MAPS 2018-1 Limited Group

Directors' Report and
Consolidated Financial Statements

For the financial year ended 31 March 2021

Registered Company Number: 907141 (Bermuda)

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Consolidated non-statutory financial statements for the MAPS 2018-1 Group

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Company definitions

MAPS 2018-1	MAPS 2018-1 Limited, an exempted company organised under the laws of Bermuda and resident in Ireland for Irish tax purposes with its registered office located at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.
MAPS 2018-1 Group	MAPS 2018-1 Limited and its consolidated subsidiaries.
Financial Year	The financial year ended 31 March 2021.

MAPS 2018-1 Group

Directors and other information

Directors	Keith MacDonald Lisa Hand Michael Gannon
Secretary	MFD Secretaries Limited (up to 8 January 2021) 32 Molesworth Street Dublin 2 Ireland PAFS Ireland Limited (from 8 January 2021) Unit J, Block 1 Shannon Business Park Shannon Co. Clare Ireland
Registered office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Company registration no:	907141
Independent auditor	PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm One Spencer Dock North Wall Quay Dublin 1 Ireland
Solicitors	A&L Goodbody 28 North Wall Quay North Wall Dublin 1 Ireland
Group Definition "the Group"	MAPS 2018-1 Limited and its consolidated subsidiaries.

Independent auditors' report to the directors of MAPS 2018-1

Report on the audit of the consolidated non-statutory financial statements

Opinion

In our opinion, MAPS 2018-1's group non-statutory financial statements (the "financial statements"):

- give a true and fair view of the group's assets, liabilities and financial position as at 31 March 2021 and of its loss and cash flows for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board (IASB).

We have audited the financial statements which comprise:

- the Consolidated statement of financial position as at 31 March 2021;
- the Consolidated statement of profit or loss and comprehensive income for the year then ended;
- the Consolidated statement of cash flows for the year then ended;
- the Consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"). Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Materiality

- $5.6million (2020: $6.4million)
- Based on c. 1% of total assets.

Audit scope

- We have adopted a fully substantive audit approach to this engagement with no reliance on internal controls.

Key audit matters

- Impairment of Aircraft.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

Key audit matter	***How our audit addressed the key audit matter***
Impairment of Aircraft Refer to accounting policy on aircraft and depreciation, critical accounting estimates and judgements on page 20 and note 7 to the financial statements as well as the impact of Covid-19 on pages 13, 14 and 15. Management performs an assessment on all aircraft held at year end to identify if there has been a trigger for impairment and calculate the resulting impairment charge. The assessment is carried out on an individual aircraft level and requires the exercise of judgement regarding inputs to future cash flow projections, including future lease rates and discount rates. The carrying value of aircraft on the balance sheet at year end is $509 m with current year impairments of $25.6m. Based on the above, we determined the impairment assessment to be a key audit matter as it is a significant and judgemental item within the financial statements.	We assessed the appropriateness of cash flow projections and challenged management's assumptions and inputs into the model such as the future lease rates, renewal assumptions and residual values, including how management have incorporated the uncertainties arising from Covid-19. We considered the overall outcome by reference to publicly available evidence from peer organisations and overall market information for comparable aircraft types. We assessed the adequacy of disclosures related to impairment and the potential impact of Covid-19 in the notes to the financial statements. We have no matters to report based on our procedures.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

The consolidated non-statutory financial statements include the results of MAPS 2018-1 and its subsidiaries. All intercompany profits, transactions and account balances are eliminated on consolidation.

The non-statutory consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The non-statutory consolidated financial statements are prepared under the historical cost convention.

Our work involved the audit of all material line items and balances within the financial statements. All work was performed centrally by PwC Dublin, Ireland. There was no involvement of component auditors.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall group materiality	$5.6 million (2020: $6.4 million).
How we determined it	Circa 1% of total assets.
Rationale for benchmark applied	Using our professional judgement, we have considered the focus by the users of the accounts on the value of the assets, the fact that the majority of the significant balances in the profit and loss account are influenced by the value of the assets, and the considerations set out in ISA 320 in determining materiality, we conclude that setting materiality based on a % of total assets in respect of the balance sheet financial statement line items is the most appropriate benchmark

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $280k (2020: $286k) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group and company's ability to continue to adopt the going concern basis of accounting included:

- obtaining and evaluating management's going concern assessment for the going concern period which covers twelve months from the date of approval of the financial statements;
- evaluating the non-recourse terms of the debt securities issued by the company whereby the obligations of the company in respect of interest and principal repayments are restricted to specified assets of the company and the related cashflows;
- obtaining and evaluating the Company's liquidity position and plans for the period of assessment and in particular the assessment of the liquidity lines available to the entity;
- considering the adequacy of the going concern disclosures included in the financial statements in order to assess whether the disclosures were appropriate and in accordance with reporting standards.

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Directors' report and consolidated financial statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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 (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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the company's directors as a body for Purposes in accordance with our engagement letter and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing. in accordance with our engagement letter dated 10 May 2021 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

We draw attention to the fact that these financial statements have not been prepared under section 293 of the Companies Act 2014 and are not the company's statutory financial statements.

PricewaterhouseCoopers

PricewaterhouseCoopers
for and on behalf of PricewaterhouseCoopers
Chartered Accountants
Dublin
30 June 2021

MAPS 2018-1 Group

Statement of Directors' responsibilities

The Directors are responsible for preparing these non-statutory consolidated financial statements which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year.

The Directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

In preparing these non-statutory consolidated financial statements, the Directors:

- Select suitable accounting policies and apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State that the financial statements comply with IFRS as issued by the IASB; and
- Prepare the non-statutory consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board and authorised for issue on 29 June 2021.

Mike Gannon

Director
Michael Gannon

Director
Lisa Hand

MAPS 2018-1 Group

Consolidated statement of profit or loss and other comprehensive income
For the financial year ended 31 March 2021

	Note	**Year ended 31 March 2021** **US$**	**Year ended 31 March 2020** **US$**
Lease revenue	*1*	73,289,213	78,892,083
Maintenance reserve income	*1*	13,253,611	-
Other income	*1*	562,149	935,636
Depreciation and impairment	*7*	(63,397,404)	(42,121,459)
Gross profit		**23,707,569**	**37,706,260**
Operating expenses	*3*	(22,049,389)	(6,346,223)
Profit on ordinary activities before interest		**1,658,180**	**31,360,037**
Interest expense	*2*	(21,231,222)	(42,657,816)
(Loss)/profit on ordinary activities before taxation		**(19,573,042)**	**(11,297,779)**
Taxation on loss on ordinary activities	*5*	523,674	1,812,905
(Loss)/profit for the financial year/period		**(19,049,368)**	**(9,484,874)**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Total comprehensive loss for the year/period		**(19,049,368)**	**(9,484,874)**

The notes on pages 12 to 38 form an integral part of these financial statements.

