

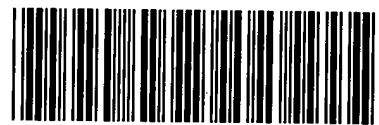
Company registration number: 07527461

# **BOND AVIATION HOLDINGS II LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 March 2016**

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## **BOND AVIATION HOLDINGS II LIMITED**

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# **BOND AVIATION HOLDINGS II LIMITED**

## **Directors and advisors**

### **Current directors**

A Cicero  
L Inigo Moreno Ventas  
R G Medina

### **Company secretary**

Babcock Corporate Secretaries Limited

### **Registered office**

33 Wigmore Street  
London  
W1U 1QX

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
2 Glass Wharf  
Bristol  
BS2 0FR

# **BOND AVIATION HOLDINGS II LIMITED**

## **Strategic report for the year ended 31 March 2016**

The directors present their Strategic report on the Company for the year ended 31 March 2016.

### **Principal activities**

The principal activity of the Company during the year was to act as a holding company.

### **Review of the business**

The loss for the year amounted to £8,286,000 (15 months to 31 March 2015: £14,102,000) and was in line with expectations. The position of the Company at the end of the year is shown in the statement of financial position on page 11.

The Company's investment holdings have not changed since the prior period and the finance costs for the current year are lower than the prior period. The prior period was 15 months and on an annualised basis the finance costs have decreased by 27% due to a reduction in the interest rate charged by group undertakings.

The Company remains in a strong financial position with Net Assets of £91,733,000 (2015: £100,019,000).

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. These are managed through the operational review process supplemented at Group level by independent challenge and review by the Group Risk Manager and the Audit and Risk Committee.

The key risks and uncertainties affecting the Company are considered to be related to currency risk, liquidity risk and interest rate risk. No transactions of a speculative nature are undertaken. The directors manage this risk by meeting on a regular basis to discuss these risks.

Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 64 to 74 of the annual report of Babcock International Group PLC, which does not form part of this report.

### **Future developments**

In preparing the financial statements, the directors have considered the proposed future reorganisation of the Group and have decided that the Company will cease trading and be wound up during the next financial year.

Accordingly the going concern basis of preparation is not appropriate and the financial statements have been prepared on a basis other than going concern as described in note 2 to the financial statements. Adjustments have been made in these financial statements to reclassify fixed assets and long-term liabilities as current assets and liabilities, including the comparative period.

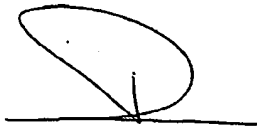
## **BOND AVIATION HOLDINGS II LIMITED**

**Strategic report for the year ended 31 March 2016** *(continued)*

### **Key performance indicators**

The Company's activities are managed on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The growth and performance of International, a division of Babcock International Group PLC, which includes the Company, is discussed on pages 28 to 35 & 50 to 55 of the Group's report, which does not form part of this report.

On behalf of the Board

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line.

**R G Medina**

**Director**

**7 September 2016**

# **BOND AVIATION HOLDINGS II LIMITED**

## **Directors' report for the year ended 31 March 2016**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2016.

### **Dividends**

No final dividend for the year ended 31 March 2016 has been provided by the directors (15 months to 31 March 2015: £nil).

### **Review of the business and future developments**

Information on the review of the Company's business during the year, together with information on the Company's risks and uncertainties and future developments, can be found in the Strategic Report.

### **Financial risk management**

The Company's operations expose it to a variety of financial risks that include the effects of changes in currency risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors of Babcock International Group PLC are implemented by the Group and Company's finance departments. The department has a policy and procedures manual that sets out specific guidelines to allow it to manage currency risk, interest rate risk and credit risk and circumstances where it would be appropriate to use financial instruments to manage these. All treasury transactions are carried out with prime rated counter-parties only. Financial Risk is managed in accordance with Group policies and procedures which are discussed on pages 32 to 34 and Note 2 of the annual report of Babcock International Group PLC, which does not form part of this report.

#### *Currency risk*

The Company has liabilities denominated in foreign currency. Foreign currency gains and losses are recognised in the income statement when liabilities are translated at the year-end exchange rates. The Company does not use derivative financial instruments to manage the currency risk and, as such, no hedge accounting is applied.

#### *Liquidity risk*

The Company has access to longer term funding from its ultimate parent undertaking if required.

