

**JHIB DESIGNATED ACTIVITY COMPANY**

Directors' report and financial statements  
**for the financial year ended 30 September 2021**

*Registered number: 448068*

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**Directors and other information**

**Directors**

William Daunt  
Liam McFadden (appointed on 14 June 2021)  
Niall Gallagher (resigned on 14 June 2021)

**Registered office**

Custom House Plaza, Block 6  
International Financial Services Centre  
Dublin 1  
D01 X9Y5

**Company secretary**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
D02 R296

**Administrator**

Citco Corporate Services (Ireland) Limited  
Custom House Plaza Block 6  
International Financial Services Centre  
Dublin 1  
D01 X9Y5

**Independent auditor**

Grant Thornton  
Chartered Accountants and Statutory Audit Firm  
13-18 City Quay  
Dublin 2  
D02 ED70

**Banker**

Deutsche Bank AG Singapore Branch  
One Raffles Quay  
South Tower #18-10  
Singapore 048583

**Solicitors**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
D02 R296

## **Directors' report**

The Board of Directors (the "Directors") present the audited financial statements of JHIB Designated Activity Company (the "Company") for the financial year ended 30 September 2021.

### **Principal activities**

The Company is a designated activity company, incorporated under the laws of Ireland. The principal activity of the Company is the acquisition and sale of aircraft. The purchase of the aircraft was financed by way of a senior loan from Bank of Scotland and Deutsche Bank AG (the "Lenders"). On 23 June 2017, Bank of Scotland transferred all of their loan commitments to Deutsche Bank.

On 20 June 2019, the Mumbai bench of the National Company Law Tribunal (NCLT) admitted Jet Airways (India) Ltd (the "Lessee") under the Insolvency and Bankruptcy Code (IBC) after its Lender referred it to a bankruptcy tribunal. The Company repossessed the underlying asset (an aircraft) and subsequently entered into a consignment arrangement for same.

### **Future developments**

During the financial year ended 30 September 2021, a consignment agreement was entered into and agreed between the Company and Aerfin Ltd, the consignee. The purpose of the agreement was to arrange for part out of certain parts of the Company's aircraft MSN 35166 and to use the resulting proceeds to settle the outstanding loan.

The Lenders expect the parts of both aircraft will be sold within the next 1 to 2 years from the signing of these financial statements and sales proceeds will be used to settle the outstanding loan. The Directors and the Lenders will then place the Company into a member's voluntary liquidation. The Lender has agreed to cover the expenses of the Company for at least a 12-month period from the date of signing these financial statements and therefore the Directors expect to meet the Company's obligations as they fall due.

### **Business review**

Please find below a comprehensive analysis of the performance of the Company's business during the financial year.

### **Results and dividends for the financial year**

The results for the financial year are set out on page 9. No dividends are recommended by the Directors (2020: US\$Nil). The results for the financial year are in line with expectations. During the financial year, the Company recorded rental income of US\$Nil (2020: US\$250,000), noting that US\$1,359,381 (2020: US\$2,497,839) of the loan balance was written off. The Company incurred a depreciation charge of US\$773,623 (2020: US\$4,997,182) and administration expenses of US\$70,692 (2020: US\$74,844).

After recording other income of US\$70,692 (2020: US\$74,844), the profit before taxation amounted to US\$Nil (2020: US\$Nil).

### **Changes in Directors and secretary**

There were no changes in the secretary during the financial year ended 30 September 2021 (2020: none). On 14 June 2021, Liam McFadden replaced Niall Gallagher as a Director of the Company. (2020: no changes).

### **Directors, secretary and their interests**

None of the Directors nor the secretary who held office on 30 September 2021 held any shares in the Company at that date, or during the financial year (2020: No share holdings).

### **Principal risk and uncertainty**

The Company is subject to various risks. The key risks facing the Company and the manner in which these risks have been dealt with are disclosed in Note 17 and 18 of the financial statements.

## **Directors' report (continued)**

### **Accounting records**

The Directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014, adequate accounting records are kept by employing accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at Citco Corporate Services (Ireland) Limited, Custom House Plaza Block 6, International Financial Services Centre, Dublin 1, D01 X9Y5.

### **Significant events during the financial year**

Since the Lessee, Jet Airways, entered bankruptcy, the Lender, Deutsche Bank has been covering the operating expenses of the Company as stated in the letter of support which was signed in 2025.

During the financial year 30 September 2021, the Covid-19 pandemic continued to cause significant disruption to the air travel industry and the economy in general. Through the roll out of Covid-19 vaccinations, most economies were able to recover to near pre-pandemic levels of activity, though there were periods of increased restrictions at different times and in different locations.

On 28 January 2021, a consignment agreement was entered and agreed to between the consignee, AerFin Limited and the Company. The purpose of the agreement was to disassemble the Company's aircraft MSN 35166 and use the resulting proceeds to settle the outstanding loan. Once all the aircraft parts are sold, the Company will be placed into a member's voluntary liquidation as there is no realistic alternative to liquidation after the orderly conclusion of the consignment process.

### **Subsequent events**

The Directors acknowledge that considerable time has passed since the financial year end 30 September 2021 to the signing of these financial statements, though noting that Lender has continued to cover the operating expenses of the Company, as stated in the Letter of Support. The delay in signing has been a result of many factors, primarily centring around the consignment process and the progressing of same in a post-Covid era environment leading to knock-on impacts on ascertaining asset valuations, auditing matters and other operational difficulties.

Ongoing conflicts globally have led to economic volatility and this, along with declining inflation levels, have resulted in global Central Banks reducing interest rates from multiple year highs. These reductions have yet to feed into the cost of living crisis being experienced in many countries and economic stresses in many countries are appearing. The Directors and Management of the Company continue to monitor these events, though to date these matters have not had a direct impact on the Company.

The consignment process of both aircraft, MSN 35163 and MSN 35166, is ongoing up to date of the signing of these financial statements and is expected to continue for another 1 to 2 years. After the consignment of the aircraft has been completed, the Company will be placed into a member's voluntary liquidation. To the date of signing these financial statements, the consignment process has generated gross proceeds of US\$31,254,163 (excluding the proceeds from the sale of the aircrafts' engines), with consignment expenses amounting to US\$11,278,577 and the Company receiving net consignment proceeds of US\$19,975,586 plus US\$36,650,000 in respect of the aircrafts' engines.

