S-JETS 2017-1 LIMITED AND SUBSIDIARIES ("S-JETS Group")

DIRECTORS' REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

S-JETS Group

CONTENTS

COMPANY DEFINITIONS

S-JETS	S-JETS 2017-1 Limited (the "Company"), a limited liability exempted company incorporated on 31 July 2017 under the laws of Bermuda with its registered office located at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.
S-JETS GROUP	S-JETS 2017-1 Limited and its consolidated subsidiaries (the "Group").
GROUP ENTITIES	See list of subsidiaries included in note 23.
FINANCIAL YEAR	The year ended 31 December 2019.

S-JETS Group

DIRECTORS AND OTHER INFORMATION

DIRECTORS:	Ms. Rose Hynes (Irish) Mr. Jonathan Law (British) Mr. Andy Carlisle (British)
COMPANY SECRETARY:	Conyers Dill & Pearman Limited Clarendon House 2 Church Street Hamilton HM11 Bermuda
REGISTERED OFFICE:	Clarendon House 2 Church Street Hamilton HM11 Bermuda
BANKERS:	Wells Fargo Corporate Trust Services 260 North Charles Lindbergh Drive Salt Lake City USA Citibank Europe PLC 1 N Wall Quay North Dock Dublin Ireland Bank Of Ireland 2 Burlington Plaza Burlington Road Dublin 4 Ireland
INDEPENDENT AUDITOR:	KPMG Chartered Accountants 1 Harbourmaster Place IFSC Dublin 1 Ireland
SOLICITORS: (IRL)	McCann Fitzgerald Riverside One Sir John Rogerson's Quay Dublin 2 Ireland
SERVICER:	Chronos Leasing Holdco Limited One Molesworth Street Dublin 2 Ireland
MANAGING AGENT:	Phoenix American Financial Services, Inc. ("Phoenix") 2401 Kermer Blvd San Rafael, CA 94901 United States of America

S-JETS Group

DIRECTORS' REPORT

The Directors present their annual report together with the audited consolidated Financial Statements (the "Financial Statements") of S-JETS 2017-1 Limited and Subsidiaries (the "S-JETS Group") for the financial year from 1 January 2019 to 31 December 2019 on pages 2 to 36.

In accordance with the Section 1305 of the Irish Companies Act 2014, S-JETS 2017-1 Limited, as a non EEA branch established in Ireland is required to file, on an annual basis, audited consolidated financial statements with the Companies Registration Office.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Group is the purchasing, leasing and disposal of aircraft.

S-JETS 2017-1 Limited ("S-JETS"), a special purpose exempted limited liability Company incorporated under the laws of Bermuda co-issued Series A, Series B and Series C Notes ("The Initial Notes"). The terms of Series A, Series B and Series C Notes are disclosed in Note 15. The Initial Notes part financed the acquisition of 100% of the ordinary share capital of 21 companies that contained 21 aircraft which were on operating leases with 16 lessees based in 13 countries. The balance of the purchase price of the companies was funded through the issuance by S-JETS of an E Certificate. The E Certificates were issued to Pontus Aviation SARL ("PA") (Formally known as Sky Aviation Leasing Funding S.A.R.L ("SALF")). The Notes issued by S-JETS in August 2017 constitute direct obligations of S-JETS. In order to secure the repayment of the Notes and the payment and performance of all obligations of the Group and each of its subsidiaries, the Group and each of its subsidiaries has entered into a Security Trust Agreement with the Security Trustee, Wells Fargo Bank N.A., as regards all Secured Obligations.

The Initial Notes were issued in July 2017 on the terms described below and are listed on The Bermuda Stock Exchange.

Notes	Initial Principal Amount	Coupon Interest Rate	Final Maturity Date
Class A	$ 657,800,000	3.967%	August 15, 2042
Class B	$ 81,000,000	5.682%	August 15, 2042
Class C	$ 42,000,000	7.021%	August 15, 2042
E Certificates	$ 218,765,542	*	August 15, 2042

* Interest is based on the residual cash flows, defined as the Available Profit for the collection period less $200.

The Group reported a profit for the Financial Year of USD$4.3 million (Loss - 2018: USD$2.4 million). The Group's portfolio of aircraft has a carrying value of USD$865 million at 31 December 2019 (2018:USD$955 million).

S-JETS sold 1 aircraft during the year at a profit of USD$2.5 million (2018: Nil).

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 FOR THE FINANCIAL YEAR AND FINANCIAL POSITION AT 31 DECEMBER 2019

The Statement of Profit or Loss and Other Comprehensive Income for the Financial Year and the Statement of Financial Position at 31 December 2019 are set out on page 12 and 13, respectively. The Group's profit from ordinary activities for the Year after taxation amounted to USD$4.3 million (Loss - 2018:USD$2.4 million) with the profit retained in reserves.

GOING CONCERN

The Financial Statements have been prepared on a going concern basis, which assumes that the Group will be able to meet the mandatory repayment terms of the Notes for the foreseeable future as set out in Note 15.

The Directors have considered the going concern basis of preparation of the Financial Statements. In making their assessment, the Directors have considered the ability of the Group to service its debt from available cash flows. The Group has prepared budgets and cash flows which indicate that the Group will be able to service its debt for the foreseeable future.

An Event of Default is defined in the Indenture Trust as the non payment of Series A and B Note interest. The Directors are satisfied given the limited recourse nature of the debt obligations that it is appropriate to prepare the Financial Statements as of 31 December 2019 on a going concern basis and that the occurrence of an Event of Default is not envisaged in the foreseeable future.

ACCOUNTING RECORDS

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 of the Group are prepared in accordance with applicable IFRS and comply with provisions of the Companies Act 1981 (Bermuda). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company. The books of account of the Company are maintained at Unit J, Block 1, Shannon Business Park, Shannon, Co. Clare, Ireland.

INDEPENDENT AUDITOR

KPMG, Chartered Accountants were appointed by the Board of Directors in 2017 and will continue in office.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group, in the course of its business activities, is exposed to various risks including credit risk, asset risk, market risk, liquidity risk and operational risk.

(i) Credit and concentration risk

The Group is subject to the credit risk of its lessees as to collection of rental payments due under its operating leases. Credit risk is defined as potential loss in cash and earnings if the counterparty is unable to pay its obligations as they fall due.

The Group continues to monitor operational and financial conditions of the lessees.

The receipt of the operating lease amounts is highly dependent upon the financial strength of the lessees. Default by a lessee could have a material adverse effect on S-JETS Group cash flows and its ability to meet its debt obligations.

Creditworthiness of each new customer is assessed and the Group seeks security deposits in the form of cash or letters of credit to mitigate overall financial exposure to its lessees. 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 risks, to the extent that this information is publicly available or otherwise disclosed to the Group.

(ii) Asset risk

The Group bears the risk of re-leasing or selling the aircraft at the end of its lease term. If demand for aircraft decreases, market lease rates may fall and should this continue for an extended period, it could affect the market value of the aircraft and may result in an impairment charge.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding of financial instruments.

The Group is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect the Group through a reduced demand for aircraft and/or reduced market rates, higher incidences of lessee default and aircraft on ground. The Group periodically performs reviews of its carrying value of aircraft and associated assets, receivables and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

Interest rate risk is the risk (variability in value) borne by an interest bearing asset or liability, such as a loan or a bond, due to variability of interest rates. The S-JETS Group has loan agreements with Noteholders to support the aircraft procurement and operating costs. The interest rate applicable to the loans are fixed for the term of the debt. The Group seeks where possible to match the lease inflows with funding outflow in terms of interest rate exposure. The payments on the E Certificate are based on available cash flows only.

Following the 23 June 2016 referendum on UK membership of the EU, and recent developments with regards to post Brexit relations between the EU and the UK, market conditions, increased uncertainties and potential changes to the economy are important considerations in the financial statements to the extent relevant, the Directors have considered potential Brexit impacts over estimates and judgements. The Directors have considered the potential impacts of Brexit on the estimates and judgements made as part of the preparation of the financial statements. The Directors are satisfied that the impact of Brexit is unlikely to be material for the Group. The directors will continue to consider the impacts of Brexit on the activities of the group.

The recent outbreak of Covid-19 poses increased uncertainties and potential changes to the global economy. The Directors have considered the potential risks associated with Covid-19 based on the currently available information and continue to monitor the impact of the outbreak on the activities of the Group.

The Group seek to manage foreign currency risk through matching currencies of lease income and Note expense, in USD.

(iv) Liquidity risk

The Group has funded its operations with debt financing. The ability of the Group to continue to operate is dependent on its ability to meet its payment obligations, which are dependent among other things upon the risks outlined above.

The amounts due on the Series A,B and C Notes is recourse only to the available assets of the Group. For example, the Liquidity risk is mitigated by the fact that payments on E- Certificate are based on available cash flows only.

(v) Operational risk

Operational risk is the risk of indirect or direct loss arising from a wide variety of causes associated with the Group's operations. The Group's objective is to manage operational risk and does so primarily by outsourcing all administration functions to a professional service provider. The Group was incorporated with the purpose of engaging in the activities outlined in this report.

RELEVANT AUDIT INFORMATION

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

DIRECTORS AND COMPANY SECRETARY AND THEIR INTERESTS

The Directors and Secretary of the Group are as outlined on page 2 of these financial statements.

The Directors and the Company Secretary who held office at 31 December 2019 (2018: Nil) do not have any direct or beneficial interest in the shares, deferred shares, share options or debentures of the Company, or any group company at that date or during the financial year.

DIRECTORS' REPORT - continued

TRANSACTIONS INVOLVING DIRECTORS

There were no loans advanced to the Directors at any time during the financial year, (2018: Nil). There were no contracts or arrangements in relation to the business of the Group in which the Directors had any interest at any time during the financial year to 31 December 2019, (2018: Nil).

Andy Carlisle, a Director of the Company, is an employee of Goshawk Management Ireland Limited ("GMIL"). GMIL is owned by Goshawk Management Holding Company (a Cayman entity). Andy is considered key management personnel in accordance with IAS 24 Related Party Disclosures. The Director did not receive any compensation for carrying out his duties as a Director of the Company during the period.