#### *Interest rate cash flow risk*

The Company has interest-bearing liabilities. Interest-bearing liabilities accrue interest at a fixed rate. The Company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

# **BOND AVIATION HOLDINGS II LIMITED**

## **Directors' report for the year ended 31 March 2016 (*continued*)**

### **Directors**

The directors who held office during the year and up to the date of signing the annual report were as follows:

A Cicero  
L F Inigo Moreno Ventas  
R G Medina (Appointed: 1 April 2016)

### **Safety policy**

The Company recognises the promotion of health and safety at work as an important objective. It is Company policy to take steps to ensure, as far as reasonably practical, the health, safety and welfare of the employees of the Company.

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of the disclosure exemptions, if any, of FRS 101 used in the preparation of these financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Qualifying third party indemnity provisions**

Babcock International Group PLC provides protections for directors of companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third party indemnity provisions (as defined by Companies Act 2006) for the benefit of members of Babcock International Group PLC, including, where applicable, in their

## **BOND AVIATION HOLDINGS II LIMITED**

### **Directors' report for the year ended 31 March 2016 *(continued)***

#### **Qualifying third party indemnity provisions *(continued)***

capacity as a director of the Company and other companies within the Group. These indemnities came into force in 2014 and remain in force. These indemnities are in force at the date these financial statements are signed.

#### **Going concern**

In preparing the financial statements, the directors have considered the proposed future reorganisation of the Group and have indicated that the company will cease trading and be wound up during the next financial year.

Accordingly the going concern basis of preparation is not appropriate and the financial statements have been prepared on a basis other than going concern as described in note 2 to the financial statements. Adjustments have been made in these financial statements to reclassify fixed assets and long-term liabilities as current assets and liabilities including the comparative period.

#### **Disclosure of information to auditors**

Each director, as at the date of this report, has confirmed that in so far as they are aware there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

#### **Independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed in the Annual General Meeting.

On behalf of the Board



R G Medina

**Director**

7 September 2016



# **BOND AVIATION HOLDINGS II LIMITED**

## **Independent auditors' report to the members of Bond Aviation Holdings II Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Bond Aviation Holdings II Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter paragraph – basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the basis of preparation. The Directors have decided that the company will cease trading and be wound up in the next financial year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 2 to the financial statements. Adjustments have been made in these financial statements to reclassify fixed assets and long-term liabilities as current assets and liabilities, including the comparative period.

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2016;
- the Income Statement and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **BOND AVIATION HOLDINGS II LIMITED**

### **Independent auditors' report to the members of Bond Aviation Holdings II Limited (continued)**

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.


## **BOND AVIATION HOLDINGS II LIMITED**

### **Independent auditors' report to the members of Bond Aviation Holdings II Limited (continued)**

#### **What an audit of financial statements involves (continued)**

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Duncan Stratford (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
7 September 2016

## BOND AVIATION HOLDINGS II LIMITED

### Income statement

for the year ended 31 March 2016

	Note	Year ended 31 March 2016 £000	15 months to 31 March 2015 £000
Administrative expenses		(19)	-
<b>Loss / Result on ordinary activities before interest and taxation</b>	4	(19)	-
Finance costs	5	(8,267)	(14,102)
<b>Loss on ordinary activities before taxation</b>		(8,286)	(14,102)
Tax on loss on ordinary activities	7	-	-
<b>Loss for the financial year / period</b>		(8,286)	(14,102)

All of the above results derive from continuing operations.

### Statement of Comprehensive Income

for the year ended 31 March 2016

	Year ended 31 March 2016 £000	15 months to 31 March 2015 £000
Loss for the financial year / period	(8,286)	(14,102)
<b>Total comprehensive loss for the financial year / period</b>	(8,286)	(14,102)

# BOND AVIATION HOLDINGS II LIMITED

## Statement of Financial Position

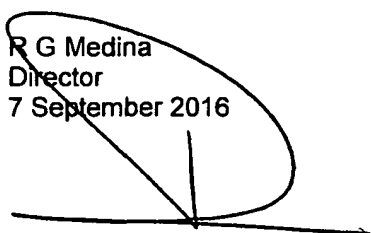
as at 31 March 2016

	Note	2016 £000	2015 £000
<b>Current assets</b>			
Investments	8	273,250	273,250
Trade and other receivables – (including receivables falling due after more than one year £nil (2015: 956,000))	9	20,502	956
		<u>293,752</u>	<u>274,206</u>
Trade and other payables – amounts falling due within one year	10	(202,019)	-
<b>Net current assets</b>		<u>91,733</u>	<u>274,206</u>
<b>Total assets less current liabilities</b>		<b>91,733</b>	<b>274,206</b>
Trade and other payables – amounts falling due after more than one year	10	-	(174,187)
<b>Net assets</b>		<u>91,733</u>	<u>100,019</u>
<b>Capital and reserves</b>			
Called up share capital	11	38,388	38,388
Share premium account		105,663	105,663
Accumulated losses		(52,318)	(44,032)
<b>Total shareholders' funds</b>		<u>91,733</u>	<u>100,019</u>

