

**Winter MSN 4066 Limited**  
**Annual report and financial statements**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

**Winter MSN 4066 Limited**

**CONTENTS**

	Pages
Directors and Other Information	1
Directors' Report	2 - 5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 - 9
Statement of Profit or Loss Account and Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 29

## Winter MSN 4066 Limited

### Directors and Other Information

<b>Directors</b>	William Brennan Christopher Cullen Joo Il Kim
<b>Company secretary</b>	MFD Secretaries Limited 32 Molesworth Street Dublin 2 Ireland
<b>Registered number</b>	521434
<b>Registered office</b>	32 Molesworth Street Dublin 2 Ireland
<b>Independent auditor</b>	KPMG Chartered Accountants 1 Harbourmaster Place IFSC Dublin 1 Ireland
<b>Bankers</b>	J.P. Morgan Bank 200 Capital Dock 79 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Solicitors</b>	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Managing agent</b>	Maples Fiduciary Services (Ireland) Limited 32 Molesworth Street Dublin 2 Ireland
<b>Lease manager</b>	Dubai Aerospace Enterprise Limited Block B Riverside IV Grand Canal Dock Dublin 2 Ireland

## Winter MSN 4066 Limited

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their annual report and the audited financial statements of Winter MSN 4066 Limited (the "Company") for the year ended 31 December 2023.

#### Principal Activities, Business Review and Future Developments

The Company was incorporated and domiciled in the Republic of Ireland. Its principal activity is the purchase and leasing of commercial jet aircraft. The Company leases its sole aircraft to an airline in Indonesia. 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's 1 US\$ share capital was transferred by its prior parent AWAS Aviation Trading Designated Activity Company ("AATD") to Kestrel Aircraft Funding Limited ("KAFL") on 22 January 2019 as part of a re-financing transaction.

#### Principal Risks and Uncertainties

The Company operates as a lessor to a global airline. The Company's ability to succeed is dependent on the financial strength of its lessee, their ability to compete effectively in the marketplace and to manage the competitive environment in which they operate.

The lessee is responsible for ensuring that the aircraft has adequate insurance cover, and the Directors have put appropriate monitoring systems in place to ensure that the lessee remains compliant.

The Company is subject to various risks including geopolitical and airline risk as described below.

##### *Geopolitical and airline risks*

The Company leases aircraft to customers in multiple jurisdictions exposing it to (i) many and varying economic, social, legal, and geopolitical risks, (ii) instability in key markets and (iii) global health pandemics. Exposure to multiple jurisdictions may adversely affect the Company's future performance, position, and growth potential. The adequacy and timeliness of the Company's response to emerging risks in these jurisdictions are of critical importance to the mitigation of their potential impact on the Company's results and financial position.

##### *Exposure to the commercial airline industry*

As a supplier to and partner of the airline industry, the Company is exposed to the financial condition of the airline industry as it leases all of its aircraft to commercial airline customers. The financial condition of the airline industry is affected by, among other things, geopolitical events, outbreaks of communicable pandemic diseases and natural disasters, fuel costs and the demand for air travel. To the extent that any of these factors adversely affect the airline industry they may result in (i) downward pressure on lease rates and aircraft values, (ii) higher incidences of lessee defaults, restructuring, and repossessions and (iii) inability to lease aircraft on commercially acceptable terms.

The Directors have considered the potential risks based on the currently available information and are satisfied that due to the nature of the Company's operations there is no significant risk to the Company other than those disclosed above.

#### Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms of the loan and other liabilities for the foreseeable future.

The Directors have considered the going concern basis of the financial statements. The Directors are satisfied given the cash flow forecasts and limited recourse nature of the debt obligations that it is appropriate to prepare the financial statements as at 31 December 2023 on a going concern basis.

## Winter MSN 4066 Limited

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

#### Going Concern (continued)

The Directors continue to have a reasonable expectation that the Company has adequate resources to continue in operation for at least the next twelve months and that the going concern basis of preparation remains appropriate. During the financial year, the global financial markets experienced continued volatility due to general macro-economic factors and the increased rate of inflation and interest rates. However, the extent of this cannot be quantified at this time and the Directors, along with the support of the key service providers being Maples Fiduciary Services (Ireland) Limited as Managing Agent and Dubai Aerospace Enterprise Limited as Servicer, will continue to monitor the situation and any potential effect on the Company on future reporting periods. The Company will also receive support from its parent company, confirming it will show forbearance, if required, in demanding repayment of the amounts due from the Company until such time when the Company has sufficient funds to do so.

While acknowledging the uncertainties that these factors are causing, the Directors have reached the conclusion that it is appropriate to prepare the financial statements on a going concern basis.

The Company had no aircraft on ground at year end.

There is still uncertainty over how the future developments of the current global situations will impact the Company's airline customers and the Company itself as a consequence. The Managing Agent (on behalf of the Directors) has modelled a number of different scenarios considering a period of at least twelve months from the date of approval of these financial statements. The assumptions modelled are based on the expected levels of performance by the Company's airline customers under their respective lease agreements. Under this base case scenario, the Company is expected to continue to have sufficient resources to service its debt.

Based on these factors, the Directors have a reasonable expectation that the Company has adequate liquidity and financial resources for at least the next twelve months and that the going concern base at preparation remains appropriate.