EVENTS AFTER THE FINANCIAL YEAR

Since the start of January 2020, the world has been monitoring and reacting to the novel coronavirus (2019-nCoV). As of mid-March 2020, the virus has spread across the globe, with major outbreaks across China, the Middle East, Europe and America, resulting in widespread restrictions on the ability of people to travel, socialise and leave their homes. Global financial markets have reacted sharply to this pandemic, with concerns regarding the economic impact this may have on a global scale, and which is expected to be material for the airline sector, and by extension the aircraft leasing sector. The Groups ability to service its obligations (including those to the Noteholders) is dependent on the continued receipt of rental and other payments from its airline lessee customers.

The Group, with the assistance of the Servicer is dealing with requests for support from certain of its airline customers (which may include rent deferrals/holidays, lease modifications or other concessions) – no agreement on the form of any such support has yet been concluded. It is therefore not possible to estimate the financial effect, if any, that these arrangements, if concluded, may have on the Groups financial results or position. The Directors, with input from the Servicer, will continue to monitor the impact of the virus on the activities of the Group.

There were no other events after the reporting period, that would require revision of the results or financial position of the Group, or disclosure in the financial statements.

On behalf of the Board

Director	Director
Rose Hynes	Jonathan Law
Date: 19 March 2020	

S-JETS Group

Statement of managements' responsibilities in respect of the consolidated financial statements

Management are responsible for preparing the consolidated financial statements in accordance with the applicable financial reporting framework. They have decided to prepare the consolidated financial statements in accordance with International Financial Reporting Framework (IFRS).

In preparing these consolidated financial statements, management have:

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

Management 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 which enable them to ensure that these consolidated financial statements comply with IFRS as adopted by the IASB and the Companies Act 1981 of Bermuda. They are also responsible for such internal controls as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, and have a general responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:

Director
Rose Hynes
Date: 19 March 2020

Director
Jonathan Law

KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

Independent Auditors' Report

To the Directors of S-JETS 2017-1 Limited

1. Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of S-JETS 2017-1 Limited and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statements of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and related notes, including the summuary of significant accounting policies as set out in Note 3.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Key Audit Matters

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

KPMG, an Irish partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

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Valuation of aircraft (and related assets) $864.9m (2018: $954.9m)

Refer to page 17 (accounting policy) and page 27 (financial disclosures)

The key audit matter

At 31 December 2019, the carrying value of the Group's aircraft, lease intangible and maintenance intangible make up $864.7m of total assets.

There is significant risk relating to valuation of aircraft given the judgemental nature of the models that require consideration by the Managing Agent.

How the matter was addressed in our audit

In relation to the audit of valuation of aircraft and maintenance intangibles, the procedures we undertook included but not limited to the following:

- We obtained and documented our understanding of the process around the consideration and measurement of impairment of aircraft and associated assets, testing the design and implementation of the relevant controls therein, including consideration of approval by the Board of Directors.
- We evaluated the Managing Agent's identification of impairment indicators, considered whether the discounted cash flow forecasts on an aircraft-by-aircraft basis support the carrying value of the relevant assets and assessed the methodology adopted in its preparation of the discounted cash flow forecasts with reference to our understanding of the Group's business and the requirements of prevailing accounting standards.
- We critically evaluated the Managing Agent's discounted cash flow forecasts for each aircraft by comparing the key assumptions adopted with the historical performance of the Group's aircraft portfolio, contractual arrangements (specifically in-force lease agreements), recent trends and externally available industry economic and other data.
- We performed sensitivity analysis of the discount rates applied and the assumptions in respect of lease rates and residual values used by the Managing Agent in the discounted cash flow forecasts to assess what changes thereto, either individually or collectively, would result in a different conclusion being reached and assessing whether there were any indicators of management bias in the setting of key assumptions.
- We assessed the adequacy of the disclosures made by the Group in relation to their description of judgements, assumptions and estimations made.

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Remeasurement of E Note $11.1m (2018: Nil)

Refer to page 17 (accounting policy) and pages 29 – 30 (financial disclosures)

The key audit matter

The Group's E-Note is measured at amortised cost using the effective interest method ("EIR"), a rate that exactly discounts estimated future cash payments through the expected life of the E-Note to its amortised cost.

The EIR requires a determination to be made of the amount and timing of cash flows that are expected to be paid by the Group to their Noteholder over the period that the Note is expected to be outstanding. These cash flows are highly dependent upon assumptions made relating to the rental of aircraft (both contracted and future assumed); residual values/disposition proceeds upon the sale of aircraft (including the timing of such dispositions) and the amounts of maintenance receipts and expenses during the period that the Note·is expected to be outstanding.

Changes in the timing or amount of estimated cash flows result in an adjustment to the gross carrying amount of the E-Note in the period of the change to reflect the revised actual or estimated cash flows, with a corresponding income or expense being recognised in profit or loss.

How the matter was addressed in our audit

The procedures we undertook included but were not limited to:

- We obtained and documented our understanding of the process around determination and application of the EIR, testing the design and implementation of the relavent controls .
- We obtained EIR calculation model and :
  i. evaluated the appropriateness of assumptions made by the Servicer in forecasting future cash flows expected to be paid to the E- Note holders during the life of the Note and ensure that cash flows attributed to the E- Note have been determined in line with the overall priority of payments/waterfall in the Trust Indenture and paying particular focus on assumptions made relating to the rental of aircraft; residual values / disposition proceeds upon the sale of aircraft and the amounts of maintenance receipts and expenses;
  ii. tested a sample of payments made during the year to ensure that these have been made in line with the overall priority of payments/waterfall in the Trust Indentures;
  iii. tested the accuracy of the calculation of adjustments proposed to the carrying value of the E- Note
- We assessed the adequacy of the Disclosures made by the Group in relation to their description of the judgements, assumptions and estimates made and disclosures with respect to requirements of IFRS 7 and IFRS 13.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report and the Statement of Directors' Responsibility , *but does not include the consolidated financial statements and our auditors' report thereon.*

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

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

We have nothing to report in this regard.

2 Respective responsibilities and restrictions on use

Responsibilities of Directors

As explained more fully in their statement set out on page 6, Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Directors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Killian Croke.

Killian J Croke

19 March 2020

Killian Croke
For and on behalf of
KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1

KPMG

Appendix to the Independent Auditor's Report

Further information regarding the scope of our responsibilities as auditor

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

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

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

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

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

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

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

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

S-JETS Group

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the financial year ended 31 December 2019

	Note	31/12/2019 USD	31/12/2018 USD
REVENUE			
Lease revenue	4	95,306,741	90,662,135
Gain on sale	4	2,535,416	-
TOTAL REVENUE		97,842,157	90,662,135
EXPENSES			
Administrative expenses	6	(7,652,593)	(6,370,381)
Depreciation	10	(39,462,042)	(37,749,290)
Impairment losses on aircraft	10	(8,906,062)	-
Impairment loss on trade receivables	5	(1,538,586)	(919,480)
TOTAL EXPENSES		**(57,559,283)**	**(45,039,151)**
Finance income	8	322,488	191,599
Finance expenses	8	(34,800,248)	(48,519,830)
NET FINANCE EXPENSES		(34,477,760)	(48,328,231)
PROFIT/(LOSS) BEFORE TAX FOR THE FINANCIAL YEAR		5,805,114	(2,705,247)
Tax for the financial year	9	(1,528,439)	277,075
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		4,276,675	(2,428,172)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		4,276,675	(2,428,172)

All profits and total comprehensive income for the financial year are attributable to the owners of the Company.

The accompanying notes on pages 16 to 36 form an integral part of these financial statements.

S-JETS Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	As at 31/12/2019 USD	As at 31/12/2018 USD
ASSETS			
NON-CURRENT ASSETS			
Aircraft and related components	10	864,690,175	954,859,953
Lease incentives	13	22,368,722	17,442,111
TOTAL NON-CURRENT ASSETS		887,058,897	972,302,064
CURRENT ASSETS			
Cash and cash equivalents and restricted cash	11	14,228,666	17,867,352
Trade and other receivables	12	6,962,248	5,912,657
TOTAL CURRENT ASSETS		21,190,914	23,780,009
TOTAL ASSETS		**908,249,811**	**996,082,073**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	100	100
Retained earnings/(deficit)	22	2,546,044	(1,730,631)
TOTAL EQUITY		**2,546,144**	**(1,730,531)**
LIABILITIES			
NON-CURRENT LIABILITIES			
Debt in issue	15	681,040,367	793,955,851
Maintenance provisions	18	79,964,688	80,579,783
Lessor contributions	19	30,285,453	20,998,340
Deferred Tax	9	4,831,817	3,652,216
Security deposits	17	10,861,119	11,311,119
TOTAL NON-CURRENT LIABILITIES		806,983,444	910,497,309
CURRENT LIABILITIES			
Debt in issue	15	82,288,100	62,332,011
Interest payable	15	1,122,064	1,267,753
Trade and other payables	16	4,478,331	5,122,548
Maintenance provisions	18	9,646,728	17,592,983
Lessor contributions	19	300,000	1,000,000
Security deposits	17	885,000	-
TOTAL CURRENT LIABILITIES		98,720,223	87,315,295
TOTAL LIABILITIES		**905,703,667**	**997,812,604**
TOTAL EQUITY AND LIABILITIES		**908,249,811**	**996,082,073**

The accompanying notes on pages 16 to 36 form an integral part of these financial statements.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 19 March 2020 and signed on its behalf by:

Director
Rose Hynes
Date: 19 March 2020

Director
Jonathan Law

S-JETS Group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year to 31 December 2019

	Share capital USD	Retained earnings/(deficit) USD	Total equity USD
Balance at 1 January 2019	100	(1,730,631)	(1,730,531)
Total comprehensive profit for the financial year	-	4,276,675	4,276,675
Balance at 31 December 2019	**100**	**2,546,044**	**2,546,144**

	Share capital USD	Retained earnings USD	Total equity USD
Balance at 1 January 2018	100	697,541	697,641
Total comprehensive loss for the financial year	-	(2,428,172)	(2,428,172)
Balance at 31 December 2018	**100**	**(1,730,631)**	**(1,730,531)**

The accompanying notes on pages 16 to 36 form an integral part of these financial statements.