The notes on pages 13 to 21 are an integral part of these financial statements.

The financial statements on pages 10 - 21 were approved by the Board of Directors on 7 September 2016 and signed on its behalf by:

R G Medina  
Director  
7 September 2016



## BOND AVIATION HOLDINGS II LIMITED

### Statement of changes in equity for the year ended 31 March 2016

	Called-up share capital	Share premium account	Accumulated losses	Total Shareholders' funds
	£000	£000	£000	£000
<b>Balance at 1 January 2014</b>	38,388	-	(29,930)	8,458
Loss for the financial period	-	-	(14,102)	(14,102)
Total comprehensive loss for the financial period	-	-	(14,102)	(14,102)
Proceeds from shares issued	-	105,663	-	105,663
Total transactions with owners recognised directly in equity	-	105,663	-	105,663
<b>Balance at 31 March 2015</b>	38,388	105,663	(44,032)	100,019
Loss for the financial year	-	-	(8,286)	(8,286)
Total comprehensive loss for the financial year	-	-	(8,286)	(8,286)
<b>Balance at 31 March 2016</b>	38,388	105,663	(52,318)	91,733

# **BOND AVIATION HOLDINGS II LIMITED**

## **Notes to the financial statements For the year ended 31 March 2016**

### **1 General information**

Bond Aviation Holdings II Limited is a private company which is incorporated and domiciled in the UK. The address of the registered office is 33 Wigmore Street, London, W1U 1QX.

### **2 Summary of significant accounting policies**

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented. The Company has adopted FRS 101 in these financial statements. Details of the transition to FRS 101 are disclosed in note 15.

#### **Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

The directors have considered the proposed future reorganisation of the Group and have decided that the Company will cease trading and be wound up during the next financial year. Accordingly the going concern basis of preparation is not appropriate and the financial statements have been prepared on a basis other than going concern. Adjustments have been made in these financial statements to reclassify fixed assets and long-term liabilities as current assets and liabilities, including the comparative period.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company is a wholly owned subsidiary of Bond Aviation Holdings Limited and of its ultimate parent, Babcock International Group PLC. It is included in the consolidated financial statements of Babcock International Group PLC which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- a) Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- b) Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information in respect of:
  - paragraph 79(a) (iv) of IAS 1 Share capital and reserves;
  - paragraph 73(e) of IAS 16 Property, plant and equipment; and
  - paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- c) The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), 10(f), 16, 38, 40, 111, and 134-136

# **BOND AVIATION HOLDINGS II LIMITED**

## **Notes to the financial statements**

**For the year ended 31 March 2016**

### **2 Summary of significant accounting policies *(continued)***

- d) IAS 7, 'Statement of cash flows'
- e) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'
- f) Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation
- g) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

### **New standards, amendments and IFRIC interpretations**

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2016, have had a material impact on the company.

### **Finance costs**

Finance costs comprise interest expense on borrowing and are recognised in the income statement. All finance costs are recognised in the income statement in the period in which they are incurred.

### **Investments**

Fixed asset investments are stated at cost less provision for impairment in value.

The directors perform an annual impairment assessment and where potential exposure is identified a full impairment review is undertaken. To assess the carrying value of the investments the directors have considered the underlying net assets and future earnings where appropriate. Any impairment recognised is taken to the income statement.

### **Trade receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. A provision for bad debt is established when there is objective evidence that the collection of the debt is no longer probable.

### **Trade payables**

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



# **BOND AVIATION HOLDINGS II LIMITED**

## **Notes to the financial statements For the year ended 31 March 2016**

### **2 Summary of significant accounting policies *(continued)***

#### **Taxation**

##### **(a) Current income tax**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the statement of financial position date.

##### **(b) Deferred income tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Tax is recognised in the income statement except to the extent that it relates to items recognised directly in either other comprehensive income or in equity.