#### Key Performance Indicators

The Company's KPIs during the year were as follows:

- Operating income of US\$1,415,676 (2022: US\$1,723,243);
- Loss before tax of US\$2,813,329 (2022: loss before tax of US\$4,408,815);
- The depreciation and amortisation of the aircraft held by the Company was US\$1,205,593 (2022: US\$1,205,593); and
- The net book value of the aircraft held by the Company was US\$13,659,280 (2022: US\$17,531,424).

#### Results for the year and Dividends

The results of the Company for the financial year ended 31 December 2023 are set out in the Statement of Profit or Loss Account and Other Comprehensive Income on page 10 and in the Balance Sheet on page 11. The loss on ordinary activities for the financial year before taxation amounted to US\$2,813,329 (2022: loss before taxation of US\$4,408,815), and after taxation credit of US\$nil (2022: taxation credit of US\$15,447), the loss of US\$2,813,329 (2022: loss of US\$4,393,368) was transferred to reserves. Shareholder's equity at 31 December 2023 amounted to US\$895,331 (2022: US\$3,708,660). There were no dividends declared during the financial year (2022: \$nil).

Total cash and cash equivalents at 31 December 2023 was US\$2,666 (2022: US\$1,628). Total assets was US\$24,772,412 (2022: US\$25,804,365), and total liabilities was US\$23,877,081 (2022: US\$22,095,705).

## **WINTER MSN 4066 LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **Directors and Secretary and their Interests**

The names of the persons who were Directors at any time during the financial year ended 31 December 2023 are set out below. In accordance with the Articles of Association the Directors are not required to retire by rotation.

Directors:

William Brennan  
Christopher Cullen  
Joo Il Kim

Secretary:

MFD Secretaries Limited

#### **Interests**

The Directors and the Company Secretary's interest in shares are required to be disclosed in accordance with section 261 to 263 of the Companies Act, 2014. The Directors and the Company secretary who held office at 31 December 2023 do not have any direct or beneficial interest in the shares, deferred shares, share options and debentures of the Company, or any company at that date or during the financial year (2022: none).

#### **Transactions Involving Directors**

There were no loans advanced to the Directors at any time during the financial year (2022: none). There were no contracts or arrangements in relation to the business of the Company in which the Directors had any interest, as defined by the Companies Act 2014, at any time during the financial year.

#### **Issue of Shares**

Authorised share capital consists of 100,000 ordinary shares of US\$1 each. One share was issued on 10 December 2019 to Kestrel Aircraft Funding Limited ("KAFL").

#### **Political Contributions**

No political donations were made by the Company during the financial year (2022: US\$ Nil).

#### **Accounting Records**

The Directors are responsible for ensuring that proper books and accounting records, as required by Section 281 of the Companies Act 2014, are kept by the Company. To achieve this, the Directors have appointed Maples Fiduciary Services (Ireland) Limited ("Maples") to provide accounting services, who report to the board and ensure that the requirements of Section 281 of the Companies Act 2014, are complied with. The books of account of the Company are maintained at 32 Molesworth Street, Dublin 2, Ireland.

#### **Events after the end of the Reporting Date**

Subsequent to year end, the Company extinguished its existing profit participating loan and related interest in exchange for an intercompany loan issued by KAFL.

In June 2025, the Company's sole aircraft had been sold to a third party.

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

**WINTER MSN 4066 LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Relevant Audit Information**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Independent Auditor**

The auditor, KPMG, Chartered Accountants, have expressed their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014. Pursuant to Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

This report was approved by the board on 18 December 2025 and signed on its behalf.



William Brennan  
**Director**



Christopher Cullen  
**Director**

**WINTER MSN 4066 LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework. 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 financial position of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board



William Brennan  
Director



Christopher Cullen  
Director



KPMG

Audit  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5  
Ireland

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINTER MSN 4066 LIMITED

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Winter MSN 4066 Limited (the "Company") for the year ended 31 December 2023 set out on pages 10 to 29, which comprise the statement of profit or loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the 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 FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

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 2023 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard 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 presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINTER MSN 4066 LIMITED (continued)**

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- 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.

### ***Our opinions on other matters prescribed by the Companies Act 2014 are unmodified***

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 and the financial statements are in agreement with the accounting records.

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

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

### **Respective responsibilities and restrictions on use**

#### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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 fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINTER MSN 4066 LIMITED  
(continued)**

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

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

19 December 2025

Terence Coveney

**for and on behalf of**

**KPMG**

**Chartered Accountants, Statutory Audit Firm**

*1 Harbourmaster Place*

*IFSC*

*Dublin 1*

*D01 F6F5*

**WINTER MSN 4066 LIMITED**

**STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 US\$'000	2022 US\$'000
<b>Revenue</b>			
Operating income	3	1,416	1,723
End-of-lease release of reserves and other items	4	-	(3,952)
<b>Total revenue</b>		<b>1,416</b>	<b>(2,229)</b>
<b>Expenses</b>			
Depreciation and amortisation	9	(1,206)	(1,206)
Impairment charge on aircraft and related assets	9	(2,665)	-
General and administrative expenses	5	(358)	(974)
<b>Total expenses</b>		<b>(4,229)</b>	<b>(2,180)</b>
<b>Loss from operating activities</b>		<b>(2,813)</b>	<b>(4,409)</b>
Finance expenses	6	-	-
<b>Loss on ordinary activities before taxation</b>		<b>(2,813)</b>	<b>(4,409)</b>
Taxation credit	8	-	15
<b>Loss on ordinary activities after taxation</b>		<b>(2,813)</b>	<b>(4,394)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(2,813)</b>	<b>(4,394)</b>

All results for the year are attributable to the owners of the Company. The above results were derived from continuing operations.