S-JETS Group

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2019

	Note	31/12/2019 USD	31/12/2018 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Result on ordinary activities before tax		5,805,114	(2,705,247)
Adjustments For:			
Depreciation and impairment		48,368,104	37,749,290
Finance expense		34,800,248	48,519,830
Interest income		(322,488)	(191,599)
Amortisation of lease incentive		5,476,615	4,457,993
Amortisation of lease premium		-	1,067,034
Decrease/(increase) in receivables		(11,452,813)	472,091
(Decrease)/increase in payables		(967,292)	10,666,823
Gain on sale of aircraft		(2,535,416)	-
NET CASH FROM OPERATING ACTIVITIES		79,172,072	100,036,215
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of aircraft assets		44,337,090	-
Acquisition of security deposits		435,000	-
Movement in restricted cash		3,435,299	2,494,809
Interest received		322,488	191,599
NET CASH USED IN INVESTING ACTIVITIES		48,529,877	2,686,408
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of transaction costs related to Notes		-	(569,658)
Repayment of Notes		(79,737,289)	(54,503,333)
Interest paid		(48,168,047)	(47,252,077)
NET CASH FROM FINANCING ACTIVITIES		(127,905,336)	(102,325,068)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(203,387)	397,555
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		1,332,504	934,949
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	11	1,129,117	1,332,504

The accompanying notes on pages 16 to 36 form an integral part of these financial statements.

Restricted cash comprises cash held by the Group but which is ring-fenced or used as security for specific financing arrangements, and to which the Group does not have unfettered access.

S-JETS Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

S-JETS 2017-1 Limited ("S-JETS") is a special purpose exempted Company incorporated with limited liability under the laws of Bermuda on 31 July 2017.

S-JETS was established to purchase and own a portfolio of aircraft that are subject to leases. The principal activity of the Company and its subsidiary companies is the leasing of aircraft.

S-JETS co-issued Series A, Series B and Series C Notes ("The Initial Notes") in July 2017. The Initial Notes part financed the acquisition of 100% of the ordinary share capital of 21 companies that contained 21 aircraft which were on operating leases with sixteen lessees based in thirteen countries. The balance of the purchase price of the aircraft was funded through the issuance by S-JETS of an E Certificate. The E Certificate was issued to Pontus Aviation SARL (Formally known as SALF) with inter-group funding repaid.

Chronos Leasing HoldCo Limited ("CLH") (Formally known as Sky Aviation Leasing International Limited), an exempted limited company incorporated under the laws of the Cayman Islands, acts as the servicer (the "Servicer") with respect to the aircraft owning entities acquired by the S-JETS and its subsidiaries (together, the "S-JETS Group", each an "S-JETS Group Member"). Wells Fargo Bank, N.A. ("WFB") acts as trustee, security trustee and operating bank and Phoenix American Financial Services, Inc. ("PAFS") acts as administrative agent to the Issuer Group. Crédit Agricole Corporate and Investment Bank acting through its NewYork Branch ("Crédit Agricole CIB") provides a liquidity facility to the Issuer, which may be drawn upon, subject to certain conditions, only to pay certain expenses, including certain maintenance expenses and lessee reimbursements, senior hedge payments and interest on the Initial Series A Notes, Initial Series B Notes and the Initial Series C Notes. At the date of signing of the financial statements a liquidity facility of $18.4 million was held with Crédit Agricole CIB.

Notes	Initial Principal Amount	Coupon Interest Rate	Final Maturity Date
Class A	$ 657,800,000	3.967%	August 15, 2042
Class B	$ 81,000,000	5.682%	August 15, 2042
Class C	$ 42,000,000	7.021%	August 15, 2042
E Certificates	$ 218,765,542	*	August 15, 2042

* Interest is based on the residual cash flows, defined as the Available Profit for the collection period less $200.

2 BASIS OF PREPERATION AND MEASUREMENT

BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB. The financial statements are prepared on a going concern basis as the Group expects to be able to meet its obligations under the Notes for the foreseeable future.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in United States Dollars ("USD$"), which is the functional currency of the Company and its subsidiaries. The Directors believe that USD$ most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company and its subsidiaries.

SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS

The preparation of the Financial Statements in accordance with IFRS as issued by IASB requires the Directors of the Group to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the reporting date and income and expenses during the reporting year. These estimates and associated assumptions are based on historical experience and various other factors which are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant items subject to such estimates include determination of cashflows for EIR remeasurement, expected credit losses, useful economic life and residual values of aircraft, income tax provisions and the determination of maintenance provisions.

The estimates and underlying assumptions are reviewed by the Directors on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

As discussed in the property, plant and equipment accounting policy below, the aircraft are evaluated for impairment each reporting year/period when there are indicators of impairment. This process involves the use of judgements and estimates. Estimates are utilised in determining the recoverable amount and fair value. Specifically, the Company estimates future lease cashflows, remaining useful lives of the aircraft, discount rate, residual value, remarketing costs and current and future market values. The estimates and assumptions used are based on historical trends as well as future expectations. For some of these estimates, the Company utilises the services of independent valuation firms to determine the appropriate values.

The Company has utilised judgement in evaluating whether there are indicators of impairment. In this regard, management relies on legal factors, market conditions and the operational performance of the leased assets. In addition, the Company has applied judgement in determining the residual value of aircraft. The estimated residual values are based on estimates received from independent appraisers or management's view when supporting transaction data exists. Changes in global and regional economic and political conditions, government regulations, technological changes and other factors could cause the Company to revise the residual value assumptions. The Company evaluates the appropriateness of these judgements and assessments each reporting period.

2 BASIS OF PREPERATION AND MEASUREMENT - continued

The E Certificate is held at its contractual value at closing. At the end of each reporting period, an assessment is required to estimate the cash flows due to the E-Certificate holders. The estimated cash flows are derived from the Group budget and the contractual lease rates in place since closing estimated for future periods. The key assumptions are as follows: i) Contractual rents are to lease expiry ii) Future maintenance inflows and outflows have been factored into the cash flows on the aircraft ii) Aircraft are projected to be sold at the end of the current lease at which point the remaining Class Loans and E Certificate are paid in full. Estimated for future periods, the estimated cash flows are then included in the EIR Calculation to calculate the amortised cost of the E Certificate. Interest is charged based on a rate of 8.65% (2018: 8.65%). This estimate is based on expectations of cash flows that will be subject to revision on a recurring basis.

The Group records maintenance provisions revenue as the aircraft is operated when it is determined that a Qualifying Event will occur outside the non-cancellable lease term or after the Group has collected maintenance provisions equal to the amount that it expects to reimburse to the lessee as the aircraft is operated. Should such estimates be inaccurate, the Group may be required to reverse revenue previously recognized. In addition, if the Group can no longer make accurate estimates with respect to a particular lease, it will stop recognizing any maintenance provisions revenue until the end of such lease.

Estimating when it is virtually certain that maintenance provisions payments will not be reimbursed requires judgments to be made as to the timing and cost of future maintenance events. In order to determine virtual certainty with respect to this contingency, the Servicer's Technical department analyses the terms of the lease, utilizes available cost estimates published by the equipment manufacturers, and thoroughly evaluates an airline's maintenance planning documents. The Servicer's Technical department utilizes this information, combined with their cumulative industry experience, to determine when major Qualifying Events are expected to occur for each relevant component of the aircraft, and translates this information into a determination of how much the Group will ultimately be required to reimburse to the lessee.

3 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

NEW STANDARDS AND INTERPRETATIONS ADOPTED DURING THE FINANCIAL YEAR

(i) IFRS 16 - Leases

The Group initially applied IFRS 16 Leases from 1 January 2019. A number of other new standards and amendments are also effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

The Group has assessed and reviewed the impact of IFRS 16 and deemed that it has no impact on future accounting periods other than disclosure impact. Under IFRS 16, the Group as lessor will continue to classify leases as finance and operating leases while for the lessees, the lease becomes an on-balance sheet liability. The Group assessed the classification of leases with reference to the underlying assets and concluded that all leases are operating leases under IFRS 16.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group is currently assessing the impact of these standards.

The Group has not applied the following new standards and amendments to standards that have been approved by the International Accounting Standards Board and which would be applicable to the Group with an effective date after the date of these financial statements:

Amendment		Effective date
IFRS 3	Definition of a Business	1 January 2020
IAS 1 & IAS 8	Definition of a Material	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021

BASIS OF CONSOLIDATION

The consolidated financial statements include the results of the Group and its subsidiaries as listed in Note 23 below. Subsidiaries are investees controlled by the Group. The Group "controls" an investee if it is exposed to, or has the right to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3 SIGNIFICANT ACCOUNTING POLICIES - continued

ii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Foreign currency differences are recognised in profit or loss.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment consist of aircraft that management intends to hold and lease are stated at cost, less accumulated depreciation and any impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset, including any cost attributable to bringing the asset to a working condition for intended use. Depreciation is calculated on a straight line basis over the asset's useful life of 25 years from the date of manufacture of the aircraft. The Depreciation is recognised in the Statement of Comprehensive Income over the remaining useful life from the date of manufacture or purchase to a residual value.

Aircraft acquired on lease are assessed for the existence of intangible maintenance return assets as well as lease intangibles. To the extent that these exist, the lease intangible is amortised over the remaining lease term to its estimated residual value.

Depreciation methods, residual values and useful lives are reviewed at the reporting date.

Residual values are determined based on the estimated values at the end of the useful lives of the aircraft assets, which are estimated to be 15% of cost and are subsequently reviewed on an annual basis. In accordance with IAS 16, the Group's aircraft that are to be held and used are reviewed for impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable. An impairment review involves consideration as to whether the carrying value of an aircraft is not recoverable and in these circumstances a loss is recognised as a write down of the carrying value to the higher value of its value in use and net realisable value. Value in use is calculated as the present value of the future cash flows to be derived from the operation of the asset. Future cash flows are discounted using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

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

MAINTENANCE INTANGIBLE ASSETS

The Group identifies, measures and accounts for maintenance right assets and liabilities associated with the acquisition of aircraft with in-place leases. A maintenance right asset represents the fair value of the 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 the 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.

In certain contracts, the lessee is required to re-deliver the aircraft in similar maintenance condition (normal wear and tear excepted) as when accepted under the lease, with reference to major life-limited components of the aircraft. To the extent that such components are redelivered in a different condition than at acceptance, there is normally an end-of-lease compensation adjustment for the difference at re-delivery. Amounts received as part of these re-delivery adjustments are recorded as lease rental income at lease termination.