Other than the matters noted above, there are no other subsequent events that require disclosure in these financial statements.

### **Break up basis**

During the financial year and on a regular basis since, meetings have been held with the Directors and Lender. The parties note that the consignment process is ongoing since 2020 and that the process will likely take another year or two to complete from the date of signing these financial statements. The sales proceeds will be used to settle the outstanding loan.

**Directors' report (continued)**

**Break up basis (continued)**

The Directors and the Lender will then move to place the Company into a member's voluntary liquidation as there is no realistic alternative to liquidation after the orderly conclusion of the consignment process and accordingly the going concern basis is no longer appropriate.

The financial statements have therefore been presented on a break-up basis and a provision for liquidation expenses has been duly recorded.

**Statement of relevant audit information**

- (i) There is no relevant audit information of which the statutory auditor is unaware; and
- (ii) All steps have been taken by the directors to make themselves aware of any relevant audit information and to ensure the statutory auditor is made aware of any such information.

**Independent auditor**

Grant Thornton, Chartered Accountants and Statutory Audit Firm, have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the Board of Directors and authorised for issue by:



William Daunt  
*Director*



Liam McFadden  
*Director*

Date: 4 February 2026

## **Statement of Directors' responsibilities**

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

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

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


- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

The Directors confirm that they have complied with the above requirements in preparing these financial statements.

Approved by the Board of Directors and authorised for issue by:

  
\_\_\_\_\_  
William Daunt  
Director

  
\_\_\_\_\_  
Liam McFadden  
Director

Date: 4 February 2026

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JIHB DESIGNATED ACTIVITY COMPANY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

### Opinion

We have audited the financial statements of JIHB Designated Activity Company (the "Company"), which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows, for the financial year ended 30 September 2021, and the related notes to the financial statements, including the material accounting policy information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and IFRS Accounting Standards as adopted by EU ("IFRS") (the "relevant accounting framework").

In our opinion, the Company's financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 September 2021, and of its profit or loss and cash flows for the financial year then ended,
- have been properly prepared in accordance with the relevant accounting framework, and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accountancy Supervisory Authority ("IAASA"), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to the departure from the going concern basis of accounting

In forming our opinion on the financial statements, which is not modified, we have considered the presentation of the financial statements on a break-up basis, the adjustments arising from the presentation, and the adequacy of the disclosures made in the Directors' Report, Note 2(b) and Note 21 to the financial statements. The break-up basis of accounting has been adopted as a result of the Directors' plan to liquidate Company, following the sale of the aircrafts. Adjustments have been made in these financial statements to reduce assets to their realisable values and to provide for liabilities arising from the decision.

### Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the disclosures set out in Notes 2(j), 13 and 18 to the financial statements regarding aircraft valuations. The aircrafts have been placed in consignment, disassembled and are being sold in parts. As a result, the net realisable value from the sale of individual parts may differ from the aircraft's valuation disclosed in these financial statements. In view of the significance of this matter, we consider that it should be drawn to your attention. The ultimate outcome of this matter cannot at present be determined, and the financial statements do not include any potential adjustments.

### Other information

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JIHB DESIGNATED ACTIVITY COMPANY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (continued)**

### **Other information (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

The Statement of Comprehensive Income and Statement of Financial Position are in agreement with the accounting records and returns.

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report for the financial year is consistent with the financial statements.
- the Directors' report has been prepared in accordance with applicable legal requirements, excluding the requirements on sustainability reporting in Part 28.

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

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

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of sections 305 to 312 of the Act, which relate to the disclosure of directors' remuneration and transactions with Directors have not been complied with by the Company.

We have nothing to report in this regard.

### **Responsibilities of those charged with governance for the financial statements**

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process and for the preparation of financial statements that give a true and fair view.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JIHB DESIGNATED ACTIVITY COMPANY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (continued)**

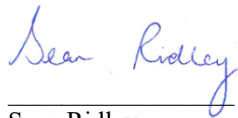
**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

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

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



Sean Ridley

For and on behalf of

**Grant Thornton**

Chartered Accountants & Statutory Audit Firm

Dublin

Date: 4 February 2026

**Statement of comprehensive income**  
*For the financial year ended 30 September 2021*

		<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	<i>Notes</i>	<b>US\$</b>	<b>US\$</b>
<b>Operating income</b>			
Other income	3	<b>70,692</b>	74,844
Rental income	4	-	250,000
Loan written off	11	<b>1,359,381</b>	2,497,839
Gain on revaluation	13	<b>602,961</b>	5,763,532
		<u><b>2,033,034</b></u>	<u>8,586,215</u>
<b>Operating expenses</b>			
Administrative expenses	5	<b>(70,692)</b>	(74,844)
Aircraft expenses		<b>(641,592)</b>	(656,700)
Depreciation charge (aircraft)	13	<b>(697,998)</b>	(4,997,182)
Depreciation charge (PPE)	14	<b>(75,625)</b>	-
Impairment loss	13	<b>(547,127)</b>	(2,857,489)
		<u><b>(2,033,034)</b></u>	<u>(8,586,215)</u>
<b>Operating profit on ordinary activities before taxation</b>			
		-	-
Tax on ordinary activities	6	-	-
<b>Profit for the financial year</b>			
		-	-
<b>Other comprehensive income</b>			
		-	-
<b>Total comprehensive profit for the financial year</b>			
		<u>-</u>	<u>-</u>

All amounts relate to discontinued operations.

The accompanying notes from 1 to 24 form an integral part of these financial statements.