MAPS 2018-1 Group

Consolidated statement of financial position
As at 31 March 2021

	Note	31 March 2021	31 March 2020
		US$	US$
Non-current assets			
Aircraft	*7*	508,840,399	572,237,803
Goodwill	*8*	2,494,276	2,494,276
Total non-current assets		511,334,675	574,732,079
Current assets			
Cash and cash equivalents	*10*	291,997	8,200,961
Restricted cash	*10*	42,688,945	49,661,897
Trade and other receivables	*11*	6,675,779	5,169,897
Total current assets		49,656,721	63,032,755
Total assets		**560,991,396**	**637,764,834**
Equity			
Share capital	*12*	10	10
Accumulated losses		(44,831,069)	(25,781,701)
Total shareholders' equity		(44,831,059)	(25,781,691)
Non-current liabilities			
Loans and borrowings	*14*	386,458,809	420,108,924
Deferred tax	*5*	1,561,026	2,079,499
Trade and other payables	*13*	200,065,608	235,794,840
Total non-current liabilities		588,085,443	657,983,263
Current liabilities			
Current tax payable		-	5,750
Trade and other payables	*13*	17,737,012	5,557,512
Total current liabilities		17,737,012	5,563,262
Total liabilities and equity		**560,991,396**	**637,764,834**

Signed on behalf of the board:

Mike Gannon

Michael Gannon
Director

Lisa Hand
Director

Date: 29 June 2021

The notes on pages 12 to 38 form an integral part of these financial statements.

MAPS 2018-1 Group

Consolidated statement of changes in equity
As at 31 March 2021

Year ended 31 March 2021	**Share Capital**	**Accumulated losses**	**Total Equity**
	US$	**US$**	**US$**
Balance as at 1 April 2020	**10**	**(25,781,701)**	**(25,781,691)**
Loss for the year	-	(19,049,368)	(19,049,368)
Balance as at 31 March 2021	**10**	**(44,831,069)**	**(44,831,059)**

Year ended 31 March 2020	**Share Capital**	**Accumulated losses**	**Total Equity**
	US$	**US$**	**US$**
Balance as at 1 April 2019	**10**	**(16,296,827)**	**(16,296,817)**
Loss for the period	-	(9,484,874)	(9,484,874)
Balance as at 31 March 2020	**10**	**(25,781,701)**	**(25,781,691)**

MAPS 2018-1 Group

Consolidated statement of cash flows
For the financial year ended 31 March 2021

	Year ended 31 March 2021 US$	Year ended 31 March 2020 US$
Cash flows from operating activities		
Net (loss) for the year/period	(19,049,368)	(9,484,874)
Adjustments for:		
Depreciation	37,826,590	38,773,527
Impairment	25,570,814	3,347,932
Amortisation of debt issue costs	1,386,388	-
Interest Expense	19,844,834	42,657,816
Increase in goodwill	-	-
(Increase) in trade and other receivables	(1,505,882)	(1,795,529)
(Decrease)/increase in accrued expenses and other liabilities	(462,579)	(4,938,733)
(Decrease)/increase in deferred income	(2,027,845)	(162,686)
(Decrease)/Increase in maintenance reserves	(17,751,129)	19,093,689
(Decrease)/Increase in security deposits	(831,000)	1,392,980
Net cash inflows from operating activities	43,000,823	88,884,122
Cash flows from investing activities		
Movement in aircraft assets	-	(1,477,583)
Movement in restricted cash	6,972,952	(20,065,101)
Net cash outflows from investing activities	6,972,952	(21,542,684)
Cash flows from financing activities		
Repayment of loans and borrowings	(37,975,707)	(46,817,513)
Issuance of loans and borrowings	-	-
Interest paid	(19,907,032)	(23,671,633)
Net cash outflows from financing activities	(57,882,739)	(70,489,146)
Net (decrease)/increase in cash and equivalents	(7,908,964)	(3,147,708)
Cash and cash equivalents at the beginning of the year/period	8,200,961	11,348,669
Cash and cash equivalents at the end of the year/period	291,997	8,200,961

The notes on pages 12 to 38 form an integral part of these financial statements.

Notes to the financial statements
For the financial year ended 31 March 2021

Statement of accounting policies

Description of business

MAPS 2018-1 is an exempted company organised under the laws of Bermuda which is managed and controlled through its board of Directors in Ireland. MAPS 2018-1 is resident in Ireland for tax purposes. MAPS 2018-1 has a single class of common equity shares, all of which is held by a Bermudan Trust for such purposes under Bermudan law as the trustee may select. MAPS 2018-1 was incorporated on 14 March 2012.

On January 10, 2013, MAPS 2018-1 issued Series A Notes and Series B Notes (collectively, the "Notes""), in the outstanding principal amounts of $557,010,000 and $93,335,000 respectively, in each case pursuant to the Credit Agreement. To secure repayment of the Loans, the Bermudan Trustee pledged its interest in the common shares to Deutsche Bank Trust Company Americas, as Security Trustee.

In addition, MAPS 2018-1 issued a Series M1 Certificate in the initial outstanding amount of $122,751,145 to Merx Aviation Finance Assets Ireland Limited and a Series M2 Certificate to the value of $35,000,000 to GE U.S. Equity Holdings, Inc. The M1 Certificate holder is entitled to receive 8.5% return per annum (minimum distribution amount) on the outstanding amount, distributed in accordance with the priority of payments as outlined in an Intercreditor Agreement. The activities of MAPS 2018-1 Group include the sale, procurement and leasing of aircraft together with associated support services.