The Group's fleet is typically subject to triple-net leases pursuant to which the lessee is responsible for maintenance, which is accomplished through one of two types of provisions in the Group's leases:
(i) end of lease return conditions (EOL Leases) or
(ii) periodic maintenance payments (MR Leases).

3 SIGNIFICANT ACCOUNTING POLICIES - continued

EOL Leases

Under EOL Leases, the lessee is obligated to comply with certain return conditions which require the lessee to perform lease end maintenance work or make cash compensation payments at the end of the lease to bring the aircraft into a specified maintenance condition.

Maintenance right assets in EOL Leases represent the difference in value between the contractual right to receive an aircraft in an improved maintenance condition as compared to the maintenance condition on the acquisition date. Maintenance right liabilities exist in EOL Leases if, on the acquisition date, the maintenance condition of the aircraft is greater than the contractual return condition in the lease and the Group is required to pay the lessee in cash for the improved maintenance condition. Maintenance right assets, net are recorded as a separate line item on the Group statement of financial position.

When the Group has recorded maintenance right assets with respect to EOL Leases, the following accounting scenarios exist:
(i) the aircraft is returned at lease expiry in the contractually specified maintenance condition without any cash payment to the Group by the lessee, the maintenance right asset is relieved and an aircraft improvement is recorded to the extent the improvement is substantiated and deemed to meet the Group's capitalisation policy;
(ii) the lessee pays the Group cash compensation at lease expiry in excess of the value of the maintenance right asset, the maintenance right asset is relieved and any excess cash is recognised as end of lease income consistent with the existing policy; or
(iii) the lessee pays the Group cash compensation at lease expiry that is less than the value of the maintenance right asset, the cash is applied to the maintenance right asset and the balance of such asset is relieved and recorded as an aircraft improvement to the extent the improvement is substantiated and meets the capitalisation policy.
Any aircraft improvement will be depreciated over a period to the next scheduled maintenance event in accordance with the policy with respect to major maintenance.

When the Group has recorded maintenance right liabilities with respect to EOL Leases, the following accounting scenarios exist:
(i) the aircraft is returned at lease expiry in the contractually specified maintenance condition without any cash payment by the Group to the lessee, the maintenance right liability is relieved and end of lease income is recognised;
(ii) the Group pay the lessee cash compensation at lease expiry of less than the value of the maintenance right liability, the maintenance right liability is relieved and any difference is recognised as end of lease income; or
(iii) the Group pay the lessee cash compensation at lease expiry in excess of the value of the maintenance right liability, the maintenance right liability is relieved and the excess amount is recorded as an aircraft improvement.

MR Leases

Under MR Leases, the lessee is required to make periodic payments to the Group for maintenance, based upon usage of the aircraft. When qualified major maintenance is performed during the lease term, the Group is required to reimburse the lessee for the costs associated with such maintenance. At the end of lease, the Group is entitled to retain any cash receipts in excess of the required reimbursements to the lessee.

Maintenance right assets in MR Leases represent the right to receive an aircraft in an improved condition relative to the actual condition on the acquisition date. The aircraft is improved by the performance of qualified major maintenance paid for by the lessee who is reimbursed by us from the periodic maintenance payments that the Group receives. Maintenance right assets, net will be recorded as a separate line item on our statement of financial position.

When the Group has recorded maintenance right assets with respect to MR Leases, the following accounting scenarios exist:
(i) the aircraft is returned at lease expiry and no qualified major maintenance has been performed by the lessee since the acquisition date, the maintenance right asset is offset by the amount of the associated maintenance payment liability and any excess is recorded as end of lease income; or
(ii) the Group has reimbursed the lessee for the performance of qualified major maintenance, the maintenance right asset is relieved and an aircraft improvement is recorded.

OPERATING SEGMENTS

The Group has assessed that there is one strategic division which is its reportable segment. The division offers one type of service as described in Note 1. The geographic information is provided in Note 4.

NON DERIVATIVE FINANCIAL INSTRUMENTS

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flow from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e, the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified on the contract expire or are discharged or cancelled.

Financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the profit or loss in the Statement of Comprehensive Income, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at cost or amortised cost using the effective interest method, less, in the case of financial assets, any impairment losses.

3 SIGNIFICANT ACCOUNTING POLICIES - continued

FINANCIAL ASSETS

Trade and other receivables
Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost using an effective interest rate less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. A provision for impairment of trade receivables is recognised when there is objective evidence the Group will not be able to collect all amounts due according to the original terms of the receivables.

The information considered for impairment are probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Cash and cash equivalents
Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investing or other purposes. Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Restricted cash
Restricted cash comprises cash held by the Group but which is ring-fenced or used as security for specific financing arrangements, and to which the Group does not have unfettered access. Restricted cash is measured at amortised cost.

FINANCIAL LIABILITIES

Loans and borrowings
Issued financial instruments or their components will be classified as liabilities where the substance of the contractual arrangement results in the Group having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavourable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares.

Financial liabilities will be initially recognised at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Financial liabilities are subsequently measured at amortised cost, with any difference between the proceeds net of transaction costs and the redemption value recognised in the income statement using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least one year after the reporting date.

The E Certificate has been classified as debt, due to the contractual obligation to make payments whenever the appropriate cash is available. The E Certificate has a final legal maturity date of 15 August 2042.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired, or subject to a substantial modification of terms. The Group's aircraft are pledged as security for the Group's obligations under the Series A, Series B and Series C Notes.

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

PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3 SIGNIFICANT ACCOUNTING POLICIES - continued

MAINTENANCE PROVISIONS

In accordance with lease agreements, maintenance provisions are subject to reimbursement to the lessee upon the occurrence of a qualifying event. The reimbursable amount is capped by the amount of maintenance provisions payments received by the Group, net of previous reimbursements. The Group is only required to reimburse for qualifying event according to the lease agreement during the lease term.

Maintenance provisions which the Group may be required to reimburse to the lessee are reflected in our maintenance provision liability on the Statement of Financial Position.

All amounts of maintenance provisions unclaimed by the lessee at the end of the lease term are retained by the Group. The Group records as rental revenue the portion of maintenance provisions that it is virtually certain will not require reimbursement to the lessee as a component of Lease revenue in the Statement of Profit or Loss and Other Comprehensive Income.

The Group records maintenance provisions revenue as the aircraft is operated when it is determined that a Qualifying Event will occur outside the non-cancellable lease term or after the Group has collected maintenance provisions equal to the amount that it expects to reimburse to the lessee as the aircraft is operated. Should such estimates be inaccurate, the Group may be required to reverse revenue previously recognized. In addition, if the Group can no longer make accurate estimates with respect to a particular lease, it will stop recognizing any maintenance provisions revenue until the end of such lease.

Estimating when it is virtually certain that maintenance provisions payments will not be reimbursed requires judgments to be made as to the timing and cost of future maintenance events. In order to determine virtual certainty with respect to this contingency, the Servicer's Technical department analyses the terms of the lease, utilizes available cost estimates published by the equipment manufacturers, and thoroughly evaluates an airline's maintenance planning documents. The Servicer's Technical department utilizes this information, combined with their cumulative industry experience, to determine when major Qualifying Events are expected to occur for each relevant component of the aircraft, and translates this information into a determination of how much the Group will ultimately be required to reimburse to the lessee.

LESSOR CONTRIBUTIONS

At the beginning of each new lease, subsequent to the first lease on a new aircraft, lessor contributions representing contractual obligations on the part of the Group to contribute to the lessee's cost of the next planned major maintenance event, expected to occur during the lease, are established. The Group regularly reviews the level of lessor contributions under current lease contracts and makes adjustments as necessary. When aircraft are sold the portion of the accrued liability not specifically assigned to the buyer is derecognised from the statement of financial position as part of the gain or loss on disposal of the aircraft.

LEASE INCENTIVES

Lessor contributions represent a lease incentive and are recorded as a charge to the consolidated income statement over the life of the associated lease. Lease incentives are measured initially at the amount of the estimated contractual lessor contribution to the lessee. When aircraft are sold, any balance of lessor contribution amounts are released from the statement of financial position as part of the gain or loss on sale of the aircraft.

SHARE CAPITAL

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

REVENUE

Operating Leases
The Group, as lessor, leases aircraft under operating leases and records rental income rateably over the life of the lease as it is earned. The Group accounts for lease rental income under lease agreements that include step rent clauses on a straight-line basis.

For past-due rentals on all leases, an impairment provision may be established on the basis of management's assessment of collectability and to the extent such rentals exceed related security deposits held and any provision so established is recorded as an expense in the Statement of Comprehensive Income.

If the Group's lease contracts require payment in advance, rentals received, but unearned under these lease agreements, are recorded as operating lease income prepaid in liabilities on the Statement of Financial Position.

IFRS 15 Revenue from Contracts

The impact of IFRS 15 was assessed and concluded that there is no impact to the Group's financial statements as the majority of revenue earned by the group is recognised and measured in accordance with IAS 17 Leases.

FINANCE INCOME AND EXPENSES

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in the Statement of Profit or Loss and Other Comprehensive Income, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

3 SIGNIFICANT ACCOUNTING POLICIES - continued

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial liability to the net carrying amount of the financial liability. The application of the method has the effect of recognising expenses payable on the liability evenly in proportion to the amount outstanding over the period to maturity or repayment.

In calculating the effective interest rate, the Group estimates cash flows (using projections based on repayments) considering all contractual terms of the financial liability.

The calculation will take into account all fees that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

The Group will review it's estimate of payments each year and if necessary adjust the carrying amount of the financial liability to reflect actual and revised estimated cash flows. This process involves computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. As such the Group shall recognise the adjustment as income or expense in profit or loss at the date of such revision.

CURRENT TAX
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.
Current tax assets and liabilities are offset only if certain criteria are met.

DEFERRED TAX
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
— temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
— taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

DIVIDENDS

Dividends are recognised in the consolidated financial statements when they have been appropriately approved or authorised by the shareholders. No dividend was declared or paid in the reporting financial year ending 31 December 2019 (2018:USD$Nil).

FAIR VALUE MEASUREMENT PRINCIPLES

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

Valuation of non-financial assets

Information about the assumptions made in measuring fair values where relevant on acquisition is included in Note 2.

Valuation of financial assets

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

• Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

• Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived by prices). 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 other valuation techniques where all significant inputs are directly or indirectly observable from market data.

3 SIGNIFICANT ACCOUNTING POLICIES - continued

• Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes 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 the instruments.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement from 1 January 2018.