The accompanying notes on pages 13 to 29 form an integral part of these financial statements.

**WINTER MSN 4066 LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2023**

	Note	2023 US\$'000	2022 US\$'000
<b>Non-current assets</b>			
Aircraft and related assets	9	13,660	17,531
Net deferred tax asset	8	-	-
		<u>13,660</u>	<u>17,531</u>
<b>Current assets</b>			
Cash and cash equivalents		3	2
Other receivables	10	11,110	8,272
Total current assets		<u>11,113</u>	<u>8,274</u>
Total assets		<u>24,773</u>	<u>25,805</u>
<b>Capital and reserves</b>			
Capital Contribution	15	8,077	8,077
Retained deficit		(7,181)	(4,368)
<b>Shareholder's equity</b>		<u>896</u>	<u>3,709</u>
<b>Liabilities - amounts falling due within one year</b>			
Payable to related parties	12	8,534	8,534
		<u>8,534</u>	<u>8,534</u>
<b>Liabilities - amounts falling due for more than one year</b>			
Loans and borrowings	11	13,242	13,242
Security deposits	14	320	320
Maintenance reserves	13	1,781	-
		<u>15,343</u>	<u>13,562</u>
<b>Total liabilities</b>		<u>23,877</u>	<u>22,096</u>
<b>Total liabilities and equity</b>		<u>24,773</u>	<u>25,805</u>

Approved by the board and authorised for issue on 18 December 2025.



William Brennan  
Director



Christopher Cullen  
Director

The accompanying notes on pages 13 to 29 form an integral part of these financial statements.

**WINTER MSN 4066 LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Capital Contribution	Retained deficit	Total deficit
	US\$'000	US\$'000	US\$'000
<b>At beginning of year</b>	8,077	(4,368)	3,709
Total comprehensive loss for the financial year	-	(2,813)	(2,813)
<b>Balance at 31 December 2023</b>	<b>8,077</b>	<b>(7,181)</b>	<b>896</b>

	Capital Contribution	Retained deficit	Total deficit
	US\$'000	US\$'000	US\$'000
<b>At beginning of year</b>	8,077	26	8,103
Total comprehensive loss for the financial year	-	(4,394)	(4,394)
<b>Balance at 31 December 2022</b>	<b>8,077</b>	<b>(4,368)</b>	<b>3,709</b>

All equity is attributable to the holders of the Company.

The accompanying notes on pages 13 to 29 form an integral part of these financial statements.

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 1. General information

Winter MSN 4066 Limited (the "Company") was incorporated and domiciled in the Republic of Ireland. The financial statements of the Company are presented as at and for the year ended 31 December 2023. The registered number of the Company is 521434 and the address of its registered office is 32 Molesworth Street, Dublin 2, Ireland.

The Company's 1 US\$ share capital was transferred by its prior parent AWAS Aviation Trading Designated Activity Company ("AATD") to Kestrel Aircraft Funding Limited on 22 January 2019 as part of a re-financing transaction.

Prior to this transaction, the Company was a wholly owned subsidiary of AWAS Aviation Trading Designated Activity Company ("AATD") which is a subsidiary of the Company's ultimate parent DAE. DAE is privately owned by ICD, ICD Hospitality & Leisure LLC, Dubai Silicon Oasis Authority and Emaar Properties PJSC. ICD, a corporation formed by Royal Decree in the Emirate of Dubai, UAE, was considered to be the Company's ultimate beneficial owner.

Due to the nature of the Company's business and the type of transactions the company is engaged in, the Directors have adopted the Profit or Loss Account and the Balance Sheet to suit the circumstances of the business in line with Section 291(4) of the Companies Act 2014.

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

#### 2. Accounting policies

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

The financial statements have been prepared on a historical cost basis in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and Irish statute comprising of the Companies Act 2014.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The Company's ultimate holding undertaking, Kestrel Aircraft Funding Limited ("KAFL"), includes the Company in its consolidated financial statements. The financial statements of KAFL are prepared in accordance with IFRS and are available to the public and may be obtained from the Companies Registration Office, Gloucester Place Lower, Dublin 1.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new standards and interpretations issued but not yet effective;
- Disclosures in respect of the compensation of Key Management Personnel and related party transactions entered into between two or more wholly owned members of a Company.

As the financial statements of KAFL (whose accounts consolidate the accounts of the Company) and which have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), include equivalent disclosures, the Company has taken exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement; and
- The disclosures required by IFRS 7 Financial Instrument Disclosures.

The financial statements have been prepared in US Dollars (US\$).

The financial statements have been prepared on a going concern basis.

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 2. Accounting policies (continued)

##### 2.1 Basis of preparation of financial statements (continued)

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2023 that have a material effect on the financial statements of the Company.

##### ***Determination of fair values***

A number of the Company's accounting policies and disclosures require the determination of fair values, for financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the method below. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

The preparation of the financial report in conformity with FRS 101 requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. These estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about 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 by the Directors 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.