AABS announced it changed its name to MAPS 2018-1 Limited (“the Company”), effective April 19, 2018 and refinanced its debt outstanding as of May 15, 2018. As part of the refinancing, existing Series A and Series B debt totalling $317,117,301 were redeemed and new Series A and Series B Notes were issued for a total amount of $470,000,000. MAPS 2018-1 also issued Series C notes amounting to $36,500,000 and E Notes amounting to $21,999,862 to Merx Aviation Finance Assets Ireland Limited in exchange for its existing M1 Interest, M2 Interest and E Interest.

On July 2, 2018, MAPS 2018-1 Group acquired a 100% interest in the shares of Phoebus Aviation Ireland Limited and its subsidiary, Keos Aviation UK Limited using the proceeds from its refinancing on May 15, 2018. As a result of the acquisition of Phoebus Aviation Ireland Limited, MAPS 2018-1 Group acquired six additional aircraft. MAPS 2018-1 Group owned twenty-five aircraft as of March 31, 2021 and the aircraft are on lease to sixteen airlines in twelve countries.

Statement of accounting policies (continued)

Basis of preparation

The non-statutory consolidated financial statements of the Group are prepared in accordance with IFRS as issued by the IASB. The non-statutory consolidated financial statements are prepared under the historical cost convention. Given that the obligations towards the note holders are limited to the net proceeds (after expenses) generated from the utilisation and sale of the aircraft and engine assets, the Directors have concluded that it is appropriate to prepare the non-statutory consolidated financial statements on a going concern basis. The preparation of non-statutory consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects that financial year or in the financial year of the revision and future financial years if the revision affects both the current and future financial years. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

COVID-19

As a result of the rapid spread of the novel coronavirus, COVID-19, throughout the world, on March 11, 2020, the World Health Organization ("WHO") classified the virus as a pandemic. The speed with which the effects of the COVID-19 pandemic have changed the worldwide economic landscape, outlook, and in particular the travel industry, has been swift and unexpected. The unprecedented and rapid spread of COVID-19 and the related travel restrictions and social distancing measures implemented throughout the world have significantly reduced demand for air travel. After initially impacting air travel service to China beginning in January 2020, the spread of the virus and the resulting global pandemic next affected the majority of the international network.

Beginning in March 2020, large public events were cancelled, governmental authorities began imposing restrictions on non-essential activities, businesses suspended travel and popular leisure destinations temporarily closed to visitors. Certain countries that are key markets for business have imposed bans on international travellers for specified periods or indefinitely. As a result, demand for travel declined at an accelerated pace, which has had an unprecedented and materially adverse impact on revenues and financial position of airline companies. The length and severity of the reduction in demand due to the pandemic is uncertain; while we are expecting for a modest demand recovery per the Company's going concern assessment, the exact timing and pace of the recovery is uncertain given the significant impact of the pandemic on the global economy.

Statement of accounting policies (continued)

COVID-19 (continued)

assessment, the exact timing and pace of the recovery is uncertain given the significant impact of the pandemic on the global economy. Airlines have taken numerous measures with respect to expense and liquidity management to minimize the impact of the pandemic. Additionally, central governments across the globe have taken initiatives to provide, relief, and economic security to the airlines.

MAPS Group's financial condition depends on the ability of its' lessees to perform their payment and other obligations under their respective leases. The downturn in the aviation industry resulting from COVID-19 could weaken the financial condition and exacerbate the liquidity problems of some of MAPS Group's lessees, and increases the risk that they will delay, reduce or fail to make rental payments when due. In addition, the downturn in the future could result in lower utilization of MAPS Group's aircraft assets and could impact its' ability to lease or sell its' aircraft. All of these actual and potential developments arising from the outbreak of COVID-19 could materially and adversely affect MAPS Group's financial condition, results and cash flows.

Beginning in the first calendar quarter of 2020 MAPS Group began receiving requests from lessees for accommodations such as deferral of lease payments or other lease concessions. The Servicer reviews these on a case by case basis. In some cases, lease extensions or other amendments were also negotiated as part of the deferral accommodations. As of 31 March 2021, the MAPS Group has rent deferrals with 1 of its 25 lessees with respect to 1 aircraft. This amounts to approximately $0.4 million in lease payments which represents less than 1% of MAPS Group's total revenue for the fiscal year ended 31 March 2021. The Servicer remains in active discussions with the other airline customers and expect to continue to provide accommodation arrangements on a case-by-case basis.

While lease deferrals may delay MAPS Group's receipt of cash, MAPS Group generally recognise the lease revenue during the period even if a deferral is provided to the lessee, unless it is determined that collection is not reasonably assured. MAPS Group monitors all lessees with past due lease payments and discuss relevant operational and financial issues facing those lessees in order to determine an appropriate course of action. As at 31 March 2021, MAPS group created of an expected credit loss of $16,038,328 which represent approximately 19% of aggregate lease revenue for the year ended March 31, 2021.

Depending on the severity and longevity of the COVID-19 pandemic, the efforts taken to reduce its spread and the possibility of a resurgence of COVID-19, some of MAPS Group's lessees may return aircraft before the return date in their lease agreement or experience insolvency or initiate bankruptcy or similar proceedings that result in aircraft being returned to MAPS Group. If this occurs, MAPS Group may not be able to reposition the aircraft with other airlines as quickly as it would have historically been able to do or may incur increased costs in repositioning such aircraft. As a result, MAPS Group's revenues and collection rates would decline.

Statement of accounting policies (continued)

COVID-19 (continued)

The future cash flows supporting the carrying value of the aircraft are based on current lease contracts and MAPS Group's estimates of future lease rates, useful lives and residual values for these aircraft. As a result of the COVID -19 outbreak and its impact on the aviation industry and the global economic environment, there is more uncertainty regarding the future cash flows relating to our aircraft. A reduction in the future expected cash flows relating to the aircraft could result in impairment losses that could be material to MAPS Group's financial results. In considering whether impairment exists, as of March 31, 2021, the Directors have estimated future cash flows from the asset discounted at a rate of 6.50%. Based upon the results of quantitative tests, MAPS Group recorded an impairment charge of $25,570,814 on five aircraft.

The Company's assumptions about future conditions important to its assessment of potential impairment of its amortizable assets, and receivables, including the impacts of the COVID-19 pandemic and other ongoing impacts to its business, are subject to uncertainty, and the Company will continue to monitor these conditions in future periods as new information becomes available, and will update its analysis accordingly.

The main risks arising from the Group's financial instruments are currency risk, price risk, interest rate risk, operational risk, credit risk and liquidity risk. The key financial risks facing the Group are outlined in Note 18 of the consolidated financial statements.

