MAPS 2018-1 Limited and Subsidiaries

Directors' Report and Non-Statutory
Consolidated Financial Statements

For the financial year ended 31 March 2023

Registered Company Number: 907141 (Bermuda)

Index to MAPS 2018-1 Limited Group Consolidated Non-Statutory Financial Statements

For the financial year ended 31 March 2023

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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 2023.

MAPS 2018-1 Group
Directors and other information
For the financial year ended 31 March 2023

Directors	Keith MacDonald Lisa Hand Michael Gannon
Secretary	PAFS Ireland Limited 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	Deloitte Ireland LLP 29 Earlsfort Terrace Dublin 2, D02 AY28 Ireland
Solicitors	A&L Goodbody 28 North Wall Quay North Wall Dublin 1 Ireland

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

Independent auditor's report to the directors of MAPS 2018-1 Limited

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

Opinion on the non-statutory consolidated financial statements of MAPS 2018-1 Limited (the 'Group')

In our opinion the Group non-statutory consolidated financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group as at 31 March 2023 and of the loss of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework.

The non-statutory consolidated financial statements we have audited comprise:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position
- the Consolidated Statement of Changes in Equity
- the Consolidated Statement of Cash Flows; and
- the related notes 1 to 26, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in the preparation of the group non-statutory consolidated financial statements is the International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (International) (ISAs) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the non-statutory consolidated financial statements*" section of our report.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the non-statutory consolidated financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-statutory financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, 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 were addressed in the context of our audit of the non-statutory financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of aircraft	
Key audit matter description	As at 31 March 2023, the Group has recognised aircraft with a carrying value of $ 350 million, which made up approximately 87.34% of the Group's total assets. For aircraft recognised at the financial year end, we consider the valuation of aircraft assets a key audit matter, as it comprises the most significant balance on the Consolidated Balance Sheet. The valuation of aircraft assets is also a key contributor to the financial performance of the Group and has been identified as a significant risk of material misstatement, with the risk being that they may not be valued correctly in accordance with IAS 36. This is applicable both from the perspective of the valuation of aircraft in the Consolidated Balance Sheets and the depreciation and impairment expense that is reported in the Consolidated Statement of Income. Refer also to note 10 in the non-statutory consolidated financial statements and the accounting policy at note 2.
How the scope of our audit responded to the key audit matter	Our procedures included: – Obtaining an understanding, evaluating the design and determining the implementation of the key relevant controls over the carrying value of aircraft assets. – Challenging whether the valuation policy adopted for aircraft values is in line with IFRS. – Using observable market data where available, we challenged the significant assumptions used in the impairment process including the third party appraisal valuations, estimated useful life, residual values and contracted/estimated lease cashflows. – Performing a sensitivity analysis on key assumptions used by management to assess what changes, either individually or collectively, would result in a different conclusion regarding valuation and assessed whether there were any indicators of management bias in the setting of these key assumptions. – Enquiring of management about any plans or actions which may impact on the valuation of the aircraft including sale agreements. – Evaluating the accuracy and completeness of disclosures made in the non-statutory consolidated financial statements over the carrying value of aircraft.
Key observations	The assessment of the appropriate carrying value of the aircraft fleet is inherently subjective. Based on the evidence obtained, we found the aircraft related asset values recognised in the Consolidated Balance Sheets are within a range we consider to be reasonable.

Our audit procedures relating to these matters were designed in the context of our audit of the non-statutory consolidated financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the non-statutory consolidated financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the non-statutory consolidated financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of non-statutory consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory consolidated 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.

Auditor's responsibilities for the audit of the non-statutory financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 non-statutory financial statements.

A further description of our responsibilities for the audit of the non-statutory financial statements is located on the International Auditing and Assurance Standards Board's website at: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/. This description forms part of our auditor's report.