**Statement of financial position**  
*As at 30 September 2021*

	<i>Notes</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
		US\$	US\$
<b>Assets</b>			
<b>Current assets</b>			
Aircraft at cost (net of accumulated depreciation)	<i>2(i), 13</i>	-	21,130,000
Aircraft held for sale	<i>2(j), 13</i>	<b>55,478,572</b>	39,105,784
Property, Plant & Equipment (net of accumulated depreciation)	<i>2(k), 14</i>	<b>333,915</b>	-
Due from consignment agents	<i>7</i>	<b>2,381,542</b>	-
Escrow Account	<i>8</i>	<b>1,754,265</b>	-
Rental income receivable	<i>9</i>	-	250,000
Other receivables	<i>10</i>	<b>95,613</b>	76,983
<b>Total current assets</b>		<b>60,043,907</b>	60,562,767
<b>Total assets</b>		<b>60,043,907</b>	60,562,767
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank borrowings	<i>11</i>	<b>48,219,703</b>	49,579,084
Term loan facility	<i>11</i>	<b>11,748,890</b>	10,250,000
Sundry payables and accruals	<i>12</i>	<b>75,313</b>	733,682
<b>Total current liabilities</b>		<b>60,043,906</b>	60,562,766
<b>Total liabilities</b>		<b>60,043,906</b>	60,562,766
<b>Capital and reserves</b>			
Ordinary share capital presented as equity	<i>15</i>	<b>1</b>	1
Retained profits	<i>16</i>	-	-
<b>Total equity</b>		<b>1</b>	1
<b>Total liabilities and equity</b>		<b>60,043,907</b>	60,562,767

The accompanying notes from 1 to 24 form an integral part of these financial statements.

Approved by the Board of Directors and authorised for issue by:



William Daunt  
*Director*



Liam McFadden  
*Director*

Date: 4 February 2026

**Statement of changes in equity**

*For the financial year ended 30 September 2021*

	<b>Share Capital US\$</b>	<b>Retained Loss US\$</b>	<b>Revaluation Reserve US\$</b>	<b>Total US\$</b>
Balance at 1 October 2019	1	-	-	1
Total comprehensive income for the financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance as at 30 September 2020</b>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Balance at 1 October 2020	1	-	-	1
Total comprehensive income for the financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance as at 30 September 2021</b>	<u><b>1</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>1</b></u>

The accompanying notes 1 to 24 form an integral part of these financial statements.

**Statement of cash flows**

*For the financial year ended 30 September 2021*

	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
<b>Cash flows from operating activities</b>		
Total comprehensive income for the financial year	-	-
<i>Adjustments for:</i>		
Loan written off	(1,359,381)	(2,497,839)
Depreciation charge (aircraft)	697,998	4,997,182
Depreciation charge (PPE)	75,625	-
Consignment receipts	4,115,048	-
Impairment loss	547,127	2,857,489
Gain on revaluation	(602,961)	(5,763,532)
Rental income	-	(250,000)
	3,473,456	(656,700)
Increase in other assets	(3,904,437)	(2,780)
(Decrease)/increase in other liabilities	(658,369)	659,480
Cash used in operations	(1,089,350)	-
Interest received	-	-
Interest paid	-	-
<b>Net cash flows used in operating activities</b>	<b>(1,089,350)</b>	<b>-</b>
<b>Cash flow from investing activities</b>		
Aircraft engine overhaul	-	(10,250,000)
Acquisition of assets	(409,540)	-
<b>Net cash used in investing activities</b>	<b>(409,540)</b>	<b>(10,250,000)</b>
<b>Cash flow from financing activities</b>		
Loan drawdown	1,498,890	10,250,000
Loans repaid	-	-
<b>Net cash provided by financing activities</b>	<b>1,498,890</b>	<b>10,250,000</b>
Net movement in cash and cash equivalents	-	-
Cash at the beginning of the financial year	-	-
<b>Cash at the end of the financial year</b>	<b>-</b>	<b>-</b>

The accompanying notes 1 to 24 form an integral part of these financial statements

## **Notes to the financial statements**

### **1. General information**

The Company is a designated activity company incorporated and domiciled in Ireland. The principal activity of the Company is the acquisition and sale of aircraft. The purchase of the aircraft was financed by way of a senior loan from Bank of Scotland plc. On 23 June 2017, Bank of Scotland has transferred all its loan commitment to Deutsche Bank AG. During the financial year end and due to the indebtedness of the Lessee and the suspension of operations by the Lessee, the aircraft lease agreement between Jet Airways (India) Ltd and the Company was terminated on 22 May 2019 and the Aircraft deregistered from the aircraft register maintained by the Directorate General of Civil Aviation of India (the "DGCA"). The Aircraft was reregistered with 2-Reg Aircraft Registry, on the Guernsey Aircraft Register in May 2019.

On 20 June 2019, the Mumbai bench of the National Company Law Tribunal (NCLT) admitted the lessee, Jet Airways (India) Ltd, under the Insolvency and Bankruptcy Code (IBC) after its lender referred it to a bankruptcy tribunal. Since that date, the Directors are working with Deutsche Bank AG, the Company's lender, who hold security over the principal asset of the Company, to maintain the Company in good standing. Deutsche Bank has agreed to cover the expenses of the Company for at least a 12 months period from the date of signing these financial statements and therefore the Directors expect to meet the Company's obligations as they fall due.

On 16 July 2020, a consignment agreement was entered into and agreed between the Company and Alaris Aerospace Systems LLC, for aircraft MSN 35163. A second consignment agreement was entered into and agreed between between the Company and AerFin Limited on 28 January 2021, for aircraft MSN 35166. The purpose of the consignment agreements is to arrange for part out of the Company's aircraft and use the resulting proceeds to settle the outstanding loan. Once this process is complete, the Directors intend to place the Company into a member's voluntary liquidation as there is no realistic alternative to liquidation after the orderly conclusion of the consignment process. For further details on significant and subsequent events, refer to the respective notes on page 3 and Note 21 of these financial statements.

### **2. Significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently.

#### **(a) Basis of preparation**

The Company's financial statements have been prepared in accordance with EU endorsed International Financial Reporting Standards ("IFRS"), IFRIC interpretations and the Companies Act 2014 applicable to companies reporting under IFRS.

#### **(b) Break-up basis**

The Company is divesting of the aircraft through a consignment process and will thereafter be placed into a member's voluntary liquidation as there is no realistic alternative to liquidation after the orderly conclusion of the consignment process. The financial statements are therefore prepared on a basis of accounting other than a going concern, which is described as the break-up basis of accounting.