The following principal accounting policies have been applied:

Going Concern

While acknowledging the uncertainties that COVID-19 is causing, the Directors have reached the conclusion that MAPS Group has adequate resources to continue in operation for at least 12 months from the date of approval of these consolidated financial statements and it is appropriate to prepare them on a going concern basis. This conclusion has been reached after the review of extensive forecasts and a range of scenario planning. In certain circumstances, the uncertainties are also mitigated by the financial supports currently being considered between the lessees and their respective governments. The Group also has access to over US$11.5 million of a Liquidity Facility with Credit Agricole under the Revolving Credit Agreement.

The Directors will continue to monitor the impact of the COVID-19 virus on the activities of the Group.

Basis of consolidation

The consolidated non-statutory financial statements include the results of MAPS 2018-1 Group. All intercompany profits, transactions and account balances are eliminated on consolidation.

Statement of accounting policies (continued)

Revenue recognition

Rental revenue from aircraft on operating lease is recognised as income as it accrues over the period of the lease. Where rentals are adjusted to reflect increases or decreases in prevailing interest rates such adjustments arc accounted for as they arise. Lease rentals received in advance are deferred and recognised over the period to which they relate. Revenue from aircraft trading transactions is recognised as income when the contract for sale or supply of the relevant aircraft is substantially completed and the risk of ownership of the equipment is transferred.

Interest

Interest income and expense are recognised on an effective interest rate basis. The effective interest rate is the rate that discounts estimated cash flows associated with the financial instrument through the life of the instrument, or where appropriate, a shorter period, to the net carrying amount.

Maintenance costs

The lessee has an obligation to pay for maintenance costs which arise during the term of the lease. In a large proportion of the lease contracts the lessee has the obligation to make a periodic payment of supplemental rent which is calculated with reference to the utilisation of airframes, engines and other major life-limited components during the lease. These supplemental rent rates are agreed in the terms of the lease contract. The supplemental rent collected is anticipated to cover maintenance costs when they arise. On the presentation of invoices and subsequent approval of the qualified maintenance expenditure, MAPS 2018-1 Group then has an obligation to contribute to the maintenance event. Supplemental rent will be recognised on receipt as a liability in the maintenance reserve. All amounts not refunded are recorded as lease revenue at lease termination. At the beginning of each new lease, accruals for lessor contributions representing net 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.

In other lease contracts, the lessee is required to re-deliver the aircraft in a similar maintenance condition (normal wear and tear accepted) as when accepted under the lease, with reference to major life limited components of the aircraft. To the extent that such components arc re-delivered in a different condition than at acceptance, there is normally an end-of-lease compensation adjustment for the difference at delivery.

Taxation

Corporation tax is provided based on the taxable profits for the year. MAPS 2018-1 Group is subject to Irish corporation tax at a rate of 25%.
Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. A provision is made at the rates expected to apply when the timing differences reverse.

Statement of accounting policies (continued)

Taxation (continued)

Timing differences are differences between the taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in years different from those in which they are recognised in the financial statements. A deferred tax asset is recorded where it is more likely than not to be recoverable. The recoverability of deferred tax assets is assessed annually by the Directors.

Aircraft and depreciation

Aircraft are stated at cost less accumulated depreciation and are depreciated at rates calculated to write off the cost of the assets to their estimated residual value of 10%, on a straight line basis, over their estimated useful economic lives. The current estimate of useful economic life is 25 years.

Aircraft related expenditure, which enhances the value of the aircraft (including elements of heavy maintenance checks relating to pre-acquisition usage) is capitalised and depreciated at rates calculated to write off the cost of the assets, on a straight line basis, over their remaining estimated useful lives.

Additional depreciation is charged to reduce the carrying value of specific assets to the recoverable amount where impairment is considered to have occurred. An impairment review is carried out when there has been an indication of impairment, usually on the basis of independent market appraisals and indications of market demand. Where the recoverable amount is greater than the carrying value, no adjustment is made.

Recoverable amount is the higher of the net realisable value and value in use. Net realisable value is the amount at which an asset could be disposed of less any direct selling costs, and value in use is the present value of future cash flows expected to be obtainable as a result of an asset's continued use, including those from contracted lease rentals, assumed future leases (not yet contracted) and estimated ultimate disposal proceeds.

Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and money market mutual funds which are fully liquid with an initial maturity of 3 months or less.

Foreign currencies

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The United States Dollar ("USD") is the currency that most closely reflects the economic effects of the underlying transactions, events and conditions. The consolidated financial statements will be presented in

Statement of accounting policies (continued)

Foreign currencies (continued)

USD which is the functional and presentation currency of the Group. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Security deposits

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

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses and goodwill is not amortised. Goodwill is tested annually for impairment. An impairment loss in respect of goodwill is not reversed.

Expected credit loss ("ECL")

IFRS 9 requires the Group to record an allowance for ECLs for all in scope assets.

ECLs are recognised in three stages.
- For credit loss exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are within the next 12 months (a 12 month ECL).
- Those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life exposures, irrespective of the timing of the default (a lifetime ECL).
- For credit exposures that are credit impaired (i.e. have objective evidence of impairment at the reporting date), the company recognises lifetime expected credit losses for these financial assets.

The Group applies the first stage of ECL calculation where a financial asset has a low credit risk exposure, hence is deemed not to have suffered significant deterioration in its credit risk. The Group recognises an allowance based on 12 months ECLs for these financial assets.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, MAPS 2018-1 Group

Notes to the financial statements (continued)
For the financial year ended 31 March 2021

Statement of accounting policies (continued)

Expected credit loss (“ELC”) (continued)

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

New standards interpreted not yet adopted

Standards issued but not yet effective up to the date of issuance of the Group’s consolidated 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 intends to adopt those standards when they become effective. The Group is currently assessing the impact of such changes on the consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group’s financial statements:

Amendment		Effective for annual periods beginning on or after
IFRS 16	COVID-19-Rent Related Concessions	1 June 2020
IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
IFRS	Annual Improvements to IFRS Standards 2018-2020	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended U	1 January 2022
IFRS 3	Reference to the Conceptual Framework	1 January 2022
IFRS 17	Insurance Contracts	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

Critical accounting estimates and judgments

The preparation of financial statements according to IFRS may require from the Directors, the use of estimates, assumptions and judgments, which influence the amounts included in the consolidated financial statements. The resulting accounting estimates, assumptions and judgments will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of material adjustment to carrying value of assets within the next financial year include depreciation (residual value), aircraft and engine valuation.