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Use of our report

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

David McCaffrey
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 25 August 2023

MAPS 2018-1 Group

Statement of Directors' responsibilities
For the financial year ended 31 March 2023

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 21 August 2023

Director	*Director*
Michael Gannon	Keith MacDonald

MAPS 2018-1 Group

Consolidated statement of profit or loss and other comprehensive income
For the financial year ended 31 March 2023

	Note	**Year ended 31 March 2023**	**Year ended 31 March 2022**
		US$	**US$**
Lease revenue	*3*	45,849,089	59,246,859
Supplemental rent income	*3*	2,214,618	37,152,860
Other income	*4*	979,003	20,040
Gain on sale of aircraft		9,383,226	2,512,226
Depreciation	*10*	(27,957,392)	(33,784,546)
Impairment	*10*	(10,380,122)	(19,086,942)
Gross profit		**20,088,422**	**46,060,497**
Operating expenses	*6*	(11,050,274)	(16,735,882)
Profit on ordinary activities before interest		**9,038,148**	**29,324,615**
Interest expense	*5*	(25,352,167)	(55,572,558)
Loss on ordinary activities before taxation		**(16,314,019)**	**(26,247,943)**
Taxation	*8*	(22,225)	(195,454)
Loss for the financial year		**(16,336,244)**	**(26,443,397)**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Total comprehensive loss for the year		**(16,336,244)**	**(26,443,397)**

The notes on pages 12 to 41 form an integral part of these non-statutory consolidated financial statements.

MAPS 2018-1 Group

Consolidated statement of financial position
As at 31 March 2023

	Note	31 March 2023	31 March 2022
		US$	US$
Non-current assets			
Aircraft	*10*	349,936,024	411,053,167
Goodwill	*12*	2,494,276	2,494,276
Total non-current assets		352,430,300	413,547,443
Current assets			
Cash and cash equivalents	*14*	119,441	144,388
Restricted cash	*14*	42,584,658	22,362,758
Trade and other receivables	*15*	5,512,769	6,428,391
Total current assets		48,216,868	28,935,537
Aircraft held for sale	*11*	-	7,508,000
Total assets		**400,647,168**	**449,990,980**
Equity			
Share capital	*16*	10	10
Accumulated losses		(87,610,710)	(71,274,466)
Total shareholders' equity		(87,610,700)	(71,274,456)
Non-current liabilities			
Loans and borrowings	*18*	275,855,749	326,623,217
Deferred tax	*8*	-	-
Trade and other payables	*17*	159,834,683	177,311,067
Total non-current liabilities		435,690,432	503,934,284
Current liabilities			
Current tax payable	*17*	-	1,745,022
Trade and other payables	*17*	52,567,436	15,586,130
Total current liabilities		52,567,436	17,331,152
Total liabilities and equity		**400,647,168**	**449,990,980**

Signed on behalf of the board:

Michael Gannon
Director

Keith MacDonald
Director

Date: 21 August 2023

The notes on pages 12 to 41 form an integral part of these non-statutory consolidated financial statements.

MAPS 2018-1 Group

Consolidated statement of changes in equity
For the financial year ended 31 March 2023

	Share Capital	Accumulated losses	Total Equity
	US$	US$	US$
Balance as at 1 April 2022	**10**	**(71,274,466)**	**(71,274,456)**
Loss for the year	-	(16,336,244)	(16,336,244)
Other comprehensive income for the year	-	-	-
Balance as at 31 March 2023	**10**	**(87,610,710)**	**(87,610,700)**

	Share Capital	Accumulated losses	Total Equity
	US$	US$	US$
Balance as at 1 April 2021	**10**	**(44,831,069)**	**(44,831,059)**
Loss for the year	-	(26,443,397)	(26,443,397)
Other comprehensive income for the year	-	-	-
Balance as at 31 March 2022	**10**	**(71,274,466)**	**(71,274,456)**