As a result of the adoption of IFRS 9, the Group has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. As permitted by the transitional provisions of IFRS 9, The Group has found that there has been no impact on opening reserves, retained earnings and other carrying values. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS9, on initia lrecognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI equity investment; or FVTPL. The classification of financial assets under IFRS9 is generally based on the business model in which a financial asset is managed and its contractual cashflow characteristics.

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; and

• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Group 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.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. The financial assets held by the Group are trade receivables and cash. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model.

The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables and cash.

Under IFRS 9, loss allowances are measured on either of the following bases:

• 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

• lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

• the lessor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

• the financial asset is past its due date depending on lease terms. Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss and OCI.

4 LEASE REVENUE

	31/12/2019	31/12/2018
	USD	USD
Lease rentals receivables	97,083,129	100,241,318
Lease incentive amortisation (note 13)	(5,476,615)	(4,457,993)
Maintenance (charge)/income (note 18)	3,697,594	(5,231,975)
Other income	2,633	110,785
	95,306,741	90,662,135

Lease revenue is earned on a monthly basis in line with the lease agreements. There are seven floating rate leases. Total revenue on floating rate leases for the year to 31 December 2019 totalled USD$30.9 million (2018:USD$32.2 million).

For the financial year, USD$3.7 million (net of charges/releases of maintenance intangible assets and maintenance reserves) of maintenance reserves were released (2018:USD$5.2 million charged) within the consolidated statement of comprehensive income. During the financial year the lease for MSN 39051 which is held in subsidiary Jetair 13 Limited was terminated which resulted in a maintenance release to the P&L of $3.7 million. MSN 39051 was subsequently entered into a new lease during the financial year.

Lease rental is derived mainly from leasing commercial aircraft to various operators around the world. The distribution of lease rental income by geographical market (airline location) is as follows:

	31/12/2019	31/12/2019	31/12/2018	31/12/2018
	USD	%	USD	%
Brazil	9,041,450	9%	9,045,166	10%
Canada	2,160,000	2%	2,160,000	2%
China	9,326,845	10%	9,422,081	10%
Ethiopia	13,958,500	15%	7,807,918	9%
Finland	4,986,760	5%	4,986,759	6%
India	6,507,689	7%	12,242,637	14%
Japan	4,090,038	4%	3,802,329	4%
Malaysia	8,693,676	9%	6,261,406	7%
Mexico	3,815,893	4%	2,406,192	3%
Russia	13,893,683	15%	13,639,326	15%
Thailand	4,744,548	5%	4,654,329	5%
United Kingdom	1,128,114	1%	1,252,314	1%
USA	12,959,545	14%	12,981,678	14%
	95,306,741	100%	90,662,135	100%

Seven of the Group's customers, which are located in the United States, Ethiopia, Finland, Russia, China, Brazil and Malaysia each account for greater than 5% of the Groups revenue, the largest of which represented 15%.

The following is a schedule of contracted future rentals receivable, by year, on operating leases as of 31 December 2019 as amended for changes in the underlying lease agreements up to and including 31 December 2019. The interest rates prevailing at 31 December 2019 have been applied in determining rentals which are variable in accordance with prevailing interest rates.

	31 December 2019	31 December 2018
	USD	USD
Due within one year	90,443,873	100,943,876
Due between one and five years	289,968,208	344,244,090
Due after five years	80,209,744	138,236,987
	460,621,825	583,424,953

Consolidated

	31/12/2019	31/12/2018
	USD	USD
Gain on sale	2,535,416	-
	2,535,416	-

On August 12th, 2019, MSN 41397 was sold to Callisto Leasing HoldCo Limited, a subsidiary of Goshawk Aviation Limited. Jetair 17 Limited the company whose principal activity is the owning and leasing of MSN 41397, was transferred to the groups ultimate beneficial owner Goshawk Aviation Limited being the ultimate parent of the E Note Holder, Pontus Aviation SARL.

5 IMPAIRMENT LOSS ON TRADE RECEIVABLES

	31/12/2019	31/12/2018
	USD	USD
Impairment loss on trade receivables	1,538,586	919,480
	1,538,586	919,480

At December 31, 2019 an expected loss allowance was recognised of $1.5 million (2018: $0.9 million) as amounts are considered non-recoverable. ECL on receivables is based on credit risk.

6 ADMINISTRATIVE EXPENSES

	31/12/2019	31/12/2018
	USD	USD
Bank charges	29,322	6,335
Audit and tax advisory fees	208,916	328,939
Directors' fees	89,309	70,177
Legal and professional fees	753,041	78,415
Other professional fees	172,834	251,574
Management agent fees	250,254	256,190
Servicer fee	4,766,643	3,413,404
Insurance	198,247	406,227
Trustee fees	345,289	377,491
Other operating costs	838,738	1,181,629
	7,652,593	6,370,381

Included in legal and professional fees were expenses relating to the release of MSN 39051 and LILO restructuring work undertaken.

7 STAFF NUMBERS AND COSTS

The Group had no employees during the year ending 31 December 2019 (2018:Nil).

8 NET FINANCE EXPENSES AND FINANCE INCOME

	31/12/2019	31/12/2018
Assets measured at amortised cost	USD	USD
Bank interest income	(322,488)	(191,599)
Liabilities measured at amortised cost		
Interest expense on A notes	22,654,673	24,645,208
Interest expense on B notes	3,995,655	4,346,730
Interest expense on C notes	2,248,934	2,641,651
Interest expense on E Note	3,369,492	14,194,015
Amortisation of deferred finance costs	2,531,494	2,692,226
	34,477,760	48,328,231

The Series A, B, C and E Notes are measured at amortised cost using the effective interest rate ("EIR"), a rate that exactly discounts estimated future cash payments through the expected life of the Certificate to its amortised cost. Changes in the timing or amount of estimated cash flows resulted in an adjustment to the gross carrying amount of the E Certificate in the period resulting in a charge in the current year of USD$ 11.1 million (2018: USD$ 1.6 million). The effective interest rate determined on the E Certificate is 8.65% in the current year (2018: 8.65%).

9 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR

(a) Analysis of tax charge for year

	31/12/2019	31/12/2018
Current tax:	USD	USD
Corporation tax on net profit/(loss) for the year	-	(663)
Total current tax	-	(663)
Deferred tax:		
Origination and reversal of timing differences	1,528,439	(276,412)
	1,528,439	(276,412)
Total taxation for the year	1,528,439	(277,075)

(b) Factors affecting current tax charge for the year

The reconciliation of tax on profit/(loss) for the financial year at the standard rate of Irish corporation tax to the Group's actual tax charge is analysed as follows:

Profit/(Loss) for the financial year tax	5,805,114	(2,705,255)
Current tax at 12.5%	725,639	(338,157)
Effects of:		
Prior year over/under provision of DT	46	(2,078,169)
Non taxable income	(313,658)	-
Prior year over/under provision of CT	-	(4,542)
Non- deductible expenses	1,116,412	2,143,533
Effect of income tax rate in foreign jurisdiction	-	260
Total tax expense	1,528,439	(277,075)

(c) Circumstances affecting current and future tax charges

Tax is chargeable in future periods unless group relief is available. To the extent losses are incurred in the future, these can be carried forward. The corporation tax rate is expected to remain at its current rate of 12.5%.

(d) Current tax

A current tax credit of $Nil (Credit - 2018:$663) has been recognised in the year.

(e) Deferred tax

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

The components of the deferred income tax assets and liabilities as at December 31 2019 are as follows:

	31 December 2018 USD	31 December 2019 USD	Movement in the year USD
Assets	15,061,273	21,054,986	5,993,713
Liabilities	(18,713,489)	(25,886,803)	(7,173,314)
	(3,652,216)	(4,831,817)	(1,179,601)

The components of the deferred income tax assets and liabilities as at December 31 2018 are as follows:

	31 December 2017 USD	31 December 2018 USD	Movement in the period USD
Assets	5,872,795	15,061,273	9,188,478
Liabilities	(9,801,423)	(18,713,489)	(8,912,066)
	(3,928,628)	(3,652,216)	276,412

10 AIRCRAFT AND RELATED COMPONENTS

	Aircraft	Maintenance Intangible Asset	Total
Cost	USD	USD	USD
At 1 January 2019	920,355,859	85,032,859	1,005,388,718
Disposals	(37,276,094)	-	(37,276,094)
Release	(291,036)	(7,155,737)	(7,446,773)
Impairment	(8,906,062)	-	(8,906,062)
At 31 December 2019	873,882,667	77,877,122	951,759,789
Depreciation			
At 1 January 2019	(50,528,765)	-	(50,528,765)
Depreciation on disposals	2,921,193	-	2,921,193
Depreciation charge for the financial year	(39,462,042)	-	(39,462,042)
At 31 December 2019	(87,069,614)	-	(87,069,614)
Net book value	786,813,053	77,877,122	864,690,175

	Aircraft	Maintenance Intangible Asset	Total
Cost	USD	USD	USD
At 1 January 2018	910,150,488	95,238,230	1,005,388,718
Additions	10,205,371	-	10,205,371
Release	-	(10,205,371)	(10,205,371)
At 31 December 2018	920,355,859	85,032,859	1,005,388,718
Depreciation			
At 1 January 2018	(12,779,475)	-	(12,779,475)
Depreciation charge for the financial year	(37,749,290)	-	(37,749,290)
At 31 December 2018	(50,528,765)	-	(50,528,765)
Net book value	869,827,094	85,032,859	954,859,953

Cost of aircraft represents the cost of the aircraft acquired by the Group as part of the transaction on 22 August 2017.

As discussed in the statement of accounting policies, the Directors of the Group undertake a review to determine whether an impairment provision is required in respect of S-JETS Group's aircraft. In considering whether impairment exists the Directors used inputs for current market values from third party appraisers to assess current market value and to assess value-in-use and have estimated future cash flows from the aircraft discounted at a rate of 5.2%. Based on this review, the Directors believe that an impairment charge of USD $8.9 million (2018: USD $nil) is required for the year.

The Group recognises maintenance intangibles in relation to the acquisition of aircraft that were purchased on lease.

Maintenance intangible asset/liabilities represents the value in the difference between the contractual right under the acquired non short term 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.