- Aircraft and engine valuation

  As discussed in the accounting policy above, aircraft and engines are evaluated for impairment each reporting period or when there are indicators of impairment. This process involves the use of judgements and estimates. Estimates are utilised in determining the value in use and fair value.

  Specifically, MAPS Group estimates future lease cash flows, remaining useful lives of the aircraft, discount rate, residual value, redeployment costs and current and future fair values. The estimates and assumptions used are based on historical trends as well as future expectations. For some of these estimates, the Group utilises the services of independent valuation firms to determine the appropriate values.

  MAPS Group 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 lease assets.

  In addition, MAPS Group has applied judgement in determining the residual value of aircraft and engines. 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 us to revise the residual value assumptions. MAPS 2018-1 Group evaluates the appropriateness of these judgements and assessments each reporting period.

Notes to the financial statements
For the financial year ended 31 March 2021

1 Turnover

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

	Year ended 31 March 2021 US$	Year ended 31 March 2020 US$
Aircraft leasing – operating lease rental receivable	73,289,213	78,892,083
Supplemental rent income	13,253,611	-
Other income	562,149	935,636
	87,104,973	79,827,719

During the Year, the Group sold no aircraft (year ended 31 March 2020: no aircraft sold).

Supplemental rental income of $13,253,611 was recognised during the Year (2020: $nil). At the end of a lease term all maintenance deposits are recognised as income as the Statement of Profit or Loss to the extent that they are not refundable to the lessee.

Distribution of aircraft leasing revenues by geographic area

Region	Year ended 31 March 2021 US$	%	Year ended 31 March 2020 US$	%
Emerging Asia/Pacific	18,583,408	21%	19,978,021	25%
Developed North America	25,334,770	29%	28,353,332	36%
Emerging Europe and Africa/Middle East	18,453,668	21%	19,256,365	24%
Australia	19,422,729	22%	6,684,345	8%
Bangladesh	4,748,249	5%	4,620,000	6%
	86,542,824		78,892,063	

Notes to the financial statements (continued)
For the financial year ended 31 March 2021

2 Interest Expense

	Year ended 31 March 2021	Year ended 31 March 2020
	US$	US$
Interest expense on Series A	14,321,360	15,529,880
Interest expense on Series B	2,378,587	2,537,539
Interest expense on Series C	1,718,979	1,863,182
Interest expense on the E Note	1,412,341	22,057,814
Amortisation of debt costs	1,399,955	669,401
	21,231,222	42,657,816

3 Operating expenses

	Year ended 31 March 2021	Year ended 31 March 2020
	US$	US$
Servicer's and administrative agent's fees	2,373,319	2,901,495
Servicer reimbursement fee	-	543,916
Legal and other professional fees	409,827	425,187
Trustee fees	19,119	51,419
Audit and audit related services	76,269	170,761
Liquidity facility fee	183,064	201,102
Maintenance and Repairs	1,943,753	1,596,410
Provision for losses	16,038,314	
Other overheads	1,005,724	455,933
	22,049,389	6,346,223

4 Directors Remuneration	Year ended 31 March 2021 US$	Year ended 31 March 2020 US$
Aggregate amount paid to or receivable by Directors in respect of qualifying services is broken down as:		
Fees	150,000	150,000
Other emoluments		
Cash/value of other assets under long term incentive schemes	-	-
	150,000	150,000

5 Tax on loss on ordinary activities

(a)Analysis of tax charge for the year	Year ended 31 March 2021 US$	Year ended 31 March 2020 US$
Current tax		
Corporation tax on loss for the year	-	5,251
Total tax charge on loss for the year	-	5,251
Deferred tax		
Other timing differences	(523,674)	(1,818,156)
Total deferred taxation for the year	(523,674)	(1,818,156)

5 Tax on loss on ordinary activities (continued)

(b) Factors affecting total tax (credit)/charge for year/period

The reconciliation of total tax charge on loss on ordinary activities at the standard rate of Irish corporation tax to the Group's total tax (credit)/charge is analysed as follows:

Total tax reconciliation	**Year ended 31 March 2021 US$**	**Year ended 31 March 2020 US$**
Loss before tax	(19,573,042)	(11,297,779)
Irish corporation tax at 25%	(4,893,260)	(2,824,445)
Effects of		
Capital allowances in excess of depreciation	4,369,586	2,532,254
Release of deferred tax liability	-	(1,520,714)
Total tax (credit)/charge for the year	(523,674)	(1,812,905)

(c) Deferred tax

Deferred tax represents the amount of tax recoverable in respect of tax losses available in the current period which are available for carry forward against future taxable profits, temporary timing differences and an excess of capital allowances over accounting depreciation. MAPS Group's deferred tax asset arises due to unrelieved trading losses forward which are available to offset any future taxable income of MAPS Group. At March 31, 2021 there was unrecognised deferred taxation asset in the amount of $3,836,295. This was not recognised in the financial statements as in the opinion of the Directors, there was considerable uncertainty surrounding the ultimate recoverability of the balance.

The reconciliation of the deferred tax liabilities for 31 March 2021 is as follows:

Deferred tax liabilities	**Year ended 31 March 2021 US$**	**Year ended 31 March 2020 US$**
Capital allowances in excess of depreciation	(70,360,918)	(8,996,559)
Movement in tax losses carried forward	72,636,187	6,917,060
Deferred tax assets not recognised	(3,836,295)	-
At the end of the year	**1,561,026**	**2,079,499**

Deferred tax liabilities	**Year ended 31 March 2021 US$**	**Year ended 31 March 2020 US$**
At the beginning of the year	2,079,499	3,897,655
Movement during the year	(523,674)	(1,812,905)
At the end of the year	**1,561,026**	**2,079,499**

6 Employees

MAPS 2018-1 Group had no employees during the year (2020: nil).