MAPS 2018-1 Group

Consolidated statement of cash flows
For the financial year ended 31 March 2023

	Year ended 31 March 2023 US$	**Year ended 31 March 2022 US$**
Cash flows from operating activities		
Loss for the year	(16,336,244)	(26,443,397)
Adjustments for:		
Depreciation	27,957,392	33,784,546
Impairment	10,380,122	19,086,942
Amortisation of debt issue costs	1,386,389	1,386,389
Interest Expense	23,965,779	54,186,168
Decrease in trade and other receivables	915,621	247,390
(Decrease)/increase in accrued expenses and other liabilities	(869,181)	917,740
Decrease in deferred income	(262,387)	(62,068)
Increase/(decrease) in maintenance reserves	8,539,369	(58,628,508)
Increase/(decrease) in security deposits	705,000	(4,972,500)
Net cash inflows from operating activities	56,381,860	19,502,702
Cash flows from investing activities		
Proceeds from disposal of aircraft	30,287,629	37,407,745
Net cash inflows from investing activities	30,287,629	37,407,745
Cash flows from financing activities		
Repayment of loans and borrowings	(54,100,468)	(23,089,333)
Movement in restricted cash	(20,221,900)	20,326,186
Interest paid	(12,372,068)	(54,294,909)
Net cash outflows used in financing activities	(86,694,436)	(57,058,056)
Net (decrease) in cash and equivalents	(24,947)	(147,609)
Cash and cash equivalents at the beginning of the year	144,388	291,997
Cash and cash equivalents at the end of the year	119,441	144,388

The notes on pages 12 to 41 form an integral part of these non-statutory consolidated financial statements.

MAPS 2018-1 Group

Notes to the non-statutory consolidated financial statements
For the financial year ended 31 March 2023

1. 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 seventeen aircraft and two engines as of March 31, 2023. Sixteen of the seventeen aircraft and the two engines are on lease to twelve airlines in nine countries.

2. Statement of accounting policies

Basis of preparation

The non-statutory consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("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.

Estimates and judgements

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 depreciation (residual value), aircraft and engine valuation and recoverability of trade and other 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.

2. Statement of accounting policies

- Aircraft and engine valuation (continued)

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

Going Concern

In preparing a going concern assessment with the period of assessment being twelve months from the date of approval of the non-statutory consolidated financial statements, the Group has undertaken a detailed sensitivity analysis to observe various potential outcomes and understand the impact to transaction constituents, which the Directors have used to assess the resiliency of the Group. Per the terms of the Amended and Restated Intercreditor Agreement, non-payment of Series A interest would result in an event of default. However, the Group has a liquidity facility in place which covers up to $7.8 million which has not been drawn during the period. The Group also has had no event of default during the period. The terms further provide that the Group is only required to make payments to Noteholders to the extent that cash is available to do so, but does not result in an event of default. The loans constitute direct, limited recourse obligations of MAPS Group.

Based on these factors, the Directors have a reasonable expectation that the Group has adequate liquidity and financial resources to continue in operation for at least the next twelve months from the approval of the non-statutory consolidated financial statements and that the going concern basis of preparation remains appropriate.

2. Statement of accounting policies (continued)

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.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company. They cease to consolidate from the date that control is lost.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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 reserves

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.

2. Statement of accounting policies (continued)

Maintenance reserves (continued)

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%.

The income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax, including Irish Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date, adjusted for changes in deferred tax assets and liabilities and unused tax losses.

Deferred tax assets are recognised when temporary differences arise between the tax base of assets and liabilities and their respective carrying amounts which give rise to a future tax benefit, or where a benefit arises due to unused tax losses, but are only recognised in both cases to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences or tax losses. Deferred tax liabilities are recognised when such temporary differences will give rise to taxable amounts being payable in future periods. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or the liabilities are settled under currently enacted tax law.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. Statement of accounting policies (continued)

Aircraft

Aircraft acquired by the Group and are recorded at cost, less accumulated depreciation and less any impairment, if applicable. The cost of the asset is made up of the purchase price of the asset plus any costs directly attributable, including accrued rentals and cost of carry interest to bring the asset into working condition for its intended use.

Depreciation is calculated to write off the cost of each asset, less its estimated residual value of 10% on a straight line basis over its expected useful life from the date of acquisition being 25 years. Depreciation methods, residual values and useful lives are reviewed at each reporting date.

Additional charges are made to reduce the book value of specific assets to the recoverable amount where an impairment in value is considered to have occurred in accordance with IAS 36 Impairment of Assets. An impairment review is carried out when there has been an indication of impairment, generally on indications of market demand. An impairment is measured by comparing the carrying value of the aircraft and engines with the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss in the consolidated statement of comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

An aircraft is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an aircraft is determined as the difference between the sales proceeds and the carrying amount of the aircraft and is recognised in consolidated statement of comprehensive income. In case no disposal proceeds are received the loss arising on the disposal will be equal to the carrying amount of the asset at the time of the disposal.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks which are subject to insignificant risk of changes in their fair value and with original maturities of less than 90 days. Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

Restricted cash comprises cash held by the Group from Deutsche Bank.

