MAPS 2019-1 LIMITED
AND SUBSIDIARIES

Directors' report and consolidated financial statements

For the financial year from 1 April 2019 to 31 March 2020

Registered number *51446 (Bermuda)*

MAPS 2019-1 Limited

Consolidated non-statutory financial statements for MAPS Group

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Company Definitions

MAPS	MAPS 2019-1 Limited, a limited liability company organised under the laws of Bermuda with its registered office located at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.
MAPS Group	MAPS and its consolidated subsidiaries.
Financial Year	The year from 1 April 2019 to 31 March 2020

MAPS 2019-1 Limited
Company information

Directors	Michael Gannon Keith MacDonald Lisa Hand
Secretary	PAFS Ireland Ltd. Unit J, Block 1 Shannon Business Park Shannon Co. Clare Ireland
Company registration number	47927
Registered office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Independent auditors	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

MAPS 2019-1 Limited

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 Group and of the profit or loss of the Group for that period/ year.

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

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State that the financial statements comply with IFRSs as issued by the IASB; and
- Prepare the non-statutory consolidated financial statements on the 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 20 July 2020.

Keith MacDonald
Director

Lisa Hand
Director

Independent auditors' report to the directors of MAPS 2019-1 Limited

Report on the audit of the non-statutory financial statements

Opinion

In our opinion, MAPS 2019-1 Limited'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 2020 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 2020;
- the Consolidated statement of 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;
- the accounting policies; and
- the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") including ISA (Ireland) 800. 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

- $5.7 million (2019: $6.4 million)
- Based on 1% of total assets (2019 - 1%).

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 18 and 19 and note 7 to the financial statements as well as the impact of Covid-19 on pages 13 to 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	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.

Key audit matter	*How our audit addressed the key audit matter*
end is $545m with current year impairments of $19m. 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.	

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 2019-1 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	$5.7 million (2019: $6.4 million).
How we determined it	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 $286,000 (2019: $320,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 Statement of Directors' responsibilities set out on page 3, 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.

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, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

Ronan Doyle

Ronan Doyle
for and on behalf of PricewaterhouseCoopers
Chartered Accountants
Dublin
31 July 2020

MAPS 2019-1 Limited

Consolidated statement of comprehensive income
For the financial year ended 31 March 2020

	Note	**Year ended 31 March 2020**	**Period ended 31 March 2019**
		US$	**US$**
Lease Revenue	*1*	65,568,507	85,923,363
Supplemental rent income	*1*	3,281,287	8,881,325
Other income	*1*	959,447	1,401,263
Gain on sale of aircraft	*1*	-	518,371
Depreciation and impairment	*7*	(52,622,743)	(42,780,087)
Gross Profit		**17,186,498**	**53,944,235**
Operating expenses	*3*	(6,088,852)	(14,326,781)
Profit on ordinary activities before interest		**11,097,646**	**39,617,454**
Interest expense	*2*	(20,773,187)	(43,780,555)
Loss on ordinary activities before taxation		**(9,675,541)**	**(4,163,101)**
Tax on loss on ordinary activities	*5*	747,224	8,089,913
(Loss)/profit for the financial year/period		**(8,928,317)**	**3,926,812**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Total comprehensive (expense)/income for the financial year/period		**(8,928,317)**	**3,926,812**

The notes on page 12 to 35 form an integral part of these financial statements.

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MAPS 2019-1 Limited

Consolidated statement of financial position
As at 31 March 2020

	Note	**31 March 2020 US$**	**31 March 2019 US$**
Non-current assets			
Aircraft	*7*	544,703,944	591,832,320
Total non-current assets		544,703,944	591,832,320
Current assets			
Cash and cash equivalents	*9*	357	98
Restricted cash	*9*	21,165,877	44,811,248
Trade and other receivables	*10*	7,983,289	5,012,579
Total current assets		29,149,523	49,823,925
Total assets		**573,853,467**	**641,656,245**
Equity			
Share capital	*11*	10	10
Accumulated losses		(46,481,634)	(37,553,317)
Total shareholders' equity		(46,481,624)	(37,553,307)
Non-current liabilities			
Loans and borrowings	*13*	525,102,060	576,139,354
Deferred tax	*5*	723,052	1,470,278
Trade and other payables	*12*	73,718,448	84,158,079
Total non-current liabilities		599,543,560	661,767,711
Current liabilities			
Current tax payable	*5*	-	-
Trade and other payables	*12*	20,791,531	17,441,841
Total current liabilities		20,791,531	17,441,841
Total liabilities and equity		**573,853,467**	**641,656,245**