#### **Foreign currencies**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the local currency at the year end exchange rates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at exchange rates ruling at the statement of financial position date of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

### **3 Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

## BOND AVIATION HOLDINGS II LIMITED

### Notes to the financial statements For the year ended 31 March 2016

#### 3 Critical accounting estimates and judgements *(continued)*

##### Impairment assessment of investments

See note 8 for the carrying value of investments and note 2 'Investments' for information on how the impairment of investments is assessed.

#### 4 Loss / result on ordinary activities before interest and taxation

Loss on ordinary activities before interest and taxation is stated after charging:

	Year ended 31 March 2016 £000	15 Months to 31 March 2015 £000
Foreign exchange losses	19	-

The auditors' remuneration in respect of fees payable for the statutory audit of the financial statements totalling £1,488 was borne by another group undertaking and not recharged to the Company during the year ended 31 March 2016.

Fees paid to the Company's auditors, PricewaterhouseCoopers LLP, and its associates, for services other than statutory audit of the Company, are disclosed on a consolidated basis in the group financial statements of the ultimate parent undertaking, Babcock International Group PLC. The group financial statements are required to comply with the statutory disclosure requirements.

# BOND AVIATION HOLDINGS II LIMITED

## Notes to the financial statements For the year ended 31 March 2016

### 5 Finance costs

	Year ended 31 March 2016 £000	15 Months to 31 March 2015 £000
Loan interest payable to subsidiary undertakings	8,267	14,102
	<u>8,267</u>	<u>14,102</u>

### 6 Staff costs

The Company had no employees during the current or prior financial periods. The directors are remunerated by other companies within the Group for their services to the Group as a whole and it is not practicable to allocate their remuneration between individual entities.

### 7 Tax on loss on ordinary activities

#### Tax expense included in income statement

	Year ended 31 March 2016 £000	15 Months to 31 March 2015 £000
--	---	---

#### Current tax:

UK Corporation tax on loss for the year / period

-	-
---	---

Current tax charge for the year / period

-	-
---	---

#### Deferred tax:

Origination and reversal of temporary differences

Year ended 31 March 2016 £000	15 Months to 31 March 2015 £000
-	-

Total deferred tax charge

-	-
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Tax on loss on ordinary activities

-	-
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## BOND AVIATION HOLDINGS II LIMITED

### Notes to the financial statements For the year ended 31 March 2016

#### 7 Tax on loss on ordinary activities (continued)

Tax expense for the year is higher (2015: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2016 of 20% (15 months to 31 March 2015: 21.4%). The differences are explained below:

	Year ended 31 March 2016 £000	15 Months to 31 March 2015 £000
Loss on ordinary activities before taxation	(8,286)	(14,102)
Loss on ordinary activities multiplied by standard UK corporation tax rate of 20% (2015: 21.4%)	(1,657)	(3,018)
Effects of:		
Group relief surrendered to group companies	1,657	3,018
<b>Total tax charge for the year / period</b>	<b>-</b>	<b>-</b>

In the 2015 Budget, it was announced that the UK corporation tax rate will reduce from 20% to 19% from April 2017. It was further announced in the 2016 Budget that it will be further reduced to 18% from April 2020. As a result of this change, UK deferred tax balances have been re-measured at 18% as this is the tax rate that will apply on reversal.

#### 8 Investments

	2016		2015	
	Shares in group undertakings £000	Total £000	Shares in group undertakings £000	Total £000
Cost				
1 April 2015 and 1 January 2014	273,250	273,250	167,587	167,587
Additions	-	-	211,326	211,326
Disposals	-	-	(105,663)	(105,663)
<b>Carrying amount at 31 March</b>	<b>273,250</b>	<b>273,250</b>	<b>273,250</b>	<b>273,250</b>

During the prior period the Company acquired additional shares in Babcock Mission Critical Services Design and Completions Limited (formerly Bond Helicopters Europe Limited) for £105,663,000 in exchange for newly issued share capital. During the prior period the Company acquired Babcock Malta (Number Two) Limited from Bond Aviation Holdings Limited.

## BOND AVIATION HOLDINGS II LIMITED

### Notes to the financial statements For the year ended 31 March 2016

#### 8 Investments (continued)

The investment in Babcock Malta (Number 2) Limited was then immediately sold for the same value to Babcock Mission Critical Services Design and Completions (formerly Bond Helicopters Europe Limited).