2. Statement of accounting policies (continued)

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 non-statutory 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 consolidated statement of comprehensive income.

Security deposits

Security deposits on leased aircraft are generally paid by the lessee or in the form of a letter of credit 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.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the profit or loss in the consolidated statement of comprehensive income, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at cost or amortised cost using the effective interest method less any impairment losses in the case of financial assets.

Non-derivative financial instruments can comprise of trade and other receivables (excluding prepayments), cash and cash resources, loans and borrowings, and trade and other payables (excluding deferred income and security deposits).

2. Statement of accounting policies (continued)

Trade and other receivables and trade and other payables

Trade and other receivables and trade and other payables with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment of trade and other receivables are recognised in the statement of comprehensive income.

Lease receivables are recorded at the original invoice amount less allowance for ECL as prescribed by IFRS 9. ECL is established when there is objective evidence that the Group has recorded a receivable and will not be able to collect all amounts due, according to the original terms of the receivable. The amount of the provision is calculated using the forward-looking expected credit loss approach. The carrying amount of the asset is reduced through the use of an ECL account, and the amount of the loss is recognised in the Consolidated Statement of Comprehensive Income within administrative expenses. When a lease receivable is uncollectible, it is written off initially against any allowance made under the ECL model in respect of that receivable in the ECL account for lease receivables with any excess taken to the Consolidated Statement of Comprehensive Income. Subsequent recoveries of amounts previously written off or allowances no longer required are credited against administrative expenses in the Consolidated Statement of Comprehensive Income.

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.

2. Statement of accounting policies (continued)

Share capital

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

New and amended IFRS accounting standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these 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 17	Insurance Contracts	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IAS 8 & 12	Amendments to IAS 8 & 12	1 January 2023
IAS 1 & IFRS Practice Statement 2	Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

New standards and interpretations not yet mandatorily effective

Standards issued but not yet mandatorily 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.

MAPS 2018-1 Group

Notes to the non-statutory consolidated financial statements
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2. Statement of accounting policies (continued)

New standards and interpretations not yet mandatorily effective

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

		Effective for annual periods
Amendment		**beginning on or after**
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IFRS 17	IFRS 17	1 January 2023
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 — Comparative Information	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amendments to IAS 1	Classification of liabilities as current or non-current	Per IASB 1 January 2023 not yet endorsed by EU
Amendments to IAS 1	Classification of Liabilities as Current or Non-current — Deferral of Effective Date	Per IASB 1 January 2023 not yet endorsed by EU
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 8	Definition of accounting estimates	1 January 2023
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules	Per IASB 1 January 2023 not yet endorsed by EU
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	Per IASB 1 January 2024 not yet endorsed by EU
Amendments to IAS 1	Non-current Liabilities with Covenants	Per IASB 1 January 2024 not yet endorsed by EU
Amendments to IAS 7 Statement of Cash Flows and IFRS 7	Financial Instruments: Disclosures: Supplier Finance Arrangements	Per IASB 1 January 2024 not yet endorsed by EU

3 Turnover

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

	Year ended 31 March 2023 US$	Year ended 31 March 2022 US$
Aircraft leasing – operating lease rental revenue	45,849,089	59,246,859
Supplemental rent income	2,214,618	37,152,860
	48,036,707	98,931,985

Supplemental rental income of $2,214,618 was recognised during the Year (2022: $37,152,860). 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.

There are no contingent rentals recognised during the year ended 31 March 2023 (31 March 2022: Nil).