##### ***Judgements***

The key judgements that could affect the reported results are those concerning the going concern and determining the classification of lease arrangements entered into by the Company. Going concern is disclosed in Note 2.2. All leases entered into by the Company as lessor have been classified as operating lease.

##### ***Estimates***

##### ***Aircraft impairment***

Aircraft are evaluated for impairment in each reporting period, or when there are indicators of impairment. Estimates and judgement are used in determining the value in use and fair value of aircraft. The Company estimates future lease cash flows, useful economic life, discount rate, residual value, and current and future fair values. The estimates and assumptions used are based on historical trends as well as future expectations. For some of these estimates including residual values, the Company utilises independent appraisers to determine the appropriate inputs.

##### ***Aircraft residual value and useful economic life***

Estimates are used in determining the residual value and useful economic life of aircraft. The useful economic life and residual value of aircraft are generally estimated being 25 years from the date of manufacture and 15% of cost, respectively. Where more relevant information indicates a different pattern in which the benefits associated with an aircraft are consumed, management adjust the residual value and useful economic life estimates for those specific aircraft. As at 31 December 2023, the remaining useful life of the Company's aircraft was 11 years.

Residual value and useful economic life estimates of aircraft and related assets are reviewed at a minimum at each annual reporting date considering management's experience and knowledge of the industry, the Company's strategy (that relating to the acquisition, disposition and leasing of the aircraft) as well as external market factors.

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 2. Accounting policies (continued)

##### 2.2 Going concern

The Directors continue to have a reasonable expectation that the Company has adequate resources to continue in operation for at least the next twelve months and that the going concern basis of preparation remains appropriate. During the financial year, the global financial markets experienced continued volatility due to general macro-economic factors and the increased rate of inflation and interest rates. However, the extent of this cannot be quantified at this time and the Directors, along with the support of the key service providers being Maples Fiduciary Services (Ireland) Limited as Managing Agent and Dubai Aerospace Enterprise Limited as Servicer, will continue to monitor the situation and any potential effect on the Company on future reporting periods. The Company will also receive support from its parent company, confirming it will show forbearance, if required, in demanding repayment of the amounts due from the Company until such time when the Company has sufficient funds to do so.

While acknowledging the uncertainties that these factors are causing, the Directors have reached the conclusion that it is appropriate to prepare the financial statements on a going concern basis.

The Company had no aircraft on ground at year end.

There is still uncertainty over how the future developments of the current global situations will impact the Company's airline customers and the Company itself as a consequence. The Managing Agent (on behalf of the Directors) has modelled a number of different scenarios considering a period of at least twelve months from the date of approval of these financial statements. The assumptions modelled are based on the expected levels of performance by the Company's airline customers under their respective lease agreements. Under this base case scenario, the Company is expected to continue to have sufficient resources to service its debt.

Based on these factors, the Directors have a reasonable expectation that the Company has adequate liquidity and financial resources for at least the next twelve months and that the going concern base at preparation remains appropriate.

##### 2.3 Revenue Recognition

Under IFRS 16 Leases, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for the consideration and control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. The Company, as lessor, leases aircraft under operating leases and records rental income over the life of the lease as it is earned. The Company accounts for lease rental income under lease agreements that include step rent clauses on a straight-line basis.

Leases where the Company transfers substantially all of the risks and rewards of ownership to the lessees are classified as finance leases. All other leases are classified as operating leases.

###### *Operating lease with the Company as lessor*

Rental income from operating leases (net of any incentives given to lessees) is recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Initial direct costs incurred by the Company in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in the Statement of Comprehensive Income over the lease term on the same basis as the lease income.

Past due rentals are recognised on the basis of the Company's assessment of collectability. No revenues are recognised, and no receivable is recorded from a lessee when collectability is not reasonably assured. Estimating whether collectability is reasonably assured requires some level of subjectivity and judgement.

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 2. Accounting policies (continued)

##### 2.3 Revenue Recognition (continued)

When collectability of rental payments is not certain, revenue is recognised when cash payments are received. Collectability is evaluated based on factors such as the lessee's credit rating, payment performance, financial condition, and requests for modifications of lease terms and conditions as well as security received from the lessee.

##### 2.4 Finance expense

Finance expense comprises of interest expense on borrowings and financing fee amortisation. All borrowing costs are recognised in Statement of Profit or Loss Account and Other Comprehensive Income using the effective interest rate method.

##### 2.5 Cash and cash equivalents

Cash and cash equivalents comprise of amounts due from banks and where applicable, overdrafts. They are convertible into cash with an insignificant risk of changes in value and with original maturities of less than 90 days.

##### 2.6 Financial instruments

###### Recognition

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

The financial assets held on the statement of financial position are simple financial assets which, in the form of receivables, are held to collect contractual cash flows through the underlying lease agreements on the aircraft. Accordingly, they continue to be classified at amortised cost under IFRS 9. The financial liabilities held on the statement of financial position are all recognised at amortised cost.

###### *Classification and measurement*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or fair value through profit or loss ("FVTPL"). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial instruments. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 2. Accounting policies (continued)

##### 2.6 Financial Instruments (continued)

The Company assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model and how those risks are managed; and
- the frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities are either 'other financial liabilities' or 'financial liabilities at FVPL'. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Other financial liabilities include 'security deposits', loans, and borrowings', and 'trade and other payables' in the statement of financial position.