Signed on behalf of the board:

Keith MacDonald
Director

Lisa Hand
Director

Date: 20 July 2020

The notes on pages 12 to 35 form an integral part of these financial statements.

MAPS 2019-1 Limited

Consolidated statement of changes in equity
For the financial year ended 31 March 2020

Year ended 31 March 2020	**Share Capital**	**Accumulated Losses**	**Total Equity**
	US$	**US$**	**US$**
Balance as at 1 April 2019	**10**	**(37,553,317)**	**(37,553,307)**
Loss for the year	**-**	**(8,928,317)**	**(8,928,317)**
Balance as at 31 March 2020	**10**	**(46,481,634)**	**(46,481,624)**

Period from 1 January 2018 to 31 March 2019	**Share Capital**	**Accumulated Losses**	**Total Equity**
	US$	**US$**	**US$**
Balance as at 1 January 2018	**10**	**(41,480,129)**	**(41,480,119)**
Profit for the period	**-**	3,926,812	**3,926,812**
Balance as at 31 March 2019	**10**	**(37,553,317)**	**(37,553,307)**

MAPS 2019-1 Limited

Consolidated statement of cash flows
For the financial year ended 31 March 2020

	31 March 2020 US$	31 March 2019 US$
Cash flows from operating activities		
Net (expense)/income for the period/year	(8,928,317)	3,926,812
Adjustments for:		
Depreciation	33,483,414	42,780,087
Impairment	19,139,329	-
Amortisation of debt issuance costs	1,011,760	46,236
Interest expense	19,761,427	43,780,555
Increase in trade and other receivables	(2,970,711)	(3,394,184)
Decrease in accrued expenses and other liabilities	(3,897,760)	(4,834,512)
Increase in deferred income	1,256,876	950,466
Decrease in maintenance reserves	(5,515,917)	(831,634)
Increase/(decrease) in security deposits payable	402,500	(413,739)
Net cash inflows from operating activities	53,742,601	82,010,087
Cash flows from investing activities		
Movement in aircraft assets	(5,494,368)	(17,639,317)
Movement in restricted cash	23,645,371	(1,031,678)
Net cash inflow/(outflow) from investing activities	18,151,003	(18,670,995)
Cash flows from financing activities		
Repayment of loans and borrowings	(52,049,054)	(544,662,132)
Loans and borrowings issued	-	583,175,435
Deferred issuance costs incurred	-	(7,082,317)
Interest paid	(19,844,291)	(94,770,102)
Net cash outflows from financing activities	(71,893,345)	(63,339,116)
Net increase/ (decrease) in cash and equivalents	259	(24)
Cash and cash equivalents at the beginning of the year	98	122
Cash and cash equivalents at the end of the year	**357**	**98**

The notes on pages 12 to 35 form an integral part of these financial statements.

Statement of accounting policies

Description of business
MAPS is a limited liability company organised under the laws of Bermuda which is managed and controlled through its board of Directors in Ireland. MAPS is resident in Ireland for tax purposes. MAPS 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 was incorporated on 12 July 2013.

On 16 January 2019, MAPS changed its name from RISE Limited to MAPS 2019-1 Limited.