Distribution of aircraft leasing revenues by geographic area

Region	Year ended 31 March 2023 US$	%	Year ended 31 March 2022 US$	%
Emerging Asia/Pacific	8,379,083	9%	15,553,619	26%
Developed North America	22,629,626	49%	23,274,626	39%
Emerging Europe and Africa/Middle East	11,220,524	18%	15,848,876	27%
Australia	3,619,856	24%	4,569,738	8%
	45,849,089		59,246,859	

4 Other income

	Year ended 31 March 2023 US$	Year ended 31 March 2022 US$
Deposit and other interest	979,003	20,040
	979,003	20,040

5 Interest Expense

	Year ended 31 March 2023	Year ended 31 March 2022
	US$	US$
Interest expense on Series A	10,466,573	12,219,033
Interest expense on Series B	1,810,324	2,003,604
Interest expense on Series C	1,951,812	1,830,884
Interest expense on the E Note	9,737,069	38,132,648
Amortisation of debt costs	1,386,389	1,386,389
	25,352,167	55,572,558

6 Operating expenses

	Year ended 31 March 2023	Year ended 31 March 2022
	US$	US$
Servicer's and administrative agent's fees	3,345,919	3,238,368
Legal and other professional fees	633,263	633,263
Trustee fees	18,716	9,037
Audit fee	116,520	190,877
Liquidity facility fee	135,771	156,893
Maintenance and Repairs	6,932,066	5,599,163
Expected credit loss	(1,533,345)	6,040,311
Other overheads	1,401,364	867,970
	11,050,274	16,735,882

7 Directors Remuneration

	Year ended 31 March 2023 US$	Year ended 31 March 2022 US$
Aggregate amount paid to or receivable by Directors in respect of qualifying services is broken down as:		
Fees	150,000	150,000
	150,000	150,000

8 Taxation

(a)Analysis of tax charge for the year

	Year ended 31 March 2023 US$	Year ended 31 March 2022 US$
Current tax		
Corporation tax on loss for the year	-	1,756,480
Total tax charge on loss for the year	-	1,756,480

Deferred tax		
Other timing differences	-	(1,561,026)
Total deferred taxation for the year	-	(1,561,026)

8 Tax on loss on ordinary activities (continued)

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

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

Total tax reconciliation	**Year ended 31 March 2023 US$**	**Year ended 31 March 2022 US$**
Loss before tax	(16,336,244)	(26,247,943)
Irish corporation tax at 25%	(4,084,061)	(6,561,986)
Effects of		
Capital allowances in excess of depreciation	4,106,286	8,318,466
Release of deferred tax liability	-	(1,561,026)
Total tax charge/(credit) for the year	22,225	195,454

(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, 2023 there was unrecognised deferred taxation asset in the amount of $8,825,398. 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 for 31 March 2023 is as follows:

Deferred tax	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Capital allowances in excess of depreciation	(42,184,679)	(54,339,414)
Movement in tax losses carried forward	51,010,077	63,470,203
Deferred tax assets not recognised	(8,825,398)	(9,130,791)
At the end of the year	-	-

Deferred tax	**Year ended 31 March 2023 US$**	**Year ended 31 March 2022 US$**
At the beginning of the year	-	1,561,026
Movement during the year	-	(1,561,026)
At the end of the year	-	-

9 Employees

MAPS 2018-1 Group had no employees during the year (2022 nil).

10 Aircraft

	31 March 2023 US$	31 March 2022 US$
Cost		
Opening balance at 1 April	722,347,772	840,998,088
Additions	-	2,412,686
Disposals	(75,099,060)	(65,308,194)
Transfers to held for sale	-	(55,754,808)
Closing balance	**647,248,712**	**722,347,772**
Depreciation		
Opening balance at 1 April	(311,294,605)	(332,157,689)
Charge for the year/period	(27,957,392)	(33,784,546)
Impairment	(10,380,122)	(19,086,942)
Disposals	52,319,431	25,487,764
Transfers to held for sale	-	48,246,808
Closing balance	**(297,312,688)**	**(311,294,605)**
Net Book Value		
At beginning of year	411,053,167	508,840,399
At end of year	**349,936,024**	**411,053,167**

The Group owns 17 aircraft and two engines as at 31 March 2023 (2022: 19 aircraft and 4 engines) that is classified as aircraft.

During the Year, the Group sold four aircraft and two engines at a gain of $9,383,226 (year ended 31 March 2022: sold two aircraft and two airframes at a gain of $2,512,226).