The break-up basis of accounting requires the carrying value of the assets to be at the amounts they are expected to realise and liabilities include any amounts which will crystallise as a result of the decision to wind up the Company. In all other respects, the financial statements have been prepared in accordance with the accounting framework.

During the financial year and on a regular basis since, meetings have been held with the Directors and Lender. The parties note that the consignment process is ongoing since 2020 and that the process will likely take another year or two to complete from the date of signing these financial statements.

## Notes to the financial statements (continued)

### 2. Significant accounting policies (continued)

#### (b) Break-up basis (continued)

The sales proceeds will be used to settle the outstanding loan. Once complete, the Directors and the Lender will move to place the Company into a member's voluntary liquidation as there is no realistic alternative to liquidation after the orderly conclusion of the consignment process and accordingly the going concern basis is no longer appropriate.

The financial statements have therefore been presented on a break-up basis and a provision for liquidation expenses has been duly recorded.

#### (c) Changes in accounting policy and disclosures

The Company has adopted all applicable standards and amendments. There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 October 2020 that had a material impact on the Company.

#### *New standards and amendments not yet adopted*

There have been a number of new amendments to standards and interpretations that are effective for the financial year beginning on or after 1 October 2021, and have not been applied in preparing these financial statements.

Standard	Interpretations	Impact on the Company	Effective date
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.	The adoption of these amendments is not expected to have a material impact on the Company.	1 January 2022
Reference to the Conceptual Framework - Amendments to IFRS 3	These amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.	The adoption of these amendments is not expected to have a material impact on the Company.	1 January 2022

**Notes to the financial statements (continued)**

**2. Significant accounting policies (continued)**

**(c) Changes in accounting policy and disclosures (continued)**

*New standards and amendments not yet adopted (continued)*

<b>Standard</b>	<b>Interpretations</b>	<b>Impact on the Company</b>	<b>Effective date</b>
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of a covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. Application must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.	The adoption of these amendments is not expected to have a material impact on the Company.	1 January 2023

**(d) Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The value of the aircraft are stated at fair value less costs to sell for both aircraft. For further details, please refer to Notes 2(j) and 13 of these financial statements.

**(e) Impairment**

At each reporting date where there are indications of a potential impairment of the Company's assets, the recoverable amounts of the Company's assets will be estimated, determined and compared with their carrying amounts.

An asset is considered to be impaired where its carrying value is in excess of its recoverable amount, being the higher of the asset's fair value less cost to sell and its value in use. Value in use is calculated as the present value of the future cash flows to be derived from the operation of the asset. Future cash flows are discounted using a pre-tax discount rate that reflects the time value of money and the risks specific to the assets.

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

## **Notes to the financial statements (continued)**

### **2. Significant accounting policies (continued)**

#### **(f) Revenue recognition**

Revenue is recognised on an accruals basis of accounting on the expenses recoverable, gain on revaluation and loan written off by the Lender for the financial year ended 30 September 2020 and 30 September 2021.

#### **(g) Functional and presentation currency**

These financial statements are presented in US Dollar ("US\$") which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The lease agreements and bank borrowings are both denominated in US\$. The Directors of the Company believe that US\$ most faithfully represents the economic effects of the underlying transactions events and conditions.

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The exchange differences are reflected in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

#### **(h) Leases**

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. A lease may be classified as an operating lease when the duration of the lease is short term, 12 months or less, and where the value of the asset is of low value.

The Company has no leases in place as both aircraft are in consignment.

#### **(i) Aircraft held at cost**

As per IAS 16: Property, Plant and Equipment ("IAS 16"), for the year ended 30 September 2021 the Company classified one of the aircraft, MSN 35166, under the cost model until it entered the consignment process on 28 January 2021, at which point it was reclassified to Aircraft held for sale.

IAS 16 permits two accounting models:

- Cost model. The asset is carried at cost less accumulated depreciation and impairment; and
- Revaluation model. The asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, provided that fair value can be measured reliably.

Aircraft is stated at cost less accumulated depreciation and any recognised impairment loss. Aircraft is depreciated to its residual values. Residual value is determined based on estimated value at the end of the useful lives of the aircraft assets. Estimated residual value of the aircraft is reviewed annually, including the expected maintenance condition of the assets and any excess maintenance reserves expected to be available on maturity of the lease. Where estimated residual value is found to have change significantly, this is recorded prospectively as a change in estimate and depreciation charges over the remaining useful life are adjusted to take account of the revised estimate.

## **Notes to the financial statements (continued)**

### **2. Significant accounting policies (continued)**

#### **(i) Aircraft held at cost (continued)**

For the financial year ended 30 September 2021, a depreciation charge of US\$697,998 (2020: US\$2,050,972) was calculated for aircraft MSN 35166 by applying the straight-line depreciation method over the remaining useful economic life of the aircraft, with an estimated residual valuation of US\$16,980,000 in February 2024. An impairment loss of US\$Nil (2020: US\$2,857,489) was recorded for the financial year-end.

MSN35163 was classified as held for sale on 16 July 2020. The carrying value of the aircraft was US\$33,342,252 under IAS 16 at 16 July 2020. Depreciation in the amount of US\$2,946,210 for aircraft MSN 35163 was recorded in the statement of comprehensive income for the financial year ended 30 September 2020. Depreciation was calculated up to 16 July 2020 with reference to the estimated residual valuation of US\$16,980,000 in February 2024.

On 28 January 2021, a consignment agreement for aircraft MSN 35166 was entered into and agreed between the Company and the consignee, AerFin Limited. The purpose of the consignment agreement was to disassemble the aircraft for sale and use the resulting sale proceeds to settle the outstanding loan.

#### **(j) Aircraft held for sale**

As per IFRS 5: Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5"), for the year ended 30 September 2021 the Company classifies both aircraft, MSN 35163 and MSN 35166, as held for sale.

IFRS 5 requires a non-current asset or disposal group to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction instead of through continuing use. Assets held for sale are to be measured at the lower of the carrying amount and fair value less costs to sell. Depreciation of an asset ceases after the point it is held for sale.