##### *De-recognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in a transferred financial asset that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or have expired.

##### *Impairment*

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and debt investments measured at FVOCI. The Company measures loss allowances at an amount equal to lifetime ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Lifetime losses are estimated by comparing the outstanding receivables at year end, with post year end collections and security deposits deemed as credit enhancements. Any deficit is provided for based on estimates of probability and loss given default. The carrying amount of the asset shall be reduced directly. The amount of the loss shall be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 2. Accounting policies (continued)

##### 2.7 Aircraft and related assets

###### Cost

Aircraft assets are initially recorded at cost including directly attributable transaction costs on acquisition. Aircraft are subsequently measured at cost less accumulated depreciation and any impairment losses.

###### Maintenance rights asset

Maintenance rights asset represents the value in the difference between the contractual right under the acquired in-place leases to receive the aircraft in a specified maintenance condition at the end of the lease and the actual physical condition of the aircraft at the date of acquisition. A maintenance right asset represents the fair value of our contractual right under a lease to receive an aircraft in an improved maintenance condition as compared to the maintenance condition on the acquisition date. A maintenance right liability represents our obligation to pay the lessee for the difference between the lease end contractual maintenance condition of the aircraft and the actual maintenance condition of the aircraft on the acquisition date. The Company did not recognise any maintenance right liabilities in the current period.

###### Lease premium

At the time of an aircraft acquisition, the Company evaluates whether the lease acquired with the aircraft is at fair market value. A lease premium is recognised when it is determined that the acquired lease terms are above market value; lease discounts are recognised when it is determined that the acquired lease terms are below fair market value. Lease premiums and discounts are capitalised as a portion of the Aircraft (and related) assets value and are amortised as lease revenue (for sale and lease back acquisitions) or depreciation, amortisation, and impairment (for portfolio acquisitions) on a straight-line basis over the lease term.

###### *Fair value and allocation of cost of acquired assets*

Upon acquisition of an aircraft, the purchase price is allocated between the fair value of the assets acquired – metal value, maintenance, and lease intangibles. The Company employs appraisers in order to place a value on the assets acquired.

###### Aircraft

The Company depreciates leased aircraft (and related) assets on a straight-line basis to a residual value at the end of the useful economic life.

The useful economic life and residual value of aircraft and related assets are generally estimated as being 25 years from date of manufacture and 15% of cost, respectively. Where more relevant information indicates a different pattern in which the benefits associated with an aircraft are consumed, management adjust the residual value and useful economic life estimates for those specific aircraft.

Residual value and useful economic life estimates of aircraft and related assets are reviewed at a minimum at each annual reporting date considering management's experience and knowledge of the industry, the Company's strategy (that relating to the acquisition, disposition and leasing of aircraft) as well as external market factors. Changes are accounted for as a charge in accounting estimate.

## **WINTER MSN 4066 LIMITED**

### **Notes to the financial statements For the year ended 31 December 2023**

#### **2. Accounting policies (continued)**

##### **2.7 Aircraft and related assets (continued)**

###### **Maintenance rights asset**

The commencement of amortisation of maintenance rights asset is triggered by maintenance events. Following a maintenance event, the portion of the cost of the event that relates to the maintenance rights asset is capitalised to aircraft asset and is then depreciated on a straight-line basis over the remaining useful economic life of the aircraft. On termination of a lease, any remaining maintenance rights asset is offset against any remaining Maintenance reserves cash balances. Excess maintenance reserves are then released to the Statement of Profit or Loss Account and Other Comprehensive Income, recognised as Other Income.

###### **Lease premium**

Lease premium assets are amortised on a straight-line basis over the remaining term of the related lease.

The assets' residual values, useful lives, and depreciation methods are reviewed and adjusted if appropriate as at each financial period end.

###### **Disposal of aircraft**

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit or Loss Account and Other Comprehensive Income.

###### **Derecognition**

Aircraft (and related) assets are derecognised upon disposal or when no further future economic benefits are expected from their use or disposal.

###### **Impairment**

At each reporting date, the carrying values of aircraft (and related) assets are assessed for indications of impairment. If any indicator of impairment exists, an estimate of the asset's recoverable amount is calculated. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an assets fair value less cost to sell and value in use. A previously recognised impairment loss is only reversed if there has been an increase in the asset's recoverable amount since the last impairment loss was recognised. The impairment loss would be reversed to the revised estimate of its recoverable amount but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in the prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss Account and Other Comprehensive Income.

## **WINTER MSN 4066 LIMITED**

### **Notes to the financial statements For the year ended 31 December 2023**

#### **2. Accounting policies (continued)**

##### **2.8 Maintenance reserves**

Under certain leases, the Company requires lessees to make regular additional rent payments based on aircraft utilisation. In all cases the leases require the lessees to be responsible for maintenance and repairs, including major airframe and engine overhauls (major maintenance events) over the term of the lease. Under the terms of some leases, the Company is obliged to reimburse the lessee for the cost of major maintenance events (up to the amount of supplemental rent paid).