7 Aircraft

	31 March 2020 Aircraft US$	**31 March 2020 Aircraft US$**
Cost		
Opening balance at 1 April	840,998,088	839,520,505
Additions	-	1,477,583
Additions on the acquisition of subsidiary	-	-
Disposals	-	-
Closing balance	**840,998,088**	**840,998,088**
Depreciation		
Opening balance at 1 April	(268,760,285)	(226,638,826)
Charge for the year/period	(37,826,590)	(38,773,527)
Accumulated depreciation on acquisition of subsidiary	-	-
Impairment	(25,570,814)	(3,347,932)
Disposals	-	-
Closing balance	**(332,157,689)**	**(268,760,285)**
Net Book Value		
At beginning of year/period	572,237,803	612,881,679
At end of year/period	**508,840,399**	**572,237,803**

As discussed in the statement of accounting policies, the Directors of MAPS 2018-1 Group undertake a review to determine whether an impairment provision is required in respect of MAPS 2018-1 Group's aircraft. During the year the Directors, in applying IAS *36 Impairment of Assets*, have determined that an impairment provision was required in respect of five aircraft of $25,570,814 (2020: $3,347,932). 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 asset discounted at a rate of 6.50% (2020: 6.25%). Aircraft are pledged as security for the Group's obligations under the loans.

8 Goodwill

	31 March 2021 US$	31 March 2020 US$
At 1 April 2020		
Cost	2,494,276	2,494,276
Impairment	-	-
Net Book Value	**2,494,276**	**2,494,276**
Opening Net Book Value	2,494,276	2,494,276
Additions	-	-
Impairment	-	-
Closing Net Book Value	**2,494,276**	**2,494,276**
At 31 March 2021		
Cost	2,494,276	2,494,276
Accumulated impairment losses	-	-
Net Book Value	**2,494,276**	**2,494,276**

MAPS 2018-1 recognised goodwill of $2,494,276 on its acquisition of 100% of the shares in Phoebus Aviation Ireland Limited on 2 July 2018. The goodwill recognised represents the difference between the purchase price of the shares of $1 and the separately identifiable net deficit of Phoebus Aviation Ireland Limited on 2 July 2018.

At each financial reporting date, the Group reviews the carrying amount of its goodwill to determine whether there is any indication of impairment under IAS *36 Impairment of Assets.* During the period the Directors, in applying IAS *36 Impairment of Assets*, have determined that an impairment provision was not required in respect of the goodwill recognized on the acquisition of Phoebus Aviation Ireland Limited

9 Subsidiary companies

MAPS 2018-1 had the following subsidiaries at 31 March 2021:

Name	Country of Incorporation	Business	% of shares held
AABS Aviation 1 (Ireland) Limited	Ireland	Aircraft leasing and sub leasing	100%
AABS Aviation 2 (Ireland) Limited	Ireland	Aircraft leasing and sub leasing	100%
AABS Aviation 3 (Ireland) Limited	Ireland	Aircraft leasing and sub leasing	100%
AABS Aviation 1 (France) SARL	France	Aircraft leasing and sub leasing	100%
AABS Aviation 2 (France) SARL	France	Aircraft leasing and sub leasing	100%
AABS Netherlands B.V.	Netherland	Aircraft leasing and sub leasing	100%
Phoebus Aviation Ireland Limited	Irelamd	Aircraft leasing and sub leasing	100%
Keos Aviation UK Limited	UK	Aircraft leasing and sub leasing	100%

10 Cash and cash equivalents	**31 March 2021**	**31 March 2020**
	US$	**US$**
Cash	291,997	8,200,961
Restricted cash	42,688,945	49,661,897
	42,980,942	57,862,858

Substantially all of the cash and cash equivalents of the MAPS 2018-1 Group at 31 March 2021 was held as restricted cash for specific purposes under the terms of the Intercreditor Agreement.

11 Trade and other receivables	**31 March 2021**	**31 March 2020**
	US$	**US$**
Prepayments	40,137	70,768
Amount owed from lessees	22,532,494	4,227,713
Allowances for bad debts	(16,038,328)	-
Other Assets	4,471	51,841
VAT Recoverable	137,005	819,575
	6,675,779	5,169,897

12 Share capital

	31 March 2021	**31 March 2020**
Authorised	**US$**	**US$**
10 ordinary shares of $1 each	10	10
Issued and unpaid		
10 ordinary shares of $1 each	10	10

13 Trade and other payables	31 March 2021 US$	31 March 2020 US$
Current		
Deferred income	1,944,707	3,972,552
Maintenance reserves	13,442,900	-
Security deposits	765,000	-
Accrued expenses	853,342	791,698
Accrued interest on Notes	731,063	793,262
	17,737,012	5,557,512

Non-current	31 March 2021 US$	31 March 2020 US$
Maintenance reserves	112,550,742	143,744,771
Security deposits	7,027,480	8,623,480
Accrued interest on E Certificate	80,487,386	83,426,589
	200,065,608	235,794,840

The lessees of the Group's aircraft have provided letters of credit totalling USD 5,239,824 (2020: USD 6,003,824) as security against their rental obligations under the lease agreements. Letters of credit totalling USD are in place as security against the maintenance reserve obligations of the Group's aircraft $11,730,762 (2020: 9,099,370).

14 Loans and borrowings

(a) Principal

The Loans and Interests issued by MAPS 2018-1 on 15 May 2018 constitute direct obligations of MAPS 2018-1. In order to secure the repayment of the Loans and the payment and performance of all obligations of MAPS 2018-1 Group, MAPS 2018-1 Group entered into a Security Trust Agreement with the Security Trustee, Deutsche Bank Trust Company Americas, as regards Series A, Series B and Series C obligations.

Notes to the financial statements
For the financial year ended 31 March 2021

14 Loans and Borrowings (continued)

***(a) Principal* (continued)**

2021	**Nominal amount**	**Paydown to date**	**Note issuance discount**	**Interest Capitalised**	**31 March 2021**
	US$	**US$**	**US$**	**US$**	**US$**
Series A Note	415,000,000	(93,126,000)	-	-	321,874,000
Series B Note	55,000,000	(12,342,000)	-	-	42,658,000
Series C Note	36,500,000	(10,428,049)	-	1,573,711	27,645,662
E Note	21,999,862	(21,999,862)	-	-	-
	528,499,862	(137,895,911)	-	1,573,711	392,177,662
Debt issuance costs					(5,718,853)
					386,458,809

2020	**Nominal amount**	**Paydown to date**	**Note issuance discount**	**Interest Capitalised**	**31 March 2020**
	US$	**US$**	**US$**	**US$**	**US$**
Series A Note	415,000,000	(61,171,000)	(12,617)	-	353,816,383
Series B Note	55,000,000	(8,107,000)	(923)	-	46,892,077
Series C Note	36,500,000	(9,993,699)	(595)	-	26,505,706
E Note	21,999,862	(21,999,862)	-	-	-
	528,499,862	(101,271,561)	(14,135)	-	427,214,166
Debt issuance costs					(7,105,242)
					420,108,924

(b) Interest

The Series A, Series B and Series C Loans bear interest at fixed rates as per the Credit Agreement - Series A Loans – 4.21%, Series B Loans – 5.19% and Series C Loans – 6.41%.