On 16 July 2020, a consignment agreement for aircraft MSN 35163 was entered into and agreed between the Company and the consignee, Alaris Aerospace Systems LLC. The purpose of the consignment agreement was to disassemble the aircraft for sale and use the resulting sale proceeds to settle the outstanding loan.

On 28 January 2021, a consignment agreement for aircraft MSN 35166 was entered into and agreed between the Company and the consignee, AerFin Limited. The purpose of the consignment agreement was to disassemble the aircraft for sale and use the resulting sale proceeds to settle the outstanding loan.

Under IFRS 5 a number of conditions must be met for a non-current asset to be classified as held for sale such as, management must be committed to a plan to sell, the asset is available for immediate sale and the sale is highly probable within 12 months of classification as held for sale (subject to limited exceptions). Although the consignment agreement results in the sale extending up to 60 months, this does not preclude the aircraft from being classified as held for sale as the delay is caused by events or circumstances beyond the Company's control and the Company remains committed to the sale of the aircraft.

MSN35163 was classified as held for sale on 16 July 2020. The carrying value of the aircraft was US\$33,342,252 under IAS 16 at 16 July 2020. Depreciation in the amount of US\$2,946,210 for aircraft MSN 35163 was recorded in the statement of comprehensive income for the financial year ended 30 September 2020. Depreciation was calculated up to 16 July 2020 with reference to the estimated residual valuation of US\$16,980,000 in February 2024.

## **Notes to the financial statements (continued)**

### **2. Significant accounting policies (continued)**

#### **(j) Aircraft held for sale (continued)**

MSN35166 was classified as held for sale on 28 January 2021. The carrying value of the aircraft was US\$20,432,002 under IAS 16 before reclassification to asset held for sale. Depreciation in the amount of US\$697,998 (2020: US\$2,050,972) for aircraft MSN 35166 was recorded in the statement of comprehensive income for the financial year ended 30 September 2021. Depreciation is calculated up to 28 January 2021 with reference to the estimated residual valuation of US\$16,980,000 in February 2024.

Based on consignment proceeds received to February 2025 less costs to sell and estimated remaining recoveries, there is an estimated fair value less cost to sell at 30 September 2021 of US\$55,478,572. Under IFRS 5, a non-current asset held for sale is required to be held at fair value less cost to sell. An impairment loss is required to be recorded in the Statement of Comprehensive Income for any difference between the carrying value and fair value less cost to sell with an impairment loss of US\$547,127 (2020: US\$Nil) in respect of MSN35166 and a revaluation gain of US\$602,961 (2020: US\$5,763,532) in respect of MSN35163 included in the Statement of Comprehensive Income for year ended 30 September 2021.

#### **(k) Property, Plant & Equipment**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated in order to write off the cost of tangible assets over their estimated useful lives, using the straight line method as follows:

- Aircraft engine stand – 5 years

The useful life of the asset is based on the expected length of the consignment process. The asset's residual value and useful life is reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

The carrying value is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and the cumulative impairment losses are shown as a reduction in the carrying value of tangible fixed assets.

#### **(l) Taxation**

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates applicable to the Company's activities enacted or substantively enacted at the balance sheet date. Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will materialise.

#### **(m) Borrowing costs**

All costs of loans borrowed are taken to the Statement of Comprehensive Income as they are incurred. Principal repayments are offset as they are made against the remaining loan balance on the Company's Statement of Financial Position. The lessee, Jet Airways has gone into liquidation. The loans are stated at the current value of the aircraft. The loan borrowings are limited recourse. In accordance with the terms and conditions of the loans, interest is due on the amounts outstanding. However, this obligation has been waived by the Lender. As at 30 September 2021, loans payable of US\$59,968,593 (2020: US\$59,829,084)

**Notes to the financial statements (continued)**

**2. Significant accounting policies (continued)**

**(m) Borrowing costs (continued)**

are recognised in the Statement of Financial Position.

<b>3. Other income</b>	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
Other income	<u>70,692</u>	<u>74,844</u>

Other income of US\$70,692 (2020: US\$74,844), comprises of reimbursed expenses from the Lender. The Lender has provided a letter of support, wherein the Lender agrees to reimburse the Company's operating expenses for a period of not less than 12 months from the date of signing these financial statements.

**4. Rental income**

	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
Rental income	<u>-</u>	<u>250,000</u>

In consideration of the 2012 Revision agreement, JIHBTWO DAC agreed to pay the Company rent of US\$250,000 (the "Rent"). The rent was paid to the Company in two US\$125,000 instalments in November and December 2020. The agreement ceased on 31 October 2020.

<b>5. Administrative expenses</b>	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
Corporate services fees	(26,247)	(23,366)
Audit fees	(16,242)	(8,383)
Tax compliance fees	(2,201)	(2,308)
Legal and professional fees	(10,361)	(4,976)
Liquidation expenses	(2,317)	(32,816)
Escrow fees	(15,000)	-
Other expenses	-	(451)
Gain/(loss) on foreign exchange	1,676	(2,544)
	<u>(70,692)</u>	<u>(74,844)</u>

The Company is administered by Citco Corporate Services (Ireland) Limited and has no employees. The Directors received no emoluments for their services.

<b>6. Taxation</b>	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
Corporation tax charge for the financial year	<u>-</u>	<u>-</u>
Profit per financial statements	<u>-</u>	<u>-</u>
Tax at statutory tax rate of 12.5%	<u>-</u>	<u>-</u>
Corporation tax charge for the financial year	<u>-</u>	<u>-</u>

**Notes to the financial statements (continued)**

<b>7. Due from consignment agents</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
	<b>US\$</b>	<b>US\$</b>
Alaris Aerospace Systems LLC – MSN35163	1,820,447	-
Aerfin Ltd – MSN35166	<u>561,095</u>	<u>-</u>
	<u><b>2,381,542</b></u>	<u><b>-</b></u>

The Company's two aircraft (MSN 35163 and MSN 35166) were both in consignment at 30 September 2021 (2020: MSN35163 was in consignment). Sales proceeds, less costs to sell and commissions payable to the consignment agents are paid to the Lender for offset against the Company's Bank borrowings (Note 11). The consignment agents provide monthly sales statements to the Lender, with the total owing to the Company settled in arrears.