On 15 March 2019, as part of a refinancing of its debt obligations MAPS issued Series A Notes, Series B Notes and Series C Notes, in the outstanding principal amounts of $325,675,000, $72,372,000 and $31,017,000 respectively, in each case pursuant to the Credit Agreement. To secure repayment of the Notes, the Bermudan Trustee pledged its interest in the common shares to Deutsche Bank Trust Company, as Security Trustee. In addition MAPS issued an E Note in the initial outstanding amount of $160,000,000 to Merx Aviation Finance Assets Ireland Limited. There is no interest rate attached to the E Note. All excess cash flows should be distributed to the E Note investor in accordance with the Priority of Payments.

Basis of preparation
The financial year end of MAPS was changed from 31 December 2018 to 31 March 2019 resulting in a 15 month period in the prior period comparisons in these financial statements. The reason for this was to be aligned with the financial year end of Merx Aviation Finance Assets Ireland Limited, the current E Note holder, who use MAPS's financial information for their own financial statements. The change in year end means the amounts presented for this Year are not entirely comparable to the amounts presented for the period ended 31 March 2019.

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. 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.

Statement of accounting policies (continued)

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, the spread of the virus and the resulting global pandemic next affected the majority of the international network.

Beginning in March, 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. 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.

Statement of accounting policies (continued)

Beginning in the first calendar quarter of 2020 and continuing in the second calendar quarter, MAPS Group began receiving requests from lessees for accommodations such as deferral of lease payments or other lease concessions. As of 30 June 2020, deferrals have been requested on 15 of its' 19 aircraft. The Servicer reviews these on a case by case basis and have worked out accommodation arrangements with 7 lessees with respect to 9 aircraft. In some cases, lease extensions or other amendments were also negotiated as part of the deferral accommodations. As of 30 June 2020, the MAPS Group has agreed to defer approximately $6 million in lease payments, which represents approximately 9% of MAPS Group's total revenue for 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 of March 31, 2020, MAPS Group concluded that collection of lease rental payments was not probable from two lessees, resulting in creation of an expected credit loss of $679,522 which represent approximately 1% of aggregate lease revenue for the year ended March 31, 2020.

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.

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, 2020, the Directors have estimated future cash flows from the asset discounted at a rate of 6.25%. Based upon the results of quantitative tests, MAPS Group recorded an impairment charge of $19,139,329 on five aircraft.

Statement of accounting policies (continued)

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 17 of the consolidated financial statements.

Going Concern

While acknowledging the uncertainties that the COVID-19 is causing, the Directors have reached the conclusion that it is appropriate to prepare the consolidated financial statements 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 Directors will continue to monitor the impact of the COVID-19 virus on the activities of the Group.

The following principal accounting policies have been applied:

Basis of consolidation

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

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.

Statement of accounting policies (continued)

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 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 MAPS 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 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. 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 periods 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.

Statement of accounting policies (continued)

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 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.

Statement of accounting policies (continued)

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, 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 and interpretations adopted during the year

(i) IFRS 16 – Leases - has been adopted

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

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

Statement of accounting policies (continued)

New standards not yet adopted

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

		Effective date
IFRS 3	*Definition of a Business*	1 January 2020

The Group has taken the decision not to adopt these standards early. The extent of the impact for future accounting periods is likely to be limited. The Group is still assessing the full impact at this time.

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, maintenance reserves (estimation of level of maintenance reserves to be maintained) and recoverability of trade receivables.

- Aircraft and engine valuation

  As discussed in the accounting policy above, aircraft and engines are evaluated for impairment each reporting year 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 cashflows, 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, MAPS 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.

Statement of accounting policies (continued)

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 Group evaluates the appropriateness of these judgements and assessments each reporting year.

- Supplemental rent and maintenance reserves

As described in the accounting policy above, the Group established the cost and timing of major maintenance reserve estimate is based on quantitative and qualitative information including aircraft utilization, geographic area of operation, costs and timing of major maintenance events. Management periodically evaluates this and adjusts the accrual accordingly. The evaluation considers the costs and timing of any major maintenance events which occur during the financial year or the affected or similar aircraft types, lease activity and any other factors affecting the major maintenance events.

- Recoverability of trade receivables

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost using an effective interest rate less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material.