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 four aircraft of $10,380,122 (2022: $19,086,942, five aircraft). In considering whether impairment exists the Directors used inputs for current market values from third party appraisers to assess current market value and to assess value-in-use and have estimated future cash flows from the asset discounted at a rate of 6.50% (2022: 6.50%). Aircraft are pledged as security for the Group's obligations under the loans

11 Aircraft held for sale	**31 March 2023 US$**	**31 March 2022 US$**
Cost		
Opening balance at 1 April	55,754,808	-
Additions	-	-
Disposals	(55,754,808)	-
Transfers from aircraft	-	55,754,808
Closing balance	**-**	**55,754,808**
Depreciation		
Opening balance at 1 April	(48,246,808)	-
Additions	-	-
Disposals	48,246,808	-
Transfers from aircraft	-	(31,127,087)
Impairment	-	(17,119,721)
Closing balance	**-**	**(48,246,808)**
Net Book Value		
At beginning of year	7,508,000	-
At end of year	**-**	**7,508,000**

As at 31 March 2023, no aircraft (2022: two aircraft) were classified as held for sale given managements intention of selling them in the short term. During the Year, the Group acquired no aircraft (2022: no aircraft) that are classified as held for sale under IFRS 5.

Notes to the non-statutory consolidated financial statements
For the financial year ended 31 March 2023

12 Goodwill

	31 March 2023	31 March 2022
	US$	**US$**
At 1 April 2022		
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 2023		
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

MAPS 2018-1 Group

Notes to the non-statutory consolidated financial statements
For the financial year ended 31 March 2023

13 Subsidiary companies

MAPS 2018-1 had the following subsidiaries at 31 March 2023:

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	Ireland	Aircraft leasing and sub leasing	100%
Keos Aviation UK Limited	UK	Aircraft leasing and sub leasing	100%

14 Cash and bank balances	31 March 2023 US$	31 March 2022 US$
Cash and cash equivalents	119,441	144,388
Restricted cash	42,584,658	22,362,758
	42,704,100	22,507,146

Substantially all of the cash and bank balances of the MAPS 2018-1 Group at 31 March 2023 was held as restricted cash for specific purposes under the terms of the Intercreditor Agreement.

15 Trade and other receivables	31 March 2023 US$	31 March 2022 US$
Prepayments	187,947	147,614
Lease rental receivables	17,938,274	20,341,118
Allowances for expected credit loss	(17,611,818)	(19,145,163)
Accrued income	4,479,695	4,623,997
Other Assets	403,135	407,991
VAT Recoverable	115,536	52,834
	5,512,769	6,428,391

All trade and other receivables are classified as current assets.

The Group's lease rental receivables are secured by security deposits in the form of cash and letters of credit, and maintenance reserves that MAPS hold on behalf of its customers. At 31 March 2023, the Group held security deposit letters of credit in the amount of $2,806,824 (31 March 2022: $4,241,924).

The impact of IFRS 9 and the impairment of trade receivables is outlined in Note 19.

15 Trade and other receivables (continued)

Allowance for expected credit losses

	31 March 2023 US$	31 March 2022 US$
At beginning of year	19,145,163	16,038,328
Charge/(reversal) for the year	-	3,106,933
Release to P&L	(1,533,345)	-
At end of year	17,611,818	19,145,163

16 Share capital

	31 March 2023 US$	31 March 2022 US$
Authorised		
10 ordinary shares of $1 each	10	10
Issued and unpaid		
10 ordinary shares of $1 each	10	10

17 Trade and other payables

	31 March 2023 US$	31 March 2022 US$
Current		
Deferred income	1,620,252	1,882,639
Maintenance reserves	45,146,926	10,444,083
Security deposits	2,805,000	1,050,000
Security deposits - other	-	640,000
Accrued expenses	2,462,906	947,086
Current tax payable	-	1,745,022
Accrued interest on Notes	532,352	622,322
	52,567,436	17,331,152

Non-current	31 March 2023 US$	31 March 2022 US$
Maintenance reserves	30,757,579	56,921,053
Security deposits	720,000	1,769,980
Accrued interest on E Certificate	128,357,104	118,620,034
	159,834,683	177,311,067

Letters of credit totalling USD are in place as security against the maintenance reserve obligations of the Group's aircraft $3,000,000 (2022: 12,706,528).

18 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.