<b>8. Escrow account</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
	<b>US\$</b>	<b>US\$</b>
Deutsche Bank	<u>1,754,265</u>	<u>-</u>

The Lender opened an Escrow account on behalf of the Company, to receive the proceeds of the consignment process. This account is controlled by the Lender, which restricts the use of the funds to loan redemptions and payment of expenses on behalf of the Company.

<b>9. Rental income receivable</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
	<b>US\$</b>	<b>US\$</b>
Rental income receivable	<u>-</u>	<u>250,000</u>

In consideration of the 2012 Revision agreement, JIHBTWO DAC agreed to pay the Company rent of US\$250,000 (the "Rent"). The rent was received by the Company in two US\$125,000 instalments, in November and December 2020. The agreement ceased on 31 October 2020.

<b>10. Other receivables</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
	<b>US\$</b>	<b>US\$</b>
Other receivables	<u>95,613</u>	<u>76,983</u>

<b>11. Bank borrowings</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
	<b>US\$</b>	<b>US\$</b>
<b>Current</b>		
Bank loan at the beginning of the financial year	49,579,084	52,076,923
Less: Loan written off	<u>(1,359,381)</u>	<u>(2,497,839)</u>
Total bank loan at the end of the financial year	<u>48,219,703</u>	<u>49,579,084</u>
Term loan at the beginning of the financial year	10,250,000	-
Drawdowns in the financial year	<u>1,498,890</u>	<u>10,250,000</u>
Total term loan at the end of the financial year	<u>11,748,890</u>	<u>10,250,000</u>
<b>Total at the end of the financial year</b>	<u><b>59,968,593</b></u>	<u><b>59,829,084</b></u>

**Notes to the financial statements (continued)**

**11. Bank borrowings (continued)**

The bank loan is the fair value less cost to sell of the aircrafts held for sale. The amount includes term loan facility drawdowns of US\$11,748,890, which was provided by Deutsche Bank AG Singapore branch as the Lender to cover fees incurred for aircraft engine overhaul work and other aircraft related expenses. For further details on significant and subsequent events, refer to the respective notes on page 3 and Note 21 of these financial statements.

Limited recourse of borrowings

The bank borrowings are of limited recourse whereby the lender has recourse limited only to:

- (a) sums that are paid to or recovered by the Company (or any person claiming through or on behalf of the lessor) under any provisions of any transaction document or other transaction document or in connection with any sale, leasing, disposal or loss of the aircraft, of any other aircraft, or as a result of the enforcement of any security document or any other security document, and
- (b) the realisation of any proceeds from the enforcement of the security, or other security.

The Lender is divesting of the aircraft assets in order to repay the loan. Further details on significant and subsequent events, refer to the Director's report and Note 21 of these financial statements.

<b>12. Sundry payables and accruals</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
	<b>US\$</b>	<b>US\$</b>
Aircraft expenses payable	-	656,700
Accrued expenses	<u>75,313</u>	<u>76,982</u>
	<u><b>75,313</b></u>	<u><b>733,682</b></u>

**13. Aircraft**

<b>Aircraft at cost before reclassification to Assets Held for sale - MSN 35166</b>	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	<b>US\$</b>	<b>US\$</b>
<b>Cost</b>	<b>Private Aircraft and Engines</b>	<b>Private Aircraft and Engines</b>
At the beginning of the financial year	<b>38,161,534</b>	38,161,534
Additions during the financial year	-	-
<b>At end of the financial year</b>	<u><b>38,161,534</b></u>	<u>38,161,534</u>
<b>Accumulated depreciation &amp; impairment</b>		
At the beginning of the financial year	<b>(17,031,534)</b>	(12,123,073)
Depreciation charge for the year	<b>(697,998)</b>	(2,050,972)
Impairment loss for the financial year	-	(2,857,489)
<b>At end of the financial year</b>	<u><b>(17,729,532)</b></u>	<u>(17,031,534)</u>
<b>Carrying Value</b>	<u><b>20,432,002</b></u>	<u>21,130,000</u>

**Notes to the financial statements (continued)**

**13. Aircraft (continued)**

<b>Aircraft held for sale – MSN 35166</b>	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
At the beginning of the financial year	-	-
Reclassification to assets held for sale	<b>20,432,002</b>	-
Impairment loss	<b>(547,127)</b>	-
Consignment receipts	<b>(1,371,502)</b>	-
<b>At end of the financial year</b>	<b><u>18,513,373</u></b>	<b><u>-</u></b>

<b>Aircraft at cost before reclassification to Assets Held for sale – MSN 35163</b>	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
<b>Cost</b>		
At the beginning of the financial year	-	38,161,535
Capitalisation of engine overhaul	-	10,250,000
At the end of the financial year	<b><u>-</u></b>	<b><u>48,411,535</u></b>

<b>Accumulated depreciation &amp; impairment</b>	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
At the beginning of the financial year	-	(12,123,073)
Depreciation charge for the year	-	(2,946,210)
At the end of the financial year	<b><u>-</u></b>	<b><u>(15,069,283)</u></b>
<b>Carrying Value</b>	<b><u>-</u></b>	<b><u>33,342,252</u></b>

<b>Aircraft held for sale, MSN 35163</b>	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
At the beginning of the financial year	<b>39,105,784</b>	-
Reclassification to assets held for sale	-	33,342,252
Consignment receipts	<b>(2,743,546)</b>	-
Revaluation gain	<b>602,961</b>	5,763,532
At the end of the financial year	<b><u>36,965,199</u></b>	<b><u>39,105,784</u></b>
<b>Aircrafts held for sale</b>	<b><u>55,478,572</u></b>	<b><u>39,105,784</u></b>

**14. Property, Plant & Equipment**

	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
	<b>Aircraft Stand</b>	<b>Aircraft Stand</b>
<b>Cost</b>		
At the beginning of the financial year	-	-
Additions during the financial year	<b>409,540</b>	-
<b>At the end of the financial year</b>	<b><u>409,540</u></b>	<b><u>-</u></b>