The distribution of aircraft and maintenance intangible assets by geographical market, based on airline location, is as follows:

	31/12/2019	31/12/2019	31/12/2018	31/12/2018
	USD	%	USD	%
Brazil	77,359,842	9%	80,380,689	9%
Canada	25,460,488	3%	26,369,511	3%
China	95,367,177	11%	98,994,209	10%
Ethiopia	124,033,955	15%	141,554,996	15%
Finland	46,827,141	5%	48,640,114	5%
India	39,318,037	4%	80,302,589	8%
Japan	32,285,306	4%	34,111,966	4%
Malaysia	81,207,025	9%	84,360,136	9%
Mexico	40,605,659	5%	42,162,645	4%
Russia	113,265,297	13%	118,090,154	12%
Thailand	39,106,686	5%	40,630,430	4%
United Kingdom	43,954,367	5%	46,461,115	5%
USA	105,899,195	12%	112,801,399	12%
	864,690,175	100%	954,859,953	101%

The Directors are satisfied that the net book value of the aircraft is appropriate.

The aircraft are held in Trust by the Security Trustee (Wells Fargo) as security against the issued A, B and C Notes. At 31 December 2019 S-JETS Group owned twenty aircraft all of which were on lease. There were no aircraft held for sale at 31 December 2019.

11 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2019 USD	31 December 2018 USD
Current		
Cash and cash equivalents	1,129,117	1,332,504
Restricted cash	13,099,549	16,534,848
	14,228,666	17,867,352

All of the restricted cash of the Group at 31 December 2019 was held for specific purposes under the terms of the Trust Indenture.

Cash and cash resources subject to withdrawal restrictions represent cash securing the Group's obligations under third party credit facilities. Amounts received from lessees in respect of aircraft subject to certain funding arrangements may be required to be held in segregated accounts to support, amongst other things, certain maintenance related payments including major airframe overhauls, engine overhauls, engine life limited parts replacements, auxiliary power unit overhauls and landing gear overhauls, as well as interest and principal payments on the related debt facility. These amounts are included above in restricted cash.

12 TRADE AND OTHER RECEIVABLES

	31 December 2019 USD	31 December 2018 USD
Trade receivables	4,567,876	5,503,327
VAT receivables	819,420	205,560
Other tax receivable	17,842	8,011
Other prepaids	100,555	109,250
Interest receivable	82,689	82,689
Other	1,373,866	3,810
	6,962,248	5,912,647

Trade receivables comprise amounts due in respect of lease rental maintenance payments due from lessees. At December 31, 2019 an expected loss allowance was recognised of $1.5 million (2018: $0.9 million). All receivables past due date are considered late.

The Group's trade receivables and other receivables are secured by security deposits, letters of credit and maintenance reserves that the Group holds on behalf of its customers.

The impact of IFRS 9 and the impairment of trade receivables using ECL is outlined in Note 20.

13 LEASE INCENTIVE ASSETS

	31 December 2019 USD	31 December 2018 USD
At 1 January	17,442,111	22,967,138
Additions	10,403,226	-
Reestimation	-	(1,067,034)
Accumulated amortisation	(5,476,615)	(4,457,993)
At 31 December	22,368,722	17,442,111

During the year the Group entered into a Lessor Contribution with the new Lessee of MSN 39051 in the amount of $9,801,226 following its release during the financial year. The Group entered into a additional Lessor Contribution with MSN 3945 in the amount of $602,000. These represents a contractual obligations on the part of the Group to contribute to the lessee's cost of the next planned major maintenance event.

14 SHARE CAPITAL

	31 December 2019 USD	31 December 2018 USD
Authorised, issued and fully paid		
100 Ordinary shares of 1 USD each	100	100

The authorised share capital of the Company is USD$100 dividend into two classes: (i) 90 Class A common shares of par value USD$1.00 each (the "Class A Common Shares") and (ii) 10 Class B common shares of par value USD$1.00 each (the "Class B Common Shares"). Each holder of Class A Common Shares is entitled to one vote per share. Each holder of Class B Common Shares is not entitled to a vote.

15 INDEBTEDNESS

(a) Principal

The Notes issued by S-JETS in August 2017 constitute direct obligations of S-JETS. In order to secure the repayment of the Notes and the payment and performance of all obligations of the Group and each of its subsidiaries, the Group and each of its subsidiaries has entered into a Security Trust Agreement with the Security Trustee, Wells Fargo Bank N.A., as regards all Secured Obligations.

On 22 August 2017, S-JETS issued Series A, Series B and Series C Notes with nominal value of $657,800,000 and bears a fixed interest rate of 3.967%; $81,000,000 and bears a fixed interest rate of 5.682% and $42,000,000 bears a fixed interest rate of 7.021% respectively. These Notes have a final maturity date of 15 August 2042. These Notes are limited recourse obligations of S-JETS to the assets held by its subsidiaries. The effective interest rate charged on the notes is as follows - Series A Notes – 4.4%, Series B Notes – 6.14%, Series C Notes – 7.66%.

In addition to above Notes, S-JETS also issued E Certificates upon the transfer of equity interest of Aircraft Owning Entities ("AOEs"). The carrying amount of the E Certificate amounted to $144,886,071 (2018:USD$ 160,639,671) and carries an EIR of 8.65% (2018:8.65%) with a final maturity contractual date of 15 August 2042.

The following table outlines nominal and carrying value each Note at 31 December 2019:

	Nominal Amount USD	Paydown to date USD	31 December 2019 USD
Series A Notes	657,800,000	123,768,713	534,031,287
Series B Notes	81,000,000	15,240,599	65,759,401
Series C Notes	42,000,000	13,399,088	28,600,912
Deferred finance costs		-	(9,946,727)
Discounts/closing costs - Series A, B, C			(2,477)
			618,442,396
	Nominal Amount USD	EIR Remeasurement USD	
E Certificate	167,217,439	(22,331,368)	144,886,071
			763,328,467

	31 December 2019 USD
Current liabilities – Indebtness	82,288,100
Non-current liabilities – Indebtness	681,040,367
	763,328,467

The following table outlines nominal and carrying value each Note at 31 December 2018:

	Nominal Amount USD	Paydown to date USD	31 December 2018 USD
Series A Notes	657,800,000	58,471,111	599,328,889
Series B Notes	81,000,000	7,200,000	73,800,000
Series C Notes	42,000,000	7,000,000	35,000,000
Deferred finance costs		-	(12,478,221)
Discounts/closing costs - Series A, B, C			(2,477)
			695,648,191
	Nominal Amount USD	EIR Remeasurement USD	
E Certificate	167,217,439	(6,577,768)	160,639,671
			856,287,862

	31 December 2018 USD
Current liabilities – Indebtness	62,332,011
Non-current liabilities – Indebtness	793,955,851
	856,287,862

Repayments of principal on Series A, B and C Notes commenced in September 2017. The repayment of principal of the Notes is dependent upon the cash available at each monthly determination date and is governed by the priority of payments set out in the Trust Indenture. Monthly Determination Date means the last day of the calendar month immediately preceding each Payment Date.

15 INDEBTEDNESS - continued

(b) Interest payable

The Series A, Series B and Series C Notes bear interest at fixed rates as per the Note Purchase Agreement - Series A Notes – 3.967%, Series B Notes – 5.682% and Series C Notes – 7.021%. The effective interest rate charged on the notes is as follows - Series A Notes – 4.4%, Series B Notes – 6.14%, Series C Notes – 7.66%. The E Certificates bear no contracted interest rate, however carries an obligation to return available residual cash to the E Certificate holder. The effective interest rate determined on the E Certificate is 8.65% in the current year (2018: 8.65%).

At year end the following amounts of interest were accrued for but unpaid:

	31 December 2019 USD	31 December 2018 USD
Series A Notes	882,709	990,641
Series B Notes	155,685	174,722
Series C Notes	83,670	102,390
Total	1,122,064	1,267,753

(c) Debt maturity

The repayment terms of the Series A Notes, Series B Notes and Series C Notes are such that certain principal amounts are expected to be repaid on certain dates based on certain assumptions made at the time of their issue (the "Expected Final Payment Dates") or refinanced through the issue of new notes by specified Expected Final Payment Dates but in any event are ultimately due for repayment on specified final maturity dates (the "Final Maturity Dates"). The Final Contractual Maturity Dates, Outstanding Principal Balance and interest rates applicable to each class of Notes outstanding at 31 December 2019 are set out below:

There were no defaults on loans payable during the year.

Class of Notes	Interest Rate (contractual)	Final Contractual Maturity Date	Expected Maturity Date
Series A Notes	3.967%	15 August 2042	15 October 2027
Series B Notes	5.682%	15 August 2042	15 October 2027
Series C Notes	7.021%	15 August 2042	15 August 2025
E Certificate	* NA	15 August 2042	15 October 2027

** No fixed rate of interest is payable on the E Certificates, however, interest payments are based on the residual Available Profit within the Group, less $200.

Payments of principal, interest due on the Notes, and other payments required to be made by the Issuer including to replenish the Expense Account, the Maintenance Reserve Account and the Security Deposit Account to required amounts, are made on each Payment Date depending on available collections in accordance with the priority of payments described in the Trust Indenture

The expected principal repayments on the Class A Note, Class B Note, Class C Note and E Certificate facilities are:

	31 December 2019 USD	31 December 2018 USD
Within 1 year	84,566,482	62,332,011
Between 1 and 2 years	85,038,361	96,247,487
More than 2 years but not later than 5 years	257,408,023	321,272,094
Later than five years	346,264,805	376,436,270
	773,277,671	856,287,862

(d) Cash flows maturity

The table below shows the movement in cashflow liabilities from 1 January to 31 December 2019.