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

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

Notes to the financial statements
For the financial year ended 31 March 2020

1 Lease revenue

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

	Year ended 31 March 2020 US$	Period ended 31 March 2019 US$
Aircraft leasing – operating lease rental receivable	65,568,507	85,923,363
Supplemental rent income	3,281,287	8,881,325
Other income	959,447	1,401,263
Gain on sale of aircraft	-	518,371
	69,809,241	96,724,322

During the Year, the Group sold no aircraft (period ended 31 March 2019: three aircraft sold at a gain of $518,371).

Supplemental rental income of $3,281,287 was recognised during the Year (period ended 31 March 2019: $8,881,325). 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 2020 US$	%	Period ended 31 March 2019 US$	%
Emerging Asia/Pacific	27,560,662	42%	36,544,511	42%
Emerging Latin America/Caribbean	12,834,612	19%	20,796,753	24%
Developed Europe	456,023	1%	6,525,125	8%
Developed North America	13,457,623	21%	10,222,420	12%
Emerging Europe and Africa/Middle East	11,259,587	17%	11,834,554	14%
	65,568,507		85,923,363	

2 Interest expense

	Year ended 31 March 2020 US$	Period ended 31 March 2019 US$
Interest expense on Series A	13,829,854	18,810,077
Interest expense on Series B	3,832,997	4,440,434
Interest expense on Series C	2,098,576	95,442
Interest expense on the M1 Interest	-	8,622,362
Interest expense on the M2 Interest	-	5,732,569
Interest expense on the E Certificate	-	6,033,435
Amortisation of debt costs	1,011,760	46,236
	20,773,187	43,780,555

3 Operating expenses

	Year ended 31 March 2020	Period ended 31 March 2019
	US$	**US$**
Servicer's and administrative agent's fees	2,016,984	3,349,284
Legal and other professional fees	784,679	319,485
Trustee fees	47,750	72,598
Audit and audit related services	92,404	89,240
Liquidity facility fee	160,075	389,381
Maintenance and repairs	1,756,650	6,354,700
Other overheads	1,230,310	3,752,093
	6,088,852	14,326,781

4 Directors remuneration

	Year ended 31 March 2020 US$	Period ended 31 March 2019 US$
In respect of qualifying services is broken down as:		
Fees	150,000	182,000
Other emoluments		
Cash/value of other assets under long term incentive schemes	-	-
	150,000	182,000

5 Tax on loss on ordinary activities

(a) Analysis of tax charge for the year/period	**31 March 2020**	**31 March 2019**
	US$	**US$**
Current tax		
Corporation tax on loss for the year/period	-	-
Total current tax charge for the year/period	-	-
Deferred tax		
Other timing differences	747,224	8,089,913
Total deferred taxation for the year/period	747,224	8,089,913

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

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 charge is analysed as follows:

Total tax reconciliation	**31 March 2020**	**31 March 2019**
	US$	**US$**
Loss before tax	(9,675,541)	(4,163,101)
Irish corporation tax at 12.5%	(1,209,443)	(520,388)
Effects of		
Capital allowances in excess of depreciation	1,956,667	8,610,301
Total tax credit for the period/year	747,224	8,089,913

(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. The Directors have decided not to recognise deferred tax asset in excess of the deferred tax liability in two of the subsidiaries in the MAPS Group at this point in time base on the forecast of future profit or loss levels.

The reconciliation of the deferred tax liabilities for 31 March 2020 is as follows:

	31 March 2020	**31 March 2019**
Deferred tax liabilities	**US$**	**US$**
At the beginning of the year	1,470,278	9,560,185
Capital allowances in excess of depreciation	(62,187,379)	(67,739,367)
Movement in tax losses carried forward	66,733,316	61,470,989
Deferred tax assets not recognised	(5,268,988)	(1,821,529)
At the end of the year	**723,052**	**1,470,278**

6 Employees

MAPS Group had no employees during the year.