(a) Principal

2023	**Nominal amount**	**Paydown to date**	**Interest Capitalised**	**31 March 2022**
	US$	**US$**	**US$**	**US$**
Series A Note	415,000,000	(202,454,352)	-	212,545,648
Series B Note	55,000,000	(20,162,100)	-	34,837,900
Series C Note	36,500,000	(10,428,049)	5,346,326	31,418,277
E Note	21,999,862	(21,999,862)	-	-
	528,499,862	(255,044,363)	5,346,326	278,801,825
Debt issuance costs				(2,946,076)
				275,855,749

2022	**Nominal amount**	**Paydown to date**	**Interest Capitalised**	**31 March 2022**
	US$	**US$**	**US$**	**US$**
Series A Note	415,000,000	(148,904,618)	-	266,095,382
Series B Note	55,000,000	(19,611,366)	-	35,388,634
Series C Note	36,500,000	(10,428,049)	3,399,715	29,471,666
E Note	21,999,862	(21,999,862)	-	-
	528,499,862	(200,943,895)	3,399,715	330,955,682
Debt issuance costs				(4,332,465)
				326,623,217

18 Loans and Borrowings (continued)

(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.

(c) 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 Final Maturity Dates, Outstanding Principal Balance and interest rates applicable to each Series of Loans outstanding at 31 March 2023 are set out below:

Series of Loans	Interest Rate	31 March 2023	Final Maturity Date
		US$	
Series A	4.21%	212,545,648	15/05/2043
Series B	5.19%	34,837,900	15/05/2043
Series C	6.41%	31,418,277	15/08/2043
Series E	NA	-	15/05/2043

18 Loans and Borrowings (continued)

(c) Debt maturity (continued)

The Final Maturity Dates, Outstanding Principal Balance and interest rates applicable to each Series of Loans outstanding at 31 March 2022 are set out below:

Series of Loans	Interest Rate	31 March 2022	Final Maturity Date
		US$	
Series A	4.21%	266,095,382	15/05/2043
Series B	5.19%	35,388,634	15/05/2043
Series C	6.41%	29,471,666	15/08/2043
Series E	NA	-	15/05/2043

19 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. In addition to managing MAPS 2018-1 Group's aircraft, Merx Aviation Servicing Limited 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 2023	31 March 2022
	US$	US$
Opening balance	211,705	135,619
Servicing fees	3,166,651	3,064,474
Payments	(1,499,463)	(2,988,388)
	1,878,893	211,705

19 Related Parties (continued)

Merx Aviation Finance Assets Limited is the E note holder at 31 March 2023. During the period the following repayments were made on the E Note:

The nominal amount at 31 March 2023 was nil (2022: nil); there were no pay downs at 31 March 2023 (2022: nil). The E note amount payable to Merx Aviation Finance Assets Limited at 31 March 2023 is $128,357,104 (2022: $118,620,034).

There were no other related party transactions during the year.

20 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 2023 US$	**31 March 2022 US$**
Less than one year	36,451,322	47,103,602
From one to two years	28,183,196	39,891,666
From two to five years	27,025,056	46,592,119
Thereafter	3,100,000	11,780,000
	94,759,574	145,367,387

21 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 2023 (2022: nil).

22 Financial risk management

The Group has exposure to the following risks:

- Credit risk
- Market risk
- Liquidity 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 end a total of US$ 43 million (2022: US$ 23 million) was held in bank accounts with Deutsche Bank and AIB.

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

Long Term BBB+
Short Term A-2

The S&P credit ratings of AIB are as follows:

Long Term A
Short Term A-1

22 Financial risk management (continued)

a) Credit risk (continued)

The maximum exposure of the Group's financial assets to credit risk is US$ 48 million (2022: US$ 29 million).

	31 March 2023 US$	31 March 2022 US$
Cash and cash equivalents	119,441	144,388
Rental receivables	326,456	1,195,955
Other receivables	5,186,313	5,232,436
Restricted cash	42,584,658	22,362,758
	48,216,868	28,935,537

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

Expected Credit Losses

In accordance with IFRS 9 and the approach outlined in the accounting policies, an ECL was calculated. There were nine lessees with an ECL in excess of its security deposit held. An expected credit loss of $17,611,818 (31 March 2022: nine lessees with an ECL of $19,145,163) was recognized to cover these lessees. Refer to note 15 for amount outstanding.

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.

22 Financial risk management (continued)

b) Market risk (continued)

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 2023 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 and Series C).