	31 December 2019 USD	31 December 2018 USD
Current liabilities – liability to cashflow from financial activities	62,332,011	62,572,335
Non-current liabilities – liability to cashflow from financial activities	793,955,851	852,674,186
Balance at 1 January	856,287,862	915,246,521
Charges from finance cashflows		
Interest paid	(48,168,043)	(45,827,604)
Loans repaid	(79,737,289)	(54,503,333)
Total charges from finance cashflows	728,382,530	814,915,584
Other charges		
Deferred financing cost	-	(569,783)
Interest expense	32,268,754	40,517,589
Interest accrual	145,689	(1,267,753)
Debt costs amortised	2,531,494	2,692,225
Total other charges	34,945,937	41,372,278
Balance at 31 December	763,328,467	856,287,862
Current liabilities – liability to cashflow from financial activities	82,288,100	62,332,011
Non-current liabilities – liability to cashflow from financial activities	681,040,367	793,955,851
	763,328,467	856,287,862

16 TRADE AND OTHER PAYABLES

	31 December 2019 USD	31 December 2018 USD
Deferred income	3,666,965	4,142,855
Accrued expenses	128,429	134,850
Accounts payable	682,937	844,841
	4,478,331	5,122,546

17 SECURITY DEPOSITS

	31 December 2019 USD	31 December 2018 USD
Current		
Security deposits	885,000	-
Total	885,000	-

	31 December 2019 USD	31 December 2018 USD
Non-Current		
Security deposits	10,861,119	11,311,119
Total	11,746,119	11,311,119

Security deposits of USD $11.7 million at 31 December 2019 (2018:USD $11.3 million) are held by the Group as security obligations in accordance with the terms of certain leases. The deposits are held as cash. Security deposits are classified based on the maturity of the underlying lease. In addition, the Group holds security on lease obligations in the form of letters of credit in the amount of USD$29.8 million (2018:USD$9.8 million) .

18 MAINTENANCE PROVISIONS

	31 December 2019 USD	31 December 2018 USD
At 1 January	98,172,766	78,970,291
Maintenance received	16,966,564	20,270,504
Maintenance claim paid	(5,454,565)	(6,300,020)
Maintenance provision charged/(released)	(20,073,349)	5,231,991
At 31 December	89,611,416	98,172,766

The classification of maintenance provisions based on expected future maintenance events is as follows:

	31 December 2019 USD	31 December 2018 USD
Current maintenance provisions	9,646,728	17,592,983
Non-current maintenance provisions	79,964,688	80,579,783
	89,611,416	98,172,766

Maintenance Provisions represent the maintenance amounts paid by the lessees as per the individual lease agreements. The lessor reimburses the lessee for all maintenance payments made by way of reducing the liability. At the end of the lease, any excess maintenance that has not previously been recognised as income under the accounting policy is released to income. See accounting policies note 3 for additional information.

On August 12th, 2019, MSN 41397 was sold resulting in a release of maintenance provision help of $11,932,650. On June 30th, 2019, the lease held on MSN 39051 was terminated resulting in a release of maintenance provision help of $8,140,699 and a maintenance release to the P&L of $3.7 million. MSN 39051 was subsequently entered into a new lease during the financial year.

19 LESSOR CONTRIBUTIONS

	31 December 2019 USD	31 December 2018 USD
At 1 January	21,998,340	23,065,374
Additions	10,403,226	-
Claims	(1,816,113)	-
Reestimation	-	(1,067,034)
At 31 December	30,585,453	21,998,340

The classification of lessor contribution based on expected future maintenance events is as follows:

	31 December 2019	31 December 2018
Current portion of lessor contribution	300,000	1,000,000
Non -current portion of lessor contribution	30,285,453	20,998,340
Total	30,585,453	21,998,340

20 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

Risk management processes incorporate the regular and continuing analysis of trading operations and performance and the monitoring of capital adequacy and asset valuations. This note seeks to further describe the key business and financial instrument risks faced by the Group and the policies and procedures used to mitigate these risks.

The Group's activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most significant types of financial risk to which the Group is exposed are credit risk, interest rate, currency risk and liquidity risk.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Group are discussed below.

Credit risk

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

The Group leases the aircraft to various airlines. The airline industry is cyclical, economically sensitive and highly competitive. A key determinant of the Group's success is its ability to react to and cope with the competitive environment in which it operates.

There is a risk that should the lessees experience financial difficulties this could result in default or the early termination of the Group's lease. The Directors mitigate this risk by collecting maintenance provisions, security deposits and letters of credit from its lessees where appropriate.

The Group manages its exposure to credit risk by placing its restricted cash with Wells Fargo, a recognised financial institution. At the year end a total of USD$13.1 million (2018:USD$16.5 million) was held by Wells Fargo. Unrestricted cash totalling USD$1.1 million (2018:USD$1.3 million) at the year end was held in Citibank Europe PLC and Bank Of Ireland.

The S&P credit ratings of Wells Fargo is:	Wells Fargo
Long Term	A+
Short Term	A-1

Credit risk with respect to trade accounts receivable is generally mitigated due to the number of lessees and their dispersal across different geographic areas. SJETS manages its exposures to particular countries through obtaining security from certain of its lessees by way of deposits, letters of credit and guarantees. The Group continually evaluates the financial position of lessees and, based on this evaluation, the amounts outstanding and the available security makes an appropriate provision for impairment of receivables. In the year ended 31 December 2019, 7 lessees accounted for 72% of the Group's lease revenues, the largest of which represented 15% of revenue. Outside of these seven lessees, there were no customers who accounted for more than 5% of revenue, as set out in Note 4.

The maximum exposure of the Group's financial assets to credit risk is USD$ 20.3 million (2018$ 23.8 million).

	31 December 2019 USD	31 December 2018 USD
Financial assets		
Cash and cash equivalents and restricted cash	14,228,666	17,867,352
Trade and other receivables	6,962,248	5,912,657
	21,190,914	23,780,009

Trade receivables comprise amounts due in respect of lease rental and maintenance rental payments due from a number of lessees. At 31 December 2019, Gross Receivables of USD$7.0 million (2018:USD$6.8 million) held of which USD$ 0.8 million (2018:USD$1.9 million) considered outstanding for less than 30 days, USD $1.6 million (2018:USD$2.0 million) considered outstanding for 30 – 90 days and USD$4.6 million (2018:USD$2.9 million) considered outstanding for more than 90 days. An expected loss allowance of USD$ 1.5 million (2018: USD$0.9 million) was recognised in line with IFRS 9.

It is noted that no ECL has been recorded on certain debtors where the value of collateral and credit enhancements exceeds the amounts outstanding.

At 31 December 2019, the Group had collateral of USD$11.7 million in the form of security deposits and USD$29.8 million in the form of letters of credit, which have been considered in the measurement of the expected credit loss.

The risk of non-recovery is primarily based on the extent to which amounts outstanding exceed the value of security held, together with an assessment of the financial strength and condition of a receivable and the economic conditions persisting in the receivables's operating environment. The allowance for credit losses is classified as a separate expense on the Statement of Profit and Loss and other Comprehensive Income.

20 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding of financial instruments.

The Group is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect the Group through a reduced demand for aircraft and/or reduced market rates, higher incidences of lessee default and aircraft on the ground all of which may require that the carrying value of the aircraft to be materially reduced. Interest rate risk and foreign exchange risk are managed through matching lease and debt payment profiles where possible.

Interest rate risk

The Group manages its exposure to interest rate risk by fixing the rate of interest on its financial liabilities (Series A, Series B, and Series C Notes). This excludes E Certificates due to the fact that these do not carry contractual interest rate.

The Group's exposure to interest rate risk as at 31 December 2019 is limited to movements in variable rates on certain lease agreements and is not considered material.

Currency risk

The principal assets and liabilities of the Group are denominated in USD, which is the functional currency of the Group. Therefore the Group has limited currency risk exposure.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group manages its exposure to currency risk by effectively matching its foreign currency assets and liabilities.

The Group's exposure to currency risk as at 31 December 2019 is not significant.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach in managing liquidity is to seek to match the cash inflows on lease receivables with the cash outflows on indebtedness. There is also a liquidity facility available (Note 1).

An Event of Default is defined in the Trust Indenture under section 4.01. Under the terms of the Trust Indenture, SJETS initial Notes and E Note are of a limited recourse nature. This means SJETS is only required to make payments to the extent that cash is available and failure to do so doesn't result in a default that would call going concern assumptions into question.

Based on all the information at present, the Directors believe that the Group has sufficient liquidity to meet its obligations as they fall due for the foreseeable future and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation.

The Notes constitute direct, limited recourse obligations of the Group.

Under the terms of a Trust Indenture, each noteholder agrees that claims against the Group are limited to available assets of the Group.

The table below shows the undiscounted contractual cash flows of the Group's financial liabilities as at 31 December 2019:

	Carrying amount	Gross contractual cash flows	Less than one year	One to five years	More than five years
	USD	USD	USD	USD	USD
Indebtedness *	763,328,467	953,447,368	122,181,715	455,263,809	376,001,844
Maintenance provisions	89,611,416	89,611,416	9,646,728	70,399,595	9,565,093
Security deposit	11,746,119	11,746,119	885,000	2,207,450	8,653,669
Interest Payable	1,122,064	1,122,064	1,122,064	-	-
Trade Payables	4,478,331	4,478,331	4,478,331	-	-
Total liabilities	870,286,397	1,060,405,298	138,313,838	527,870,854	394,220,606

*Carrying amount consisting of Principal and accrued interest on the Series A Note, Series B Notes, and E Certificate.

The table below shows the undiscounted contractual cash flows of the Group's financial liabilities as at 31 December 2018:

	Carrying amount	Gross contractual cash flows	Less than one year	One to five years	More than five years
	USD	USD	USD	USD	USD
Indebtedness *	856,287,862	955,171,437	77,312,604	476,634,829	401,224,004
Maintenance provisions	98,172,766	98,172,766	17,592,983	45,273,831	35,305,952
Security deposit	11,311,119	11,311,119	-	2,657,450	8,653,669
Interest Payable	1,267,753	1,267,753	1,267,753	-	-
Trade Payables	5,122,546	5,122,546	5,122,546	-	-
Total liabilities	972,162,046	1,071,045,621	101,295,886	524,566,110	445,183,625

*Carrying amount consisting of Principal and accrued interest on the Series A Note, Series B Notes, and E Certificate.

21 FAIR VALUE ESTIMATION

Fair Value Disclosure by fair value hierarchy level

Under IFRS 13 Fair Value Measurement, the fair value of a financial asset and liability is the amount at which it could be exchanged in an arm's length transaction between informed and willing parties, other than in a forced sale or liquidation. The carrying value of cash and cash equivalents, restricted cash balances, trade receivables and trade payables are assumed to approximate their fair values. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial instruments not measured at fair value through profit or loss are financial assets and financial liabilities whose carrying amounts approximate fair value.