7 Aircraft

	31 March 2020 Aircraft US$	31 March 2019 Aircraft US$
Cost		
Opening balance	758,559,719	761,721,673
Additions	5,494,368	69,729,255
Disposals	-	(72,891,209)
Closing balance	**764,054,087**	**758,559,719**
Accumulated Depreciation		
Opening balance	(166,727,399)	(144,748,583)
Charge for the year	(33,483,414)	(42,780,087)
Impairment	(19,139,329)	-
Disposals	-	20,801,271
Closing balance	**(219,350,143)**	**(166,727,399)**
Net Book Value		
At beginning of period/year	591,832,320	616,973,090
At end of period/year	**544,703,944**	**591,832,320**

As discussed in the statement of accounting policies, the Directors of MAPS undertake a review to determine whether an impairment provision is required in respect of MAPS Group's aircraft. During the Year the Directors, in applying IAS *36 Impairment of Assets*, have determined that an impairment provision is required. 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 6.25%. Based on this review, the Directors believe that an impairment charge of $19,139,329 on five aircraft is required for the Year (period ended 31 March 2019: $nil). Aircraft are pledged as security for the Groups obligations under the loans.

8 Subsidiary companies

MAPS had the following subsidiary companies as at 31 March 2020:

Name	Country of incorporation	Business	% of shares held
RISE Aviation 1 (Ireland) Limited	Ireland	Aircraft leasing and sub-leasing	100%
RISE Aviation 2 (Ireland) Limited	Ireland	Aircraft leasing and sub-leasing	100%
RISE Aviation 3 (Ireland) Limited	Ireland	Aircraft leasing and sub-leasing	100%
MAPS 2019-1 USA LLC	USA	Dormant	100%

9 Cash and cash equivalents	31 March 2020 US$	31 March 2019 US$
Cash	357	98
Restricted cash	21,165,877	44,811,248
	21,166,234	44,811,346

Substantially all of the cash and cash equivalents of MAPS Group at 31 March 2020 was held as restricted cash for specific purposes under the terms of the Amended and Restated Intercreditor Agreement.

10 Trade and other receivables	31 March 2020 US$	31 March 2019 US$
Prepayments	165,032	144,300
Amount owed from lessees	8,219,932	5,607,799
Expected credit loss	(679,522)	(1,234,460)
Other Assets	118,660	322,552
VAT Recoverable	159,187	172,388
	7,983,289	5,012,579

All trade and other receivables are classified as current assets.

MAPS's trade receivables are secured by security deposits, letters of credit and maintenance reserves that MAPS holds on behalf of its customers. At 31 March 2020, MAPS held letters of credit in the amount of $8,062,136 (31 March 2019: $9,548,684) and maintenance letters of credit in the amount of $nil (31 March 2019: $7,500,000).

The impact of IFRS 9 and the impairment of trade receivables is outlined in Note 17.

11 Share capital

	31 March 2020	31 March 2019
Authorised	**US$**	**US$**
10 ordinary shares of $1 each	10	10
Issued and unpaid		
10 ordinary shares of $1 each	10	10

10 $1 shares of MAPS issued and held in Trust with Codan Trust Company Limited.

The shares were held in trust. The share capital is unpaid and receivable as at 31 March 2020.

The holders of the ordinary shares in MAPS have all power and full voting rights as permitted under the applicable Company Laws.

12 Trade and other payables

	31 March 2020	31 March 2019
	US$	**US$**
Current		
Accrued expenses and other liabilities comprise:		
Deferred income	5,161,179	4,402,112
Rents prepaid	497,809	-
Maintenance reserves	13,212,957	8,096,743
Security deposits	210,000	-
Accrued expenses	924,405	4,074,941
Accrued interest on Notes	785,181	868,045
	20,791,531	17,441,841

	31 March 2020	31 March 2019
Non-current	**US$**	**US$**
Maintenance reserves	67,559,180	78,191,311
Security deposits	6,159,268	5,966,768
Accrued interest on M2 Interest	-	-
Accrued interest on E Certificate	-	-
	73,718,448	84,158,079

13 Loans and borrowings

(a) Principal

As part of a refinancing of its debt obligations, MAPS issued Series A ($325,675,000), Series B ($72,372,000) Series C ($31,017,000) Notes along with an E Note ($160,000,000) on 15 March 2019.