The Group's exposure to interest rate risk as at 31 March 2023 is not considered significant.

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, 2023.

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

22 Financial risk management (continued)

The table below shows the undiscounted cash flows of the Groups' financial liabilities as at 31 March 2023.

31 March 2023 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*	85,088,854	33,346,153	87,672,972	201,050,948	407,158,927	407,158,927
Security deposits	2,805,000	-	720,000	-	3,525,000	3,525,000
Maintenance reserves	45,146,926	-	30,347,579	410,000	75,904,505	75,904,505
5Loan interest payable	532,352	-	-	-	532,352	532,352
Trade payables and accrued expenses	4,083,179	-	-	-	4,083,179	4,083,179
Total	137,656,311	33,346,153	118,740,551	201,460,948	491,203,963	491,203,963

31 March 2022 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*	56,097,022	38,876,536	107,285,934	247,316,224	449,575,716	449,575,716
Security deposits	1,050,000	1,050,000	719,890	-	2,819,890	2,819,890
Maintenance reserves	10,444,083	32,591,018	24,200,864	129,170	67,365,135	67,356,135
Loan interest payable	622,322	-	-	-	622,322	622,322
Trade payables and accrued expenses	5,214,747	-	-	-	5,214,747	5,214,747
Total	73,428,174	72,517,554	132,206,688	247,445,394	525,597,810	525,597,810

* Contractual cash consisting of principal on the Series A Loans, Series B Loans, Series C Loans and E notes. E note interest is calculated based off accounting profit, whereby a profit sweep is in place.

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$7.8 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

22 Financial risk management (continued)

Credit Facilities (continued):

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.

23 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).

Notes to the non-statutory consolidated financial statements
For the financial year ended 31 March 2023

23 Fair value estimation (continued)

31 March 2023	**Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Carrying Amount**
Financial Assets	**US$**	**US$**	**US$**	**US$**
Trade and other receivables	-	5,512,769	-	5,512,769
Cash and cash equivalents	-	119,441	-	119,441
Restricted cash	-	42,584,658	-	42,584,658
Total	-	48,216,868	-	48,216,868

31 March 2023	**Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Carrying Amount**
Financial Liabilities	**US$**	**US$**	**US$**	**US$**
Loans and borrowings	-	261,429,774	-	278,801,825
E note Interest	-	-	128,357,104	128,357,104
Security deposits	-	3,525,000	-	3,525,000
Maintenance reserves	-	75,904,504	-	75,904,504
Accrued interest	-	532,352	-	532,352
Other payables	-	4,083,179	-	4,083,179
Total	-	345,474,809	128,357,104	491,203,964

31 March 2022	**Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Carrying Amount**
Financial Assets	**US$**	**US$**	**US$**	**US$**
Trade and other receivables	-	6,428,391	-	6,428,391
Cash and cash equivalents	-	144,388	-	144,388
Restricted cash	-	22,362,758	-	22,362,758
Total	-	28,935,537	-	28,935,537

23 Fair value estimation (continued)

31 March 2022	Fair Value			
	Level 1	Level 2	Level 3	Carrying Amount
Financial Liabilities	**US$**	**US$**	**US$**	**US$**
Loans and borrowings	-	423,982,679	-	330,955,682
E note interest	-	-	118,620,034	118,620,034
Security deposits	-	2,819,980	-	2,819,980
Maintenance reserves	-	67,365,135	-	67,365,135
Accrued interest	-	622,322	-	622,322
Other payables	-	2,798,049	-	2,798,049
Total	-	497,588,165	-	523,181,202

24 Capital risk management

The Group manages its capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balances.

The capital managed by the Group comprises of ordinary shares outstanding and the loans obtained and outstanding as at the reporting period. The Group is not subject to externally imposed capital requirements.

Refer to Note 14 for the share capital disclosure and Note 16 for the loans.

25 Subsequent events

On 14 August 2023, Lisa Hand resigned as a Director of the Group and Mel Kiernan was appointed as a Director of the Group.

Other than the above, the Group has evaluated events through the date of issuance of these non-statutory consolidated 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 non-statutory consolidated financial statements.

26 Approval of financial statements

The Directors of MAPS 2018-1 Group approved the non-statutory consolidated financial statements on 21 August 2023.