In certain circumstances, the Company as lessor agrees to defer the receipt of the lessee's compensation for the use of the aircraft until the lease end. The compensation is typically calculated on the basis of the condition of each major component at the end of the lease relative to the commencement of the lease. If each major component is returned to the lessor in worse condition, the lessee is required to make a payment to the lessor. Such payment will be calculated on the basis of condition measured by hours, number of cycles or time at an agreed rate specified in the lease. End of lease compensation is recognised as supplemental rent when such amounts are virtually certain and estimable. Maintenance costs incurred when an aircraft is off lease are recognised as an expense in the period incurred.

##### **2.9 Leases**

The Company leases aircraft to airline operators. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases in which the Company retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating and executing an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as lease rental revenue. Leases in which the risks and benefits of ownership transfer to the lessee are classified as finance leases.

##### **2.10 Other receivables**

Trade and other receivables are recognised 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. Trade receivables include, but are not limited to, operating lease receivables, VAT recoverable and a number of other operating receivables.

## **WINTER MSN 4066 LIMITED**

### **Notes to the financial statements For the year ended 31 December 2023**

#### **2. Accounting policies (continued)**

##### **2.11 Trade payables**

Trade payables represent amounts due by the Company in connection with the carrying on of its trade. Such payables include but are not limited to, deferred income and a number of operating payables.

##### **2.12 Security deposits**

Security deposits on leased aircraft are generally paid by the lessee on the execution of the lease and are non-refundable during the term of the lease. The amounts are held as security for the timely and faithful performance by the lessee of its obligations during the lease and are included on the Statement of Financial Position. The deposit may be applied against amounts owing from the lessee for rent or returned to the lessee on the termination of the lease. The lease deposits are classified as financial liabilities initially measured at fair value and subsequently at amortised cost.

##### **2.13 Foreign currency**

Transactions, including income and expenditure, in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised through profit or loss in the Statement of Comprehensive Income.

##### **2.14 Taxation**

Corporation tax is provided on taxable profits at current rates applicable to the Company's activities. Deferred taxation is accounted for, without discounting, in respect of all temporary differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the reporting date except as otherwise required by IAS 12 'Income Tax'. Provision is made at the tax rates which are expected to apply in the periods in which the timing differences reverse, based on those tax which are enacted or substantively enacted for each jurisdiction. Deferred tax assets are recognised only to the extent that it is considered more likely than not that they will be recovered.

##### **2.15 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributed to the issue of shares are recognised as a deduction from equity, net of tax effects.

##### **2.16 Capital contribution**

Capital contributions represent advances made by the parent company. This contribution is not repayable to the parent company under any circumstances.

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 3. Operating income

	2023 US\$'000	2022 US\$'000
Lease rental revenue	1,416	1,723
	<u>1,416</u>	<u>1,723</u>

Income arises from the leasing of aircraft under operating leases. All income is derived from activities carried out in Indonesia. The Company has one customer, an airline located in Indonesia, in the financial year ended 31 December 2023. There was no contingent rent during the financial year.

In connection with the operating lease, future minimum rentals receivable under this lease are as follows:

	2023 US\$'000	2022 US\$'000
Within 1 year	1,110	660
Between 1 to 2 years	960	1,110
Between 2 to 3 years	-	1,920
Between 3 to 4 years	-	1,920
Between 4 to 5 years	-	1,531
Later than five years	-	-
<b>Total</b>	<u>2,070</u>	<u>7,141</u>

#### 4. End-of-lease release of reserves and other items

	2023 US\$'000	2022 US\$'000
Release of maintenance reserves	-	457
Release of security deposits	-	876
Release of maintenance intangible	-	(5,285)
<b>Total</b>	<u>-</u>	<u>(3,952)</u>

In prior year, the balances relate to lease which expired in October 2021 with the aircraft redelivered to a new lessee based in Indonesia in Q1 2022.

#### 5. General and administration expenses

	2023 US\$'000	2022 US\$'000
Aircraft costs	232	896
Legal and professional fees	126	74
Other fees and expenses	-	4
	<u>358</u>	<u>974</u>

#### 6. Finance expense

	2023 US\$'000	2022 US\$'000
Interest expense on loans	-	-
	<u>-</u>	<u>-</u>

**WINTER MSN 4066 LIMITED****Notes to the financial statements  
For the year ended 31 December 2023****7. Loss on ordinary activities before tax**

	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>The loss is arrived at after charging:</b>		
Directors remuneration (fees)	-	-
Directors remuneration (other)	-	-
Depreciation and amortisation	1,205	1,206
Auditors' remuneration - Audit	8	8
Auditors' remuneration - Tax Compliance	-	-
Other non-audit services	-	-
	<u>1,213</u>	<u>1,214</u>

Auditors' remuneration arises on fees incurred for the statutory audit of the Company.

**8. Taxation**

	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Current tax</b>		
Income tax credit/(charge) for the year on ordinary activities	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	353	1,102
Movement in unrecognised deferred tax asset	(353)	(1,087)
<b>Total deferred tax</b>	<u>-</u>	<u>15</u>
<b>Tax credit for the year</b>	<u>-</u>	<u>15</u>

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 8. Taxation (continued)

##### Factors affecting tax charge for the year

The profits or losses of the companies which are qualifying companies within the meaning of Section 110 of the Taxes Consolidation Act (the "TCA") 1997 are chargeable to corporation tax under Case III Schedule D of the TCA at the rate of 25% but are computed in accordance with the provisions applicable to Case I Schedule D of the TCA.