The Financial Instruments that were not measured at fair value as at 31 December 2019 are as follows:

		Carrying Value			
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD	Carrying Value USD
Financial assets					
Trade and other rec.	-	6,962,248	-	6,962,248	6,962,248
Cash and equivalents	14,228,666	-	-	14,228,666	14,228,666
	14,228,666	6,962,248	-	21,190,914	21,190,914
Financial liabilities					
Series A Notes	-	526,454,401	-	526,454,401	526,454,401
Series B Notes	-	64,876,915	-	64,876,915	64,876,915
Series C Notes	-	28,269,698	-	28,269,698	28,269,698
E Note	-	-	144,886,071	144,886,071	144,886,071
Security deposit	-	11,746,119	-	11,746,119	11,746,119
Trade Payables	-	4,478,331	-	4,478,331	4,478,331
Interest payable	-	1,122,064	-	1,122,064	1,122,064
	-	636,947,528	144,886,071	781,833,599	781,833,599

The Financial Instruments that were measured at fair value as at 31 December 2019 are as follows:

		Fair Value			
Financial liabilities					
Series A Notes	-	529,047,396	-	529,047,396	529,047,396
Series B Notes	-	65,410,845	-	65,410,845	65,410,845
Series C Notes	-	28,522,999	-	28,522,999	28,522,999
E Note	-	-	144,886,071	144,886,071	144,886,071
Security deposit	-	11,746,119	-	11,746,119	11,746,119
Trade Payables	-	4,478,331	-	4,478,331	4,478,331
Interest payable	-	1,122,064	-	1,122,064	1,122,064
	-	640,327,754	144,886,071	785,213,825	785,213,825

The Financial Instruments that were not measured at fair value as at 31 December 2018 are as follows:

Financial assets					
Trade and other rec.	-	5,912,647	-	5,912,647	5,912,647
Cash and equivalents	17,867,352	-	-	17,867,352	17,867,352
	17,867,352	5,912,647	-	23,779,999	23,779,999
Financial liabilities					
Series A Notes	-	588,731,501	-	588,731,501	588,731,501
Series B Notes	-	72,504,029	-	72,504,029	72,504,029
Series C Notes	-	34,412,661	-	34,412,661	34,412,661
E Note	-	-	160,639,671	160,639,671	160,639,671
Security deposit	-	11,311,119	-	11,311,119	11,311,119
Trade Payables	-	5,122,546	-	5,122,546	5,122,546
Interest payable	-	1,267,753	-	1,267,753	1,267,753
	-	713,349,609	160,639,671	873,989,280	873,989,280

21 FAIR VALUE ESTIMATION - continued

The Financial Instruments that were measured at fair value as at 31 December 2018 are as follows:

	Fair Value				
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD	Carrying Value USD
Financial liabilities					
Series A Notes	-	575,114,744	-	575,114,744	575,114,744
Series B Notes	-	68,476,926	-	68,476,926	68,476,926
Series C Notes	-	32,938,150	-	32,938,150	32,938,150
E Note	-	-	160,639,671	160,639,671	160,639,671
Security deposit	-	11,311,119	-	11,311,119	11,311,119
Trade Payables	-	5,122,546	-	5,122,546	5,122,546
Interest payable	-	1,267,753	-	1,267,753	1,267,753
	-	694,231,238	160,639,671	854,870,909	854,870,909

The fair value of the Class A, Class B and Class E Notes were determined by using base projected cash flows to determine the value, by discounting to net present value at a market rate of interest. The effective interest rate on A, B and C Notes was initially recognised at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred and discounts. The E Notes are measured using estimated future cash flows to be generated from the leases and eventual sale of aircraft using the effective interest method. These cash flows are reviewed on an annual basis to determine if the carrying value of the Notes equates to the fair value. Any changes in expected future cash flows are treated as an adjustment to the carrying value of the Note and are treated as a gain/loss within interest expense in the Statement of Comprehensive Income.

22 RETAINED EARNINGS/(DEFICIT)

	31 December 2019 USD	31 December 2018 USD
Reserves at the beginning of the financial year	(1,730,631)	697,541
Profit/(loss) for the financial year	4,276,675	(2,428,172)
Profit/(loss) at the end of the financial year	2,546,044	(1,730,631)

23 SUBSIDIARY COMPANIES

S-JETS had the following subsidiary companies as at 31 December 2019:

Name	Country of incorporation	Principal Activity	% of shares held
Jetair 1 Limited	Ireland	Aircraft leasing	100%
Jetair 2 Limited	Ireland	Aircraft leasing	100%
Jetair 3 Limited	Ireland	Aircraft leasing	100%
Jetair 4 Limited	Ireland	Aircraft leasing	100%
Jetair 5 Limited	Ireland	Aircraft leasing	100%
Jetair 6 Limited	Ireland	Aircraft leasing	100%
Jetair 7 Limited	Ireland	Aircraft leasing	100%
Jetair 8 Limited	Ireland	Aircraft leasing	100%
Jetair 9 Limited	Ireland	Aircraft leasing	100%
Jetair 10 Limited	Ireland	Aircraft leasing	100%
Jetair 11 Limited	Ireland	Aircraft leasing	100%
Jetair 12 Limited	Ireland	Aircraft leasing	100%
Jetair 13 Limited	Ireland	Aircraft leasing	100%
Jetair 14 Limited	Ireland	Aircraft leasing	100%
Jetair 15 Limited	Ireland	Aircraft leasing	100%
Jetair 16 Limited	Ireland	Aircraft leasing	100%
Jetair 18 Limited	Ireland	Aircraft leasing	100%
Jetair 19 Limited	Ireland	Aircraft leasing	100%
Jetair 20 Limited	Ireland	Aircraft leasing	100%
Jetair 21 Limited	Ireland	Aircraft leasing	100%
Jetair 14 (Labuan) Limited	Labuan	Aircraft leasing	100%
Jetair 15 (Labuan) Limited	Labuan	Aircraft leasing	100%
Jetair 16 Norway AS	Norway	Aircraft leasing	100%

The registered office of the Irish subsidiaries is Unit J, Block 1, Shannon Business Park, Shannon, Co. Clare, Ireland.

The registered office of Jetair 14 (Labuan) Limited and Jetair 15 (Labuan) Limited is Level 1, Lot 7, Block F, Saguking Commercial Building, Jalan Patau-Patau, Malaysia.

The registered office of Jetair 16 Norway AS is Hagaløkkveien 26, 1383 Asker, Norway.

24 RELATED PARTY TRANSACTIONS

Pontus Aviation SARL (Formally known as SALF) is the E Certificate investor in the Group (refer note 15 - Indebtedness) and is considered as a related party. Pontus Aviation SARL is ultimately controlled by Goshawk Aviation Limited.

Chronos Leasing HoldCo Limited ("CLH") (Formally known as SALI) acts as Servicer to the Group. CLH received a fee as the Servicer which amounted to USD$4.8 million for the year (2018:USD$3.4 million). CLH is ultimately controlled by Goshawk Aviation Limited. At the year end, servicing fees of USD$0.3 million (2018:USD$0.3 million) were accrued but unpaid. The Group engages in intercompany transactions with its subsidiaries, these transactions are deemed to be related party transactions. These transactions cancel on consolidation.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity. Key management personnel for the Group are the Board of Directors. Compensation paid to key management personnel for the financial year amounted to USD$0.09 million (2018:USD$0.07 million).

Andy Carlisle, a Director of the Company, is an employee of Goshawk Management Ireland Limited ("GMIL"). GMIL is owned by Goshawk Management Holding Company (a Cayman entity). Andy is considered key management personnel in accordance with IAS 24 Related Party Disclosures. The Director did not receive any compensation for carrying out his duties as a Director of the Company during the period.

On August 12th, 2019, MSN 41397 was sold to Callisto Leasing HoldCo Limited, a subsidiary of Goshawk Aviation Limited. Jetair 17 Limited the company whose principal activity is the owning and leasing of MSN 41397, was transferred to the groups ultimate beneficial owner Goshawk Aviation Limited being the ultimate parent of the E Note Holder, Pontus Aviation SARL.

The outstanding due to related parties (refer note 16 - Trade and other payables) at the year end amounted to USD$0.3 million (2018:USD$0.3 million).

25 COMMITMENTS AND CONTINGENCIES

The members of S-JETS Group have no long-term contracts other than those with their service providers and lessees. The Group has no capital commitments or contingent liabilities.

Foreign taxation

The international character of the Company's operations may expose the Company to taxation in certain countries. The position is kept under continuous review and provision would be made for known liabilities where it is probable that such liabilities will crystallise.

26 ULTIMATE BENEFICIAL OWNERSHIP

The ultimate beneficial owner of the Group is Goshawk Aviation Limited being the ultimate parent of the E Note Holder, Pontus Aviation SARL, a company incorporated in Luxembourg with registered office at 2633, Niederanven Luxembourg. The results of the Group are consolidated by Goshawk Aviation Limited for accounting purposes. Goshawk Aviation Limited is incorporated in the Cayman Islands, with a registered office at PO Box 309, George Town, KY1-1104, KY. Goshawk Aviation Limited is ultimately controlled by NATAL Global Limited and Zion Sky Holdings Limited who both own a 50% share and are both incorporated in the British Virgin Islands.

27 SUBSEQUENT EVENTS

Since the start of January 2020, the world has been monitoring and reacting to the novel coronavirus (2019-nCoV). As of mid-March 2020, the virus has spread across the globe, with major outbreaks across China, the Middle East, Europe and America, resulting in widespread restrictions on the ability of people to travel, socialise and leave their homes. Global financial markets have reacted sharply to this pandemic, with concerns regarding the economic impact this may have on a global scale, and which is expected to be material for the airline sector, and by extension the aircraft leasing sector. The Groups ability to service its obligations (including those to the Noteholders) is dependent on the continued receipt of rental and other payments from its airline lessee customers.

The Group, with the assistance of the Servicer is dealing with requests for support from certain of its airline customers (which may include rent deferrals/holidays, lease modifications or other concessions) – no agreement on the form of any such support has yet been concluded. It is therefore not possible to estimate the financial effect, if any, that these arrangements, if concluded, may have on the Groups financial results or position. The Directors, with input from the Servicer, will continue to monitor the impact of the virus on the activities of the Group.

There were no other events after the reporting period, that would require revision of the results or financial position of the Group, or disclosure in the financial statements.

28 APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised by the Board of Directors on 19 March 2020.