The Notes are limited recourse obligations of MAPS.

The Series A Notes bear interest at a fixed rate of 4.458%, the Series B Note bear interest at a fixed rate of 5.560% and the Series C Notes bear interest at a fixed rate of 7.385%. There is no interest rate attached to the E Note.

The Notes have a final legal maturity date of 15 March 2044.

The Notes issued by MAPS in March 2019 constitute direct obligations of MAPS. In order to secure the repayment of the Notes and the payment and performance of all obligations of MAPS and each of its subsidiaries, MAPS and each of its subsidiaries has entered into a Security Trust Agreement with the Security Trustee, Deutsche Bank Trust Company., as regards all Secured Obligations.

	Nominal amount	**Paydown to date**	**31 March 2020**
Refinancing	**US$**	**US$**	**US$**
Series A Notes	325,675,000	(28,653,846)	297,021,154
Series B Notes	72,372,000	(6,367,502)	66,004,498
Series C Notes	31,017,000	(4,838,463)	26,178,537
E Note	160,000,000	(12,189,243)	147,810,757
	589,064,000	(52,049,054)	537,014,946
E Note discount			(5,888,565)
Debt issuance costs			(6,024,321)
			525,102,060

Repayments of the refinanced principal commenced in April 2019. The repayment of principal of the Loans is dependent upon the cash available at each monthly determination date and is governed by the priority of payments set out in the Amended and Restated Intercreditor Agreement.

13 Loans and borrowings (continued)

(b) Interest

The Series A Notes bear interest at a fixed rate of 4.458%, the Series B Note bear interest at a fixed rate of 5.560% and the Series C Notes bear interest at a fixed rate of 7.385%.

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.

(c) Debt maturity

The repayment terms of the Series A Notes, Series B Notes, Series C Notes 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 notes by specified Expected Final Payment Dates but in any event are ultimately due for repayment on specified final maturity dates (the "**Final Maturity Dates**").

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

Class of Notes	Interest Rate	US$ 31 March 2020	Final Maturity Date
Series A	4.458%	297,021,154	15/03/2044
Series B	5.560%	66,004,498	15/03/2044
Series C	7.385%	26,178,537	15/03/2044
E Note	N/A	147,810,757	15/03/2044

The Expected Final Payment Dates, Final Maturity Dates, Outstanding Principal Balance and interest rates applicable to each class of Notes outstanding at 31 March 2019 are set out below:

Class of Notes	Interest Rate	US$ 31 March 2019	Final Maturity Date
Series A	4.458%	325,675,000	15/03/2044
Series B	5.560%	72,372,000	15/03/2044
Series C	7.385%	31,017,000	15/03/2044
E Note	N/A	160,000,000	15/03/2044

14 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 are the board of Directors, Merx Aviation Services Limited and GE Capital Aviation Services Limited (“GECAS”).

MAPS considers Merx Aviation Finance, LLC and its subsidiaries, GECAS and the board of Directors as related parties.

GECAS acted as Servicer to MAPS Group from February 12, 2014 until 15 May 2018. Since 15 May 2018, GECAS has acted as back up Servicer to MAPS Group. In addition to managing MAPS Group’s aircraft, GECAS managed aircraft owned by itself and other third parties. During the year MAPS had the following transactions with GECAS as Servicer and back up Servicer:

Servicing fees	**31 March 2020**	**31 March 2019**
	US$	**US$**
Opening balance	-	124,953
Servicing fees	-	879,715
Payments	-	(1,004,668))
	-	-

Merx Aviation Services Limited has acted as Servicer to MAPS Group from 15 May 2018. In addition to managing MAPS Group’s aircraft, Merx Aviation Services Limited manages aircraft owned by itself and other third parties. During the year MAPS had the following transactions with Merx Aviation Services Limited as Servicer:

Servicing fees	**31 March 2020**	**31 March 2019**
	US$	**US$**
Opening balance	122,349	-
Servicing fees	1,888,216	1,436,412
Payments	(1,893,198)	(1,314,063)
	117,367	122,349

Merx Aviation Finance Assets Ireland Limited, the E Note holders, are also deemed to be a related party. During the year there were $12,189,243 of payments made on the E Note.