**Notes to the financial statements (continued)**

**14. Property, Plant & Equipment (continued)**

	<b>Year ended 30 September 2021</b>	<b>Year ended 30 September 2020</b>
	US\$	US\$
<b>Accumulated depreciation and impairment</b>		
At the beginning of the financial year	-	-
Depreciation charge for the year	<u>(75,625)</u>	-
<b>At the end of the financial year</b>	<u><b>(75,625)</b></u>	<u>-</u>
 <b>Carrying Value</b>	 <u><b>333,915</b></u>	 <u>-</u>

	<b>30 September 2021</b>	<b>30 September 2020</b>
	US\$	US\$
<b>15. Share capital</b>		
<b>Authorised</b>		
1 ordinary share of €1	<u>1</u>	<u>1</u>
<b>Issued share capital</b>		
1 ordinary share of €1	<u>1</u>	<u>1</u>

	<b>30 September 2021</b>	<b>30 September 2020</b>
	US\$	US\$
<b>16. Retained profits</b>		
Balance at 1 October 2020	-	-
Total comprehensive income for the financial year	<u>-</u>	<u>-</u>
Balance at 30 September 2021	<u><b>-</b></u>	<u>-</u>

Retained profits represent the cumulative profits and losses recognised in the statement of comprehensive income.

**17. Financial risk management**

The Directors have overall responsibility of the establishment and oversight of the Company's risk management framework. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

The Company has exposures to the following risks:

- (a) Market risk;
- (b) Credit risk;
- (c) Liquidity risk, and
- (d) Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The risk management policies employed by the Company to manage these risks are discussed below.

## Notes to the financial statements (continued)

### 17. Financial risk management (continued)

#### (a) Market risk

The Company's activities would expose it primarily to the market risks of changes in foreign currency exchange rates and interest rates. Exchange rates and interest rates are monitored on an ongoing basis to ensure that market risk is minimised.

##### *Currency risk*

The currency profile of the Company is as follows:

2021	Currency profile		
	US Dollar US\$	Euro US\$	Total US\$
Escrow account	1,754,265	-	1,754,265
Due from consignment agents	2,381,542	-	2,381,542
Other receivables	5,300	90,313	95,613
<b>Total assets</b>	<b>4,141,107</b>	<b>90,313</b>	<b>4,231,420</b>
Bank borrowings	(48,219,703)	-	(48,219,703)
Loan facility	(11,748,890)	-	(11,748,890)
Sundry payables and accruals	-	(75,313)	(75,313)
<b>Total liabilities</b>	<b>(59,968,593)</b>	<b>(75,313)</b>	<b>(60,043,906)</b>
<b>Net exposure</b>	<b>(55,827,486)</b>	<b>15,000</b>	<b>(55,812,486)</b>

2020	Currency profile		
	US Dollar US\$	Euro US\$	Total US\$
Rental income receivable	250,000	-	250,000
Other receivables	-	76,983	76,983
<b>Total assets</b>	<b>250,000</b>	<b>76,983</b>	<b>326,983</b>
Bank borrowings	(49,579,084)	-	(49,579,084)
Loan facility	(10,250,000)	-	(10,250,000)
Sundry payables and accruals	(656,700)	(76,982)	(733,682)
<b>Total liabilities</b>	<b>(60,485,784)</b>	<b>(76,982)</b>	<b>(60,562,766)</b>
<b>Net exposure</b>	<b>(60,235,784)</b>	<b>1</b>	<b>(60,235,783)</b>

As at 30 September 2021 there had been no significant transactions in foreign currencies. Accordingly, the currency risk is considered minimal and no sensitivity analysis has been carried out. The loan borrowings are limited recourse and the net exposure of the liabilities are expected to be offset from the sale of the aircraft.

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is party to a loan in – lease out structure where lease income and charges are matched. Due to the indebtedness of the Lessee and the suspension of operations by the Lessee, the aircraft lease was terminated between Jet Airways (India) Ltd and the Company. The Company is divesting of the aircraft through a consignment process and will thereafter use the proceeds to repay the outstanding loan.

**Notes to the financial statements (continued)**

**17. Financial risk management (continued)**

**(b) Credit risk**

	At floating rate		Non-interest bearing	
	Amount	Weighted	Amount	Total
	US\$	average rate	US\$	US\$
		%		
2021				
Bank borrowings	(48,219,703)	n/a	-	(48,219,703)
Term loan facility	(11,748,890)	n/a	-	(11,748,890)
2020				
Rental income receivable	-	n/a	250,000	250,000
Bank borrowings	(49,579,084)	n/a	-	(49,579,084)
Term loan facility	(10,250,000)	n/a	-	(10,250,000)

Any fluctuation in interest rates will have no impact on the statement of comprehensive income statement and therefore, no sensitivity analysis has been carried out.

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

The maximum exposure to credit risk before collateral held is as follows:

<i>Credit risk exposure relating to on-statement of financial position assets:</i>	30 September	30 September
	2021	2020
	US\$	US\$
Rental income receivable	-	250,000
	<u>-</u>	<u>250,000</u>

In consideration of the 2012 Revision agreement, JIHBTWO DAC agreed to pay the Company rent of US\$250,000 (the "Rent"). The rent was received by the Company in two US\$125,000 instalments, in November and December 2020. The agreement ceased on 31 October 2020.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As the lease was terminated, there is no future cash flow will be generated. The Company is divesting of the aircraft assets to repay the loan. The lenders have been covering the operating expenses of the Company as stated in the Letter of Support, which was signed during 2025.

30 September 2021	Under 1 year	1 to 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$
<b>Liabilities</b>				
Bank borrowings	(48,219,703)	-	-	(48,219,703)
Term loan facility	(11,748,890)	-	-	(11,748,890)
Sundry payables and accruals	(75,313)	-	-	(75,313)
<b>Total</b>	<u>(60,043,906)</u>	<u>-</u>	<u>-</u>	<u>(60,043,906)</u>

**Notes to the financial statements (continued)**

**17. Financial risk management (continued)**

**(c) Liquidity risk**

<b>30 September 2020</b>	<b>Under 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Liabilities</b>				
Bank borrowings	(49,579,084)	-	-	(49,579,084)
Term loan facility	(10,250,000)			(10,250,000)
Sundry payables and accruals	(733,682)	-	-	(733,682)
Total	<u>(60,562,766)</u>	<u>-</u>	<u>-</u>	<u>(60,562,766)</u>

As at 30 September 2021, there were overdue payments of approximately US\$29,458 (2020: US\$26,634).

