31 December 2023
	USD	USD
Opening deferred tax liability at beginning of the year	9,776,901	8,024,036
Deferred tax charge statement of profit or loss and other comprehensive income	554,016	1,752,865
Taxation for the year	<u>10,330,917</u>	<u>9,776,901</u>
Excess capital allowances over depreciation	18,608,184	23,447,474
Deferred tax assets relating to tax losses	(8,277,267)	(13,670,573)
Total	<u>10,330,917</u>	<u>9,776,901</u>

The Company has recognised a deferred tax liability of USD10,330,917.00 for the financial year (2023: liability of USD9,776,901).

18. Trade and other payables

	As at 31 December 2024	As at 31 December 2023
	USD	USD
Interest Payable	509,543	302,227
Accrued expenses and other payables	13,067	12,055
Total	522,610	314,282

19. Capital and reserves

	As at 31 December 2024	As at 31 December 2023
	USD	USD
<i>Authorised</i>		
Ordinary shares of USD1 each	Uncapped	1,000,000
<i>Alotted, called up and paid</i>		
Ordinary shares of USD1 each	1	1

	As at 31 December 2024	As at 31 December 2023
	USD	USD
<i>Authorised</i>		
Shareholders' funds at the start of the year	29,328,486	24,069,891
Profit for the financial year after taxation	2,667,848	5,258,595
Shareholders' funds end of the financial year	31,996,334	29,328,486

20. Subsequent events

In February 2024, Red Tail 2 Ltd (the sub-lessee of MSN 138) exercised notice to Emirates under the permitted sub-lease its Return Condition Buyout Option. At the date of this report, negotiations are underway.

At the date of this report, the Directors are not aware of any other matter or circumstances which has arisen that has significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial period subsequent to 31 December 2024.

21. Financial instruments and risk management

Financial Risk Management

The board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the Company's exposure to each of the significant risks and the Company's management of these risks.

21.1. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign exchange risk

Foreign exchange risk is the risk that fluctuations in foreign exchange rates will impact the Company's performance. The Company incurs certain administrative and professional expenses in foreign currency, primarily in EUR. The transactions are not significant and the total exposure to exchange rate fluctuations is not significant and therefore no sensitivity analysis has been performed.

RED TAIL 1 LIMITED**Notes to the Financial Statements (continued)**

For the year ended 31 December 2024

21.1. Market Risk (continued)*(ii) Interest rate risk*

At the reporting date the interest rate profile of the Company's financial instruments was as follows:

As at 31 December 2024	Fixed rate	Floating rate	Non-interest bearing	Total
<i>Financial assets</i>	USD	USD	USD	USD
Cash and cash equivalents	—	—	120,886	120,886
Trade and other receivables	—	—	524,655	524,655
	—	—	645,541	645,541
<i>Financial liabilities</i>	USD	USD	USD	USD
Investment financing	—	31,134,212	—	31,134,212
Deferred income	—	—	2,100,000	2,100,000
Security deposits	—	—	—	—
Trade and other payables	—	—	522,610	522,610
	—	31,134,212	2,622,610	33,756,822
As at 31 December 2023	Fixed rate	Floating rate	Non-interest bearing	Total
<i>Financial assets</i>	USD	USD	USD	USD
Cash and cash equivalents	—	—	4,648,266	4,648,266
Trade and other receivables	—	—	302,445	302,445
	—	—	4,950,711	4,950,711
<i>Financial liabilities</i>	USD	USD	USD	USD
Investment financing	—	54,948,983	—	54,948,983
Deferred income	—	—	3,900,000	3,900,000
Security deposits	—	—	4,547,684	4,547,684
Trade and other payables	—	—	314,282	314,282
	—	54,948,983	8,761,966	63,710,949

The DIB investment financing has a maturity of January 2026. On 24 February 2016 the Company drew down investment financing in the amount of USD 210,000,000. The investment financing bears a monthly variable expense at a rate of 2.25% plus 1 month USD LIBOR. The unsecured loan notes mature in February 2036 and as at 31 December 2023 total USD 4,800,000.

On 24th April 2023, the company made an amendment to the Deed of Application of Proceeds with DIB, to allow for the phase out of Libor and to transition to SOFR. On the same date, the monthly variable expense rate was amended to allow credit adjustment spread of 0.02% per annum.

See note 13 in relation to the calculation of interest on the loan notes.

RED TAIL 1 LIMITED**Notes to the Financial Statements (continued)**

For the year ended 31 December 2024

21.2. Credit risk

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

The Company's credit risk is based principally on the collection of rental payments under its operating lease. Creditworthiness of each new customer is assessed by the Board. The assessment process takes into account qualitative and quantitative information about the customer such as business activities, senior management team, financial fitness, resources and performance and business risk, to the extent that this information is publicly available or otherwise disclosed to the Company. The Directors have assessed the credit risk associated with the Company's financial assets and are satisfied that these amounts are recoverable and the Company's exposure to credit risk is not significant.