There were no other related party transactions during the year.

15 Lease commitments

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

	31 March 2020 US$	**31 March 2019 US$**
Less than one year	62,145,636	64,509,245
From one to two years	59,504,101	55,671,072
From two to three years	53,653,272	51,769,226
From three to four years	48,031,487	44,835,123
Thereafter	81,472,296	93,216,584
	304,806,792	310,001,250

16 Commitments and contingent liabilities

MAPS Group has no long-term contracts other than those with its service providers and lessees. MAPS Group has no contingent liabilities at March 31, 2020.

17 Financial risk management

The Group has exposure to the following financial risks:

- Credit risk
- Market risk
- Liquidity risk

a) Credit risk

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

MAPS Group operates as a supplier to airlines. The airline industry is cyclical, economically sensitive and highly competitive. MAPS 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 Group monitors the performance of the Lessees on an ongoing basis.

17 Financial risk management (continued)

MAPS Group manages its exposure to credit risk by placing all cash with Deutsche Bank and AIB, recognised financial institutions. At year end a total of USD 21.2 million was held in bank accounts with Deutsche Bank and AIB.

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

Long Term A-
Short Term A-2

The maximum exposure of the Group's financial assets to credit risk is USD 29.4 million.

	31 March 2020 US$	31 March 2019 US$
Cash Equivalents	357	98
Amount owed from lessees	8,219,932	5,607,799
Restricted cash	21,165,877	44,811,248
	29,386,166	50,419,145

Expected Credit Losses

In accordance with IFRS 9 and the approach outlined in the accounting policies, an ECL was calculated. There were two lessees with an ECL in excess of its security deposit held. a provision for bad debts of $679,522 (31 March 2019: one lessee with an ECL of $1,234,460) to cover these lessees.

b) Market risk

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

17 Financial risk management (continued)

Currency risk

The functional currency of the industry is predominantly USD. MAPS 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 Group manages its exposure to currency risk by effectively matching its foreign currency assets and liabilities.

MAPS Group's exposure to currency risk as at 31 March 2020 is not significant.

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, Series C). There is no interest rate attached to the E Note.

The Group's exposure to interest rate risk as at 31 March 2020 is not considered material.

c) Liquidity risk

Liquidity risk is the risk that MAPS Group will not be able to meet its financial obligations as they fall due. MAPS 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 Group is funding a significant part of its operations with debt financing. The ability of MAPS 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.

The loans constitute direct, limited recourse obligations of MAPS Group.

17 Financial risk management (continued)

The table below shows the undiscounted cash flows of the Groups' financial liabilities as at 31 March 2020:

31 March 2020 Financial Liabilities	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**> than 5 years**	**Total contractual cash flows**	**Total carrying value**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Loans payable*	36,221,999	36,225,096	108,669,094	355,898,757	537,014,946	537,014,946
Scheduled loan interest payable	17,231,130	16,208,265	37,776,311	31,041,300	102,257,007	-
Loan interest payable	785,181	-	-	-	785,181	785,181
Security deposits	210,000	-	4,227,268	1,932,000	6,369,268	6,369,268
Maintenance reserves	13,212,957	1,631,936	44,860,349	21,066,895	80,772,137	80,772,137
Trade payables and accrued expenses	924,405	-	-	-	924,405	924,405
Total	68,585,672	54,065,297	195,533,022	409,938,952	728,122,944	625,865,937

The table below shows the undiscounted cash flows of the Groups' financial liabilities as at 31 March 2019:

31 March 2019 Financial Liabilities	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**> than 5 years**	**Total contractual cash flows**	**Total carrying value**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Loans payable*	39,312,107	36,272,987	108,825,166	398,765,175	583,175,435	583,175,435
Scheduled loan interest payable	18,587,057	18,016,311	43,200,525	41,825,352	121,629,245	-
Loan interest payable	868,045	-	-	-	868,045	868,045
Security deposits	-	-	2,226,000	3,740,768	5,966,768	5,966,768
Maintenance reserves	8,096,743	16,753,064	27,491,914	33,946,333	86,288,054	86,288,054
Trade payables and accrued expenses	4,074,941	-	-	-	4,074,941	4,074,941
Total	70,938,893	71,042,362	181,743,605	478,277,628	802,002,488	680,373,243

* Contractual cash consisting of principal on the Series A loans, Series B loans, Series C and E Note.

Credit Facilities:
Under the terms of the Revolving Credit Agreement dated 15 March 2019, Credit Agricole Corporate and Investment Bank (the Liquidity Facility Provider) has provided a credit facility to MAPS of up to US$13.9 million which may be drawn upon, subject to certain conditions, to pay interest on the Series A Notes and Series B Notes and Certain Other Expenses. Upon each drawing under the Credit Facility, MAPS will be required to reimburse the Liquidity Facility Provider for the amount of such drawing, plus the applicable interest, in accordance with the priority of payments specified in the Amended and Restated Intercreditor Agreement. No amount was drawn on the liquidity facility at year end.

18 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 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 2020	Fair Value			
	Level 1	Level 2	Level 3	Carrying Amount
Financial Assets	**USD**	**USD**	**USD**	**USD**
Other receivables	-	277,847	-	277,847
Trade receivables	-	7,540,410	-	7,540,410
Cash and cash equivalents	-	357	-	357
Restricted cash	-	21,165,877	-	21,165,877
Total	-	28,984,491	-	28,984,491

31 March 2020	Fair Value			
	Level 1	Level 2	Level 3	Carrying Amount
Financial Liabilities	**USD**	**USD**	**USD**	**USD**
Note payables	-	494,785,120	-	531,175,435
Security deposits	-	6,369,268	-	6,369,268
Maintenance reserves	-	80,772,137	-	80,772,137
Accrued interest	-	785,181	-	785,181
Other payables	-	924,405	-	924,405
Total	-	583,636,111	-	619,767,372

18 Fair value estimation (continued)

31 March 2019	Fair Value			
	Level 1	Level 2	Level 3	Carrying Amount
Financial Assets	**USD**	**USD**	**USD**	**USD**
Other receivables	-	322,552	-	322,552
Trade receivables	-	4,373,339	-	4,373,339
Cash and cash equivalents	-	98	-	98
Restricted cash	-	44,811,248	-	44,811,248
Total	-	49,507,237	-	49,507,237

31 March 2019	Fair Value			
	Level 1	Level 2	Level 3	Carrying Amount
Financial Liabilities	**USD**	**USD**	**USD**	**USD**
Note payables	-	583,175,435	-	583,175,435
Security deposits	-	5,966,768	-	5,966,768
Maintenance reserves	-	86,288,054	-	86,288,054
Accrued interest	-	868,045	-	868,045
Other payables	-	4,074,941	-	4,074,941
Total	-	680,373,243	-	680,373,243

19 Subsequent events

While MAPS Group cannot currently reasonably estimate the extent to which the COVID-19 pandemic and measures taken to contain its spread will ultimately impact our business, MAPS Group believes the airline industry will eventually recover and aircraft travel will return to historical levels over the long term. MAPS Group is well positioned to offer solutions for airlines, through methods such as changes in lease agreements and terms. As the COVID-19 pandemic and efforts to mitigate its spread continue, MAPS Group expect the business, results of operations and financial condition to be negatively impacted. MAPS Group have considered a number of potential outcomes. Depending on the severity and longevity of the COVID-19 pandemic, the related efforts taken to reduce its spread, and the possibility of a resurgence of COVID-19, the COVID-19 pandemic could have a material, adverse impact on future revenue growth, liquidity and cash flow.

20 Approval of financial statements

The Directors of MAPS approved the financial statements on 20 July 2020.