The directors believe that the carrying value of the investments is supported by their underlying net assets. See note 13 for details of investments held in group undertakings.

#### 9 Trade and other receivables

##### Amounts falling due within one year:

	2016 £000	2015 £000
Amounts owed by group undertakings	20,502	-

##### Amounts falling due after more than one year:

Amounts owed by group undertakings	-	956
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Amounts owed by group undertakings, falling due within one year and falling due after more than one year, are interest free, unsecured and repayable on demand.

#### 10 Trade and other payables

	2016 £000	2015 £000
Amounts falling due within one year:		
Amounts owed to group undertakings	202,019	-
	202,019	-
Amounts falling due after more than one year:		
Amounts owed to group undertakings	-	174,187
Total trade and other payables	202,019	174,187

Amounts owed to group undertakings, due within one year and repayable on demand of £191,658,000 (2015: £nil) and amounts owed to group undertakings, due after more than one year, and have no fixed repayment term, of £nil (2015: £174,187,000) bear interest at 4.25% (2015: 6.75%) per annum and are unsecured.

Amounts owed to group undertakings, due within one year, of £9,931,000 (2015: £nil) are interest free, unsecured and repayable on demand.

## BOND AVIATION HOLDINGS II LIMITED

### Notes to the financial statements For the year ended 31 March 2016

#### 11 Called up share capital

	2016 £000	2015 £000
<b>Allotted and fully paid</b>		
38,388,052 ordinary shares of £1 each (2015: 38,388,052)	<b>38,388</b>	<b>38,388</b>

During the prior period the company issued 100 ordinary shares of £1 each for a total consideration of £105,663,000.

All shares rank equally in all respects.

#### 12 Related party disclosures

The Company has taken advantage of the exemptions within FRS 101 not to disclose transactions and balances with Babcock International Group PLC and its wholly owned subsidiaries, on the grounds that the Company itself is a wholly owned subsidiary of Babcock International Group PLC, for which the consolidated financial statements are publicly available.

#### 13 Subsidiary undertakings

All related undertakings for the Company are as listed below:

Company Name	Country	Description of shares	% Interest
Babcock Mission Critical Services Design and Completions Limited <i>(Formerly, Bond Helicopters Europe Limited)*</i>	United Kingdom	1,560,100 Ordinary shares	100
Babcock Mission Critical Services (Ireland) Limited <i>(Formerly, Bond Air Services (Ireland) Limited)</i>	Ireland	100,000 Ordinary shares	100
Babcock Mission Critical Services Leasing Limited <i>(Formerly, International Aviation Leasing Limited)</i>	United Kingdom	50,100 Ordinary shares	100
Babcock Malta (Number Two) Limited	Jersey	3,002 Ordinary shares	100
Babcock Mission Critical Services Offshore Limited <i>(Formerly, Bond Offshore Helicopters Limited)</i>	United Kingdom	52,632 Ordinary shares	100
Babcock Mission Critical Services Onshore Limited <i>(Formerly, Bond Air Services Limited)</i>	United Kingdom	1,666,666 Ordinary shares	100
Bond Aviation Leasing Limited	United Kingdom	1 Ordinary share	100
Bond European Aviation Leasing Limited	United Kingdom	100 Ordinary shares	100

\*Directly held.

## **BOND AVIATION HOLDINGS II LIMITED**

### **Notes to the financial statements For the year ended 31 March 2016**

#### **14 Ultimate parent undertaking**

The Company's immediate parent company is Bond Aviation Holdings Limited, a limited liability company registered in England and Wales. The Company's ultimate parent undertaking and controlling party is Babcock International Group PLC, a company registered in England and Wales. The only Group in which the results of the Company are consolidated is that headed by Babcock International Group PLC.

Copies of Babcock International Group PLC Financial Statements are available from the following address:

The Company Secretary  
Babcock International Group PLC  
33 Wigmore Street  
London  
W1U 1QX

#### **15 Transition to FRS 101**

This is the first year that the Company has presented its results under FRS 101. The last financial statements under the UK GAAP were for the period ended 31<sup>st</sup> March 2015. The date of transition to FRS 101 was 1 January 2014.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6-33 of IFRS 1, 'First time adoption of International Financial Reporting Standards'. This has no material effect on the company's equity or loss for the period. There are no further items that may affect the Company's previously reported information, as such, there are no restatements or adjustments required to the previously reported results for the 15 months to 31 March 2015.