**(d) Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs and sections. All management and administration functions are outsourced to Citco Corporate Services (Ireland) Limited.

Since the aircraft lease agreement was terminated between Jet Airways (India) Ltd and the Company the Lender has repossessed the aircraft. The Company is divesting of the aircraft through a consignment process and will thereafter be placed into a member's voluntary liquidation.

**18. Aircraft risk**

The Company faces risk in terms of the potential decline in the value of its aircraft assets, which are derived from numerous factors, including the future market behaviour and demand for aviation travel. With the Company's aircraft assets now in consignment, this risk extends to the market for aircraft, including aircraft parts. Whilst the industry and broader economies recovered quite robustly afterwards, the event demonstrated the dramatic impact such events could cause. The impact of the Covid pandemic on the industry and the consequent reduction in current and future cash flows from aircraft assets may be an indicator of impairment.

The Company will have to consider the potential impairment on its aircraft assets. Under IFRS 5, a non-current asset held for sale is required to be held at fair value less cost to sell. An impairment loss is required to be recorded in the Statement of Comprehensive Income for any difference between the carrying value and fair value less cost to sell. See Note 13 for further details.

**19. Related party transactions**

For the financial year ended 30 September 2021, the Company incurred a fee of US\$26,247 (2020: US\$23,366) of which US\$ Nil is payable at the year-end, relating to corporate administration services provided by Citco Corporate Services (Ireland) Limited. William Daunt, Liam McFadden and formerly Niall Gallagher, directors of the Company, are also employees of Citco Corporate Services (Ireland) Limited. Pursuant to Section 305A (1) (a) of the Companies Act 2014 (as amended), the Corporate Administrator received a fee as consideration for the making available of individuals to act as directors of the Company.

**Notes to the financial statements (continued)**

**19. Related party transactions (continued)**

The terms of the corporate services agreement in place between the Company and the Corporate Administrator provides for a single fee for the provision of corporate administration services (including the making available of individuals to act as directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The individuals acting as directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as directors of the Company. For the avoidance of doubt, notwithstanding that the directors of the Company are employees of (the CSP), they each do not receive any remuneration for acting as directors of the Company.

There are no other related party transactions during the financial year to 30 September 2021, or financial year 30 September 2020.

**20. Assets and liabilities not carried at fair value but for which fair value is disclosed**

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value at 30 September 2021 or 30 September 2020 but for which fair value is disclosed:

<b>30 September 2021</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Assets</b>				
Aircraft held for sale	-	55,478,572	-	55,478,572
Property, Plant and Equipment	-	333,915	-	333,915
Due from consignment agents	-	2,381,542	-	2,381,542
Escrow account	-	1,754,265	-	1,754,265
Other receivables	-	95,613	-	95,613
<b>Total</b>	-	60,043,907	-	60,043,907
	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Liabilities</b>				
Bank borrowings	-	(48,219,703)	-	(48,219,703)
Term loan facility	-	(11,748,890)	-	(11,748,890)
Sundry payables and accruals	-	(75,313)	-	(75,313)
<b>Total</b>	-	(60,043,906)	-	(60,043,906)
	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>30 September 2020</b>				
<b>Assets</b>				
Aircraft at cost	-	21,130,000	-	21,130,000
Aircraft held for sale	-	39,105,784	-	39,105,784
Other receivables	-	326,983	-	326,983
<b>Total</b>	-	60,562,767	-	60,562,767
	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Liabilities</b>				
Bank borrowings	-	(49,579,084)	-	(49,579,084)
Term loan facility	-	(10,250,000)	-	(10,250,000)
Sundry payables and accruals	-	(733,682)	-	(733,682)
<b>Total</b>	-	(60,562,766)	-	(60,562,766)

## **Notes to the financial statements (continued)**

### **21. Subsequent events**

The Directors acknowledge that considerable time has passed since the financial year end 30 September 2021 to the signing of these financial statements, though noting that Lender has continued to cover the operating expenses of the Company, as stated in the Letter of Support. The delay in signing has been a result of many factors, primarily centring around the consignment process and the progressing of same in a post-Covid era environment leading to knock-on impacts on ascertaining asset valuations, auditing matters and other operational difficulties.

Ongoing conflicts globally have led to economic volatility and this, along with declining inflation levels, have resulted in global Central Banks reducing interest rates from multiple year highs. These reductions have yet to feed into the cost of living crisis being experienced in many countries and economic stresses in many countries are appearing. The Directors and Management of the Company continue to monitor these events, though to date these matters have not had a direct impact on the Company.

The consignment process of both aircraft, MSN 35163 and MSN 35166, is ongoing up to date of the signing of these financial statements and is expected to continue for another 1 to 2 years. After the consignment of the aircraft has been completed, the Company will be placed into a member's voluntary liquidation. To the date of signing these financial statements, the consignment process has generated gross proceeds of US\$31,254,163 (excluding the proceeds from the sale of the aircrafts' engines), with consignment expenses amounting to US\$11,278,577 and the Company receiving net consignment proceeds of US\$19,975,586 plus US\$36,650,000 in respect of the aircrafts' engines.

Other than the matters noted above, there are no other subsequent events that require disclosure in these financial statements.

### **22. Foreign currencies**

Foreign currency assets and liabilities are translated into US\$ at the rate of exchange ruling at the financial year end date. The following exchange rates were used to convert assets and liabilities denominated in currencies other than US\$:

	<b>2021</b>	<b>2020</b>
Euro	1.1583	1.1720

### **23. Ultimate controlling party**

The Company is an orphan company. The nominal shareholder of the Company is Orpheus Shareholder Limited; Orpheus Shareholder Limited has declared a trust over the one share issued and holds the shares on trust for certain Irish charities (as nominated by the Directors).

### **24. Approval of financial statements**

The Board of Directors approved these financial statements on 4 February 2026.