The E Note incorporates a profit sweep whereby the profit of the issuer is reduced to $10,000 per annum.

There is no fixed interest rate on the E Note. The E Note earns interest based on any residual amounts after payment of secured obligations in accordance with the Amended and Restated Intercreditor Agreement. Excess cash in the waterfall is to be paid to the E Note holder who ranks lowest on the priority of payments.

14 Loans and Borrowings (continued)

(a) Debt maturity

The repayment terms of the Series A, B C and E Note 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 loans 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 Expected Final Payment Dates, Final Maturity Dates, Outstanding Principal Balance and interest rates applicable to each Series of Loans outstanding at 31 March 2021 are set out below:

Series of Loans	Interest Rate	31 March 2021	Final Maturity Date
		US$	
Series A	4.21%	321,874,000	15/05/2043
Series B	5.19%	42,658,000	15/05/2043
Series C	6.41%	27,646,229	15/08/2043
Series E	NA	-	15/05/2043

The Expected Final Payment Dates, Final Maturity Dates, Outstanding Principal Balance and interest rates applicable to each Series of Loans outstanding at 31 March 2020 are set out below:

Series of Loans	Interest Rate	31 March 2020	Final Maturity Date
		US$	
Series A	4.21%	353,816,383	15/05/2043
Series B	5.19%	46,892,077	15/05/2043
Series C	6.41%	26,505,706	15/08/2043
Series E	NA	-	15/05/2043

15 Related Parties

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 MAPS 2018-1 are the board of Directors and Merx Aviation Finance Assets Ireland Limited.

MAPS 2018-1 Group considers Merx Aviation Finance Assets Limited and the board of Directors as related parties.

Merx Aviation has acted as Servicer to the MAPS 2018-1 Group since May 15, 2018 (GECAS previously acted as Servicer to the Group from January 10, 2013 to May 15, 2018). In addition to managing MAPS 2018-1 Group's aircraft, Merx Aviation manages aircraft owned by itself and other third parties. During the year, MAPS 2018-1 had the following transactions with Merx Aviation as Servicer:

Servicing fees	**31 March 2021**	**31 March 2020**
	US$	**US$**
Opening balance	-	-
Servicing fees	1,771,111	3,236,995
Payments	(1,635,492)	(3,236,995)
	135,619	-

Merx Aviation Finance Assets Limited is the E note holder at 31 March 2021. During the period the following repayments were made on the E Note:

The nominal amount at 31 March 2021 was nil (2020: nil); there were no pay downs at 31 March 2021 (2020: $21,999,862).

There were no other related party transactions during the year.

16 Lease commitments

MAPS 2018-1 Group had contracted to receive the following minimum cash lease rentals under the Aircraft Specific Lease Agreements entered into with the lessees:

	31 March 2021 US$	31 March 2020 US$
Less than one year	58,809,531	73,783,172
From one to two years	51,074,102	62,265,018
From two to three years	34,976,666	51,505,333
From three to four years	23,923,196	35,324,090
Thereafter	22,140,057	42,539,160
	190,923,552	265,416,773

17 Commitments and contingent liabilities

MAPS 2018-1 Group has no long-term contracts other than those with its service providers and lessees. MAPS 2018-1 Group has no contingent liabilities at 31 March 2021 (2020: nil).

18 Financial risk management

The Group has exposure to the following risks:

- Credit risk
- Market risk
- Liquidity risk
- Asset Risk

a) Credit risk

Credit risk is the risk of financial loss to the MAPS 2018-1 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

MAPS 2018-1 Group operates as a supplier to airlines. The airline industry is cyclical, economically sensitive and highly competitive. MAPS 2018-1 Group’s ability to succeed is dependent on the financial strength of the airlines it leases to and their ability to react to and cope with the volatile competitive environment in which they operate. If a contracted lessee experiences financial difficulties this may result in defaults or the early termination of the lease. The Directors mitigate this risk by collecting deposits and/or maintenance reserves, putting in place appropriate settlement conditions in the event of default or early termination of the lease by the Lessees, as detailed in the lease agreements. MAPS 2018-1 Group monitors the performance of the Lessees on an ongoing basis.

MAPS 2018-1 Group manages its exposure to credit risk by placing all cash with Deutsche Bank, AIB and BNP Paribas, all recognised financial institutions. At year/period end a total of US$ 43 million (2020: US$ 57.9 million) was held in bank accounts with Deutsche Bank and AIB

18 Financial risk management (continued)

a) Credit risk (continued)

The S&P credit ratings of Deutsche Bank are as follows:

Long Term BBB+
Short Term A-2

The maximum exposure of the Group's financial assets to credit risk is US$ 50 million (2021: US$ 63 million).

	31 March 2021	31 March 2020
	US$	US$
Cash and cash equivalents	291,997	8,200,961
Rental receivables	6,494,166	4,227,713
Other receivables	181,612	942,184
Restricted cash	42,688,945	49,661,897
	49,656,720	63,032,755

The above balances are presented exclusive of the security deposits which may be held.

b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect MAPS 2018-1 Group's income or the value of its holding of financial instruments.

MAPS 2018-1 Group is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect MAPS 2018-1 Group through a reduced demand for aircraft and/or reduced market rates, higher incidences of lessee default and engines on the ground all of which may require that the carrying value of the aircraft to be materially reduced.

Currency risk

The functional currency of the industry is predominantly USD. MAPS 2018-1 Group manages its exposure to currency risk by effectively matching its lease revenue and its loan expenses to the functional currency.

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. MAPS 2018-1 Group manages its exposure to currency risk by effectively matching its foreign currency assets and liabilities.

MAPS 2018-1 Group's exposure to currency risk as at 31 March 2021 is not significant.