The maximum exposure to credit risk at the reporting date in relation to the Company's financial assets was:

	As at 31 December 2024	As at 31 December 2023
	USD	USD
Cash and cash equivalents	120,886	4,648,266
Trade and other receivables	524,655	302,445
Total	645,541	4,950,711

Cash and cash equivalents

The Company held cash of USD120,886 (2023: USD4,648,266), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with BNP Paribas, which have the following ratings as assigned by Moody's.

Moody's rating	As at 31 December 2024	As at 31 December 2023
	USD	USD
AIB - 2024: A2 (2023: A2)	120,886	4,648,266

21.3. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The following are the contractual maturities of financial liabilities:

As at 31 December 2024	Carrying amount	Gross contractual	Less than 1 year	From 2 to 5 years	More than 5 years
<i>Financial liabilities</i>	USD	USD	USD	USD	USD
Loans and borrowings	31,134,212	31,134,212	24,481,280	1,852,932	4,800,000
Deferred income	2,100,000	2,100,000	1,800,000	300,000	—
Security deposits	—	—	—	—	—
Trade and other payables	522,610	522,610	522,610	—	—
	33,756,822	33,756,822	26,803,890	2,152,932	4,800,000

As at 31 December 2023	Carrying amount	Gross contractual	Less than 1 year	From 2 to 5 years	More than 5 years
<i>Financial liabilities</i>	USD	USD	USD	USD	USD
Loans and borrowings	54,948,983	54,948,983	23,606,437	26,542,546	4,800,000
Deferred income	3,900,000	3,900,000	1,800,000	2,100,000	—
Security deposits	4,547,684	4,547,684	4,547,684	—	—
Trade and other payables	314,282	314,282	314,282	—	—
	63,710,949	63,710,949	30,268,403	28,642,546	4,800,000

22. Fair values of financial instruments

Valuation of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Company measures fair values using the following hierarchy of methods:

Level 1: Quoted market price in an active market for an identical instrument;

Level 2: Valuation techniques based on an observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments, quoted prices for similar instruments in markets that are considered less than active, or valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between instruments.

Cash and cash equivalents have been classified under level 1. Due to their short term nature the carrying values approximate to the fair values.

The trade and other receivables and trade and other payables have been classified under level 2. Due to their short term nature the Directors are of the view that the carrying values approximate the fair values.

The fair value of the loans and borrowings approximate the value of future expected cash flows at the reporting date and are deemed to be within level 2 of the fair value hierarchy.

23. Ownership of the Company

The sole shareholder of the Company is CSC Finance Holding Ireland Limited (previously Intertrust Management Ireland Limited) ("Trustee"). The shares are held on trust for the benefit of a charity as may be nominated by the Trustee, as defined in the terms of the declaration of trust.

24. Related party transactions

As at 31 December 2024 the Company has identified the following related party transactions;

(a) Transactions with CSC Finance Holding Ireland Limited ("CSC")

The Company has a Corporate Services Agreement with CSC Finance Holding Ireland Limited (previously Intertrust Management Ireland Limited) for the provision of corporate fiduciary and general administration services to the Company.

During the year ended 31 December 2024, the Directors of the Company, Edwina Stroughair, Philip McCaugherty, and Vanessa Devin were employees of CSC and therefore may be deemed to be interested in the Corporate Administration Services Agreement. During the financial year CSC received fees of USD14,805 (2023: USD USD14,212) for the provision of management services to the Company, of which USDNil (2023: USDNil) was payable at the current financial year end. USD2,000 (2023: USD2,000) of the CSC fee related to directorship services provided to the Company. As at 31 December 2024 the fees payable to CSC amounted to USDNil (2023: USDNil).

(b) Transactions with related parties

As at 31 December 2024 the Company has the following related party transactions:

Related party	Nature of transaction	Note	Opening balance	Transactions	Outstanding balance
			at 01 Jan 2024	during period	at 31 Dec 2024
			USD	USD	USD
Red Tail 2 Limited	Shareholder - Payables	14	4,547,684	4,547,684	—
CSC Finance Holding Ireland Limited (previously Intertrust Management Ireland Limited)	Shareholder	18	1	—	1

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

24. Related party transactions (continued)

(c) Directors, secretary and their interests

The Directors and secretary had no direct or beneficial interest in the Company during the period. Details of Directors' remuneration can be found in note [6](#).

25. Commitments and contingent liabilities

As at 31 December 2024 the Company had no capital commitment or contingent liabilities (2023: Nil).

26. Charges on the company

As at 31 December 2024 the Security Trustee held a specific charge over the Airbus A380-800 aircraft. The aircraft is subject to a specific charge related to the Company's financing.

27. Approval of financial statements

The board of directors approved and authorised these financial statements for issue on 01 December 2025.