The reconciliation of tax on profit on ordinary activities at the standard rate of Irish corporation tax to the Company's actual tax charge is analysed as follows:

	2023 US\$'000	2022 US\$'000
Loss on ordinary activities before tax	(2,813)	(4,409)
Loss on ordinary activities multiplied by standard rate of corporation tax in Ireland of 25%	703	1,102
Movement in unrecognised deferred tax asset	(353)	(1,087)
Prior year over/under provision	(350)	-
<b>Total tax credit for the year</b>	<b>-</b>	<b>15</b>

##### Factors that may affect future tax charges

Tax is chargeable in future years unless Company relief is available. To the extent losses are incurred in the future, these can be carried forward. From 1 January 2023, the corporation tax rate is expected to remain at its current rate of 25%.

##### Deferred tax

Deferred tax represents the amount of tax recoverable in respect of tax losses available in the current period which are available for carry forward against future taxable profits, temporary timing differences and an excess of capital allowances over accounting depreciation

The reconciliation of deferred tax assets and liabilities for the year is as follows:

	2023 US\$'000	2022 US\$'000
Opening balance	-	(15)
Deferred tax credited to the profit and loss account	-	1,102
Movement in unrecognised deferred tax asset	-	(1,087)
<b>At end of the year</b>	<b>-</b>	<b>-</b>

	2023 US\$'000	2022 US\$'000
The deferred tax balance is composed of:		
Capital allowances in excess of depreciation	(4,081)	(4,699)
Tax losses carried forward	4,081	4,699
<b>At end of the year</b>	<b>-</b>	<b>-</b>

WINTER MSN 4066 LIMITED

Notes to the financial statements  
For the year ended 31 December 2023

9. Aircraft and related assets

	Aircraft US\$'000	Maintenance component asset US\$'000	Lease premium component asset US\$'000	Total US\$'000
<b>Cost</b>				
Balance at 1 January 2023	26,514	5,285	9,590	41,389
Additions	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>26,514</b>	<b>5,285</b>	<b>9,590</b>	<b>41,389</b>
<b>Accumulated depreciation and amortisation:</b>				
Balance at 1 January 2023	(8,983)	(5,285)	(9,590)	(23,858)
Current year depreciation and amortisation	(1,206)	-	-	(1,206)
Released to income statement	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>(10,189)</b>	<b>(5,285)</b>	<b>(9,590)</b>	<b>(25,064)</b>
<b>Impairment:</b>				
Balance at 1 January 2023	-	-	-	-
Impairment charge	(2,665)	-	-	(2,665)
<b>Balance at 31 December 2023</b>	<b>(2,665)</b>	<b>-</b>	<b>-</b>	<b>(2,665)</b>
<b>Net book value at 31 December 2023</b>	<b>13,660</b>	<b>-</b>	<b>-</b>	<b>13,660</b>
<b>Cost</b>				
Balance at 1 January 2022	26,514	5,285	9,590	41,389
Additions	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>26,514</b>	<b>5,285</b>	<b>9,590</b>	<b>41,389</b>
<b>Accumulated depreciation and amortisation:</b>				
Balance at 1 January 2022	(7,777)	-	(9,590)	(17,367)
Current year depreciation and amortisation	(1,206)	-	-	(1,206)
Released to income statement	-	(5,285)	-	(5,285)
<b>Balance at 31 December 2022</b>	<b>(8,983)</b>	<b>(5,285)</b>	<b>(9,590)</b>	<b>(23,858)</b>
<b>Impairment:</b>				
Balance at 1 January 2022	-	-	-	-
Impairment charge	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value at 31 December 2022</b>	<b>17,531</b>	<b>-</b>	<b>-</b>	<b>17,531</b>

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 9. Aircraft and related assets (continued)

The Directors of the Company undertake a review to determine whether an impairment provision is required in respect of the Company's aircraft and related assets. In the assessment of impairment, the Directors have considered the aircraft's current appraised market value and if there is an indication of impairment, assessed its value in use. In determining the aircraft's value in use, consideration is given to contractual cash flows expected to be received under the current lease arrangements, as well as future proceeds expected from disposal activities at end of lease. Impairment arises in the period due to certain aircraft and related assets' recoverable amount being less than the carrying amount. Based on this review, the Company has recognised no impairment charge during the year.

The recoverable amount of the assets comprised of net realisable value of US\$14.92m (2022: US\$24.77m) and value of use of US\$17.24m (2022: US\$21.75m). Value in use was estimated using a discount rate of 9.25% (2022: 8.25%). Net realisable value (being fair value less cost to sell) was determined using three external, independent aircraft appraisal firms having appropriate qualifications and experience.

Significant judgement is required when evaluating the inputs into the recoverable amount of the Company's aircraft. Reasonable possible changes at the reporting date to one of the significant inputs, while holding others constant, would have affected the impairment charge recorded by the amounts shown below.

Reasonable possible changes at the reporting date to one of the significant inputs, while holding the others constant, was considered for the variables set out below;

- Discount rate applied +/- 0.5%
- Uncontracted future lease rental rates +/- 10%
- Residual values +/- 10%
- Downtime between leases +/- 2 months

None of the above possible changes in significant inputs would have given rise to a materially different impairment charge for the Company's aircraft than was recorded for the year.