Notes to the financial statements (continued)
For the financial year ended 31 March 2021

18 Financial risk management (continued)

b) Market risk (continued)

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).

The Group's exposure to interest rate risk as at 31 March 2021 is not considered material as the Group had no variable rate interest financial instruments at financial period end.

c) Liquidity risk

Liquidity risk is the risk that MAPS 2018-1 Group will not be able to meet its financial obligations as they fall due. MAPS 2018-1 Group's approach in managing liquidity is to seek to match the cash inflows on lease receivables with the cash outflows on loan payables.

MAPS 2018-1 Group is funding a significant part of its operations with debt financing. The ability of MAPS 2018-1 Group to continue in operation will be dependent upon its continued adherence to its payment obligations and other covenant requirements under the respective loan agreements, which are dependent upon the factors outlined above. Set out below is a table outlining the expected maturities of all financial liabilities of the Group as at 31 March, 2021.

The loans constitute direct, limited recourse obligations of the MAPS 2018-1 Group.

The table below shows the undiscounted cash flows of the Groups' financial liabilities as at 31 March 2021.

31 March 2021 Financial Liabilities	**< 1 year US$**	**1 - 2 years US$**	**2 - 5 years US$**	**> than 5 years US$**	**Total contractual cash flows US$**	**Total carrying value US$**
Loans payable*	41,405,850	41,355,200	124,119,900	300,834,736	507,715,686	507,715,686
Security deposits	765,000	2,131,500	4,250,980	645,000	7,792,480	7,792,480
Maintenance reserves	13,442,900	27,601,793	65,162,178	19,786,771	125,993,642	125,993,642
Loan interest payable	731,063	-	-	80,487,386	81,218,449	81,218,449
Trade payables and accrued expenses	2,798,049	-	-	-	2,798,049	2,798,049
Total	59,142,862	71,088,493	193,533,058	401,753,893	725,518,306	725,518,306

18 Financial risk management (continued)

c) Liquidity risk (continued)

31 March 2020 Financial Liabilities	**< 1 year US$**	**1 - 2 years US$**	**2 - 5 years US$**	**> than 5 years US$**	**Total contractual cash flows US$**	**Total carrying value US$**
Loans payable*	40,738,273	40,687,623	122,115,344	216,567,684	420,108,924	420,108,924
Security deposits	-	765,000	7,213,480	645,000	8,623,480	8,623,480
Maintenance reserves	-	16,984,262	95,298,932	31,461,577	143,744,771	143,744,771
Loan interest payable	793,262	-	-	83,426,589	84,219,851	84,219,851
Trade payables and accrued expenses	791,698	-	-	-	791,698	791,698
Total	42,323,233	58,436,885	224,627,756	332,100,850	657,488,724	657,488,724

* Contractual cash consisting of principal on the Series A Loans, Series B Loans, Series C Loans and E notes

Credit Facilities:

On 10 January 2013 AABS entered into a revolving liquidity facility agreement to provide additional funds for the payment of certain liabilities if and to the extent that insufficient funds are available in the form of periodic revenues. A new revolving liquidity facility agreement was entered into on May 15, 2018 and the previous liquidity facility agreement was terminated on the same date.

Under the terms of the Credit Facility Agreement, Credit Agricole (the Liquidity Provider) has provided a credit facility to MAPS 2018-1 of up to US$15.2 million which may be drawn upon, subject to certain conditions, to pay interest on the Series A and Series B Loans. Upon each drawing under the Credit Facility, MAPS 2018-1 will be required to reimburse the Credit Facility Provider for the amount of such drawing in accordance with the priority of payments specified in the Intercreditor Agreement. No amount was drawn on the liquidity facility at the year end.

d) Asset Risk

Asset risk is the risk of deterioration in the underlying value of the aircraft. The Director's look to mitigate this risk by collecting maintenance reserves and/or collecting security deposits/letters of credit where appropriate.

MAPS 2018-1 Group bears the risk of re-leasing or selling the aircraft at the end of its lease term. If demand for aircraft decreases or the average fleet age increases or market lease rates decrease, this could affect market value. Should this condition continue for an extended period, it could affect the market value of the aircraft and may result in an impairment charge in accordance with IAS 36, *Impairment of Assets*.

19 Fair value estimation

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.

MAPS 2018-1 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 outputs).

31 March 2021	**Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Carrying Amount**
Financial Assets	**US$**	**US$**	**US$**	**US$**
Trade and other receivables	-	6,675,779	-	6,675,779
Cash and cash equivalents	-	291,997	-	291,997
Restricted cash	-	42,688,945	-	42,688,945
Total	-	49,656,721	-	49,656,721

31 March 2021	**Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Carrying Amount**
Financial Liabilities	**US$**	**US$**	**US$**	**US$**
Loans and borrowings	-	358,892,746	-	392,177,662
Security deposits	-	7,792,480	-	7,792,480
Maintenance reserves	-	125,993,642	-	125,993,642
Accrued interest	-	81,218,449	-	81,218,449
Other payables	-	2,799,433	-	2,799,433
Total	-	576,696,750	-	604,263,380

19 Fair value estimation (continued)

31 March 2020	Fair Value			
	Level 1	Level 2	Level 3	Carrying Amount
Financial Assets	**US$**	**US$**	**US$**	**US$**
Trade and other receivables	-	5,169,897	-	5,169,897
Cash and cash equivalents	-	8,200,961	-	8,200,961
Restricted cash	-	49,661,897	-	49,661,897
Total	-	63,032,755	-	63,032,755

31 March 2020	Fair Value			
	Level 1	Level 2	Level 3	Carrying Amount
Financial Liabilities	**US$**	**US$**	**US$**	**US$**
Loans and borrowings	-	387,367,794	-	420,108,924
Security deposits	-	8,623,480	-	8,623,480
Maintenance reserves	-	143,744,542	-	143,744,542
Accrued interest	-	84,219,851	-	84,219,851
Other payables	-	791,698	-	791,698
Total	-	624,747,365	-	657,488,495

20 Subsequent events

The Group has evaluated events through the date of issuance of these financial statements and has determined that there are no subsequent events outside the ordinary scope of the business that require adjustment to; or disclosure in, the financial statements.

21 Approval of financial statements

The Directors of MAPS 2018-1 Group approved the financial statements on 29 June 2021.