#### Maintenance and lease components

The Company recognises maintenance and lease components in relation to the acquisition of aircraft that were purchased on lease. Lease premium represent the value of an acquired lease rental above or below the market rate for leases of a similar type of aircraft, which is adjusted by relevant credit risk associated with that lessee. Lease premium are amortised on a straight-line basis over the remaining life of the lease.

Maintenance components represent the value of the return condition of the aircraft on lease when compared to the current market value of that aircraft, adjusted for current maintenance conditions. Maintenance components are capitalised to the Statement of Financial Position at the end of the lease in line with the Company's maintenance accounting policy.

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 10. Other receivables

	2023 US\$'000	2022 US\$'000
Lease rent receivable	-	50
Other receivables	24	26
Receivables from related parties	10,139	8,016
Deferred income	947	180
	<u>11,110</u>	<u>8,272</u>

Amounts receivable from other Company entities are due on demand and do not bear interest.

#### 11. Loan payable

The Company received a profit participating loan ("PPL") from AWAS Aviation Trading Designated Activity Company, the Company's prior parent in 2013 to part fund the purchase of an aircraft. The initial amount advanced was USD 20.7 million. During 2017, the PPL was extended until April 2022 and the principal amount was increased to USD 38.1 million. This PPL was novated to the Company's current parent, Kestrel Aircraft Funding Limited, on 22 January 2019, in which the repayment date was extended to January 2048.

The balance outstanding at 31 December 2023 was USD 13.2 million (2022: USD 13.2 million) and there are no scheduled repayments until maturity in 2048. PPL is subordinate to all other debt in the Company and bears interest based on the profits earned by the Company during the term of the PPL. Interest is recognized on an effective interest rate determined based on estimated future profits of the Company and in the event the Company does not make a profit over the term of the PPL, no interest is payable. Early repayment is permitted. The interest charged on the outstanding balance during the year ended 31 December 2023 was nil (2022: USD nil).

#### 12. Payable to related parties

	2023 US\$'000	2022 US\$'000
Loan interest payable	8,534	8,534
	<u>8,534</u>	<u>8,534</u>

#### 13. Maintenance reserve

	2023 US\$'000	2022 US\$'000
Balance at beginning of period	-	9,961
Billings during the period	1,781	57
Claims during the period	-	(9,561)
Released to profit/ loss	-	(457)
Closing balance	<u>1,781</u>	<u>-</u>
Current	-	-
Non-current	<u>1,781</u>	<u>-</u>

## WINTER MSN 4066 LIMITED

### Notes to the financial statements For the year ended 31 December 2023

#### 14. Security deposits

	2023	2022
	US\$'000	US\$'000
Opening balance	320	1,000
Security deposits received	-	320
Security deposit refunded	-	(124)
Released to profit/ loss	-	(876)
Closing balance	<u>320</u>	<u>320</u>
Current	-	-
Non-current	<u>320</u>	<u>320</u>
	<u>320</u>	<u>320</u>

#### 15. Ordinary share capital

	2023	2022
	US\$	US\$
<b>Authorised</b>		
100,000- Ordinary shares of US\$1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and unpaid</b>		
1 Ordinary share of US\$1	<u>1</u>	<u>1</u>
<b>Capital Contribution</b>		
Capital Contribution	<u>8,076,776</u>	<u>8,076,776</u>

Ordinary shares carry one vote per share. There are no additional rights, preferences or restrictions associated with these shares. During 2020, the Company received a capital contribution of US\$8,076,776 from its parent, Kestrel Aircraft Funding Limited.

#### 16. Employees

Maples acts as corporate administrator to the Company in accordance with the terms of the Administration Agreement. The Company has entered into a lease management agreement with DAE to provide leasing and asset management services as per the service agreement. The Company did not directly employ any persons during the year.

#### 17. Capital commitments

At 31 December 2023, there are no outstanding capital commitments (2022: US\$ Nil).

#### 18. Related party transactions

DAE acts as leasing and asset manager of the Company. The fee charged by DAE for year ended 31 December 2023 was US\$2,037,580 (2022: US\$1,465,873), which was paid by Kestrel Aircraft Funding Limited ("KAFL") on behalf of the group. The balance payable at 31 December 2023 is US\$107k (2022: US\$87k).

During the financial year, the Company incurred fees relating to administration services provided by Maples.

KAFL provided the intercompany loans to the Company. Total interest charged for the year in respect of the loans was nil (2022: nil). The total balance of the loan was US\$13,241,527 as at 31 December 2023 (2022: US\$ 13,241,527).

## **WINTER MSN 4066 LIMITED**

### **Notes to the financial statements For the year ended 31 December 2023**

#### **19. Events after the end of the Reporting Date**

Subsequent to year end, the Company extinguished its existing PPL and related interest in exchange for an intercompany loan issued by KAFL.

In June 2025, the Company's sole aircraft had been sold to a third party.

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

#### **20. Parent undertaking**

Winter MSN 4066 Limited is a subsidiary of Kestrel Aircraft Funding Limited. The financial statements of Kestrel Aircraft Funding Limited are available from Registrar of Companies, Ireland.

The entire share capital of is held by Kestrel Aircraft Funding Limited, holding 1 ordinary share (nominal of US\$1 each). The Company has also received a capital contribution of US\$8,076,776 from Kestrel Aircraft Funding Limited its ultimate parent.

#### **21. Approval of financial statements**

The board of Directors approved these financial statements for issue on December 2025.