

# **Bombardier Aerospace (Holdings) UK Limited**

## **Annual Report and Financial Statements**

For the period from incorporation to 31 December 2017

*Registered No. 10489963*



# Bombardier Aerospace (Holdings) UK Limited

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Registered No. 10489963

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# Bombardier Aerospace (Holdings) UK Limited

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Registered No. 10489963

## **DIRECTORS**

Michael Ryan (appointed 21 November 2016)  
Daniel Desjardins (appointed 21 November 2016)  
Colin Thompson (appointed 21 November 2016)

## **JOINT SECRETARIES**

Jordan Company Secretaries Limited  
Colin Thompson

## **AUDITORS**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

## **REGISTERED OFFICE**

Suite 1, 3<sup>rd</sup> Floor  
11-12 St. James's Square  
London  
SW1Y 4LB

# Bombardier Aerospace (Holdings) UK Limited

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Registered No. 10489963

## STRATEGIC REPORT

The Directors present their Strategic Report for the period from incorporation on 21 November 2016 to 31 December 2017.

### **Principal activity**

The company was incorporated on 21 November 2016 and acts as a holding company for Bombardier Inc. Group activities in the Aerospace industry in the UK.

### **Results**

As the company was non-trading in the period there is no profit and loss. The balance sheet on page 10 of the financial statements shows positive net asset position of \$419,972,000. The directors do not recommend the payment of a final dividend.

The operating transactions and cashflows of the company's subsidiary undertakings are primarily denominated in the US Dollar and consequently those companies local currency is the US Dollar. Since the financing of the company and the transactions undertaken by it are closely linked to the local currency of its subsidiary undertakings, the US Dollar is also the functional currency of the company. The US Dollar is also the company's presentation currency.

### **Principal risks and uncertainties**

The key business risk affecting the company is around the recoverability of investments. The risk is addressed by management carrying out regular reviews over the carrying value of the investments.

By order of the board



**Colin Thompson**  
**Director**

**Date: 17 August 2018**

# Bombardier Aerospace (Holdings) UK Limited

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Registered No. 10489963

## DIRECTORS' REPORT

The Directors present their report for the period ended 31 December 2017.

### **Directors of the company**

The current directors are shown on page 3. All directors were appointed on 21 November 2016 upon incorporation.

The articles of association of the company do not require the directors to retire by rotation.

### **Dividends**

The directors do not recommend the payment of a final dividend.

### **Future Developments**

The directors do not anticipate any changes in the activities of the company in the foreseeable future.

### **Going concern**

The company's business activities, together with the factors likely to affect its future development and position, are discussed in the Strategic Report.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Bombardier to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and the principal risks and uncertainties facing the company, and furthermore of the enquiries made of the directors of Bombardier Inc., the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

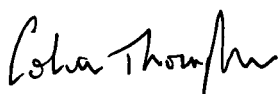
### **Auditors**

The auditors, Ernst & Young LLP, were appointed as auditors of the company in accordance with section 485 of the Companies Act 2006. A resolution to re-appoint Ernst & Young LLP as auditor of the company will be proposed at the Annual General Meeting.

### **Directors' statement as to disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board



**Colin Thompson**  
**Director**

**Date: 17 August 2018**

## DIRECTORS' RESPONSIBILITIES STATEMENTS

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

## AUDITOR'S REPORT

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOMBARDIER AEROSPACE (HOLDINGS) UK LIMITED

#### Opinion

We have audited the financial statements of Bombardier Aerospace (Holdings) UK Limited for the period ended 31 December 2017 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 5, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its result for the period 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

#### Conclusions relating to going concern

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

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

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

## AUDITOR'S REPORT

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

*Ernst & Young LLP*

Ruth Logan (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Belfast

*17th of August 2018*



# Bombardier Aerospace (Holdings) UK Limited

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Registered No. 10489963

## PROFIT AND LOSS ACCOUNT for the period ended 31 December 2017

A profit and loss account is not presented as the company has not traded in the current period.

## STATEMENT OF COMPREHENSIVE INCOME for the period ended 31 December 2017

There is no profit or other comprehensive income in the period.

# Bombardier Aerospace (Holdings) UK Limited

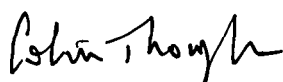
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Registered No. 10489963

## BALANCE SHEET as at 31 December 2017

		2017 \$
	<i>Note</i>	
<b>FIXED ASSETS</b>		
Investments	3	419,972,000
		<hr/>
<b>NET ASSETS</b>		419,972,000
		<hr/>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	4	6
Share premium account		419,971,994
		<hr/>
<b>TOTAL EQUITY</b>		419,972,000
		<hr/>

The financial statements were approved and authorised for issue by the board on 17 August 2018 and were signed on its behalf by:



**Colin Thompson**  
**Director**

# Bombardier Aerospace (Holdings) UK Limited

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Registered No.10489963

## STATEMENT OF CHANGES IN EQUITY for the period ended 31 December 2017

	<i>Share capital</i>	<i>Premium account</i>	<i>Total</i>
<b>At Incorporation</b>	2	-	2
	<hr/>	<hr/>	<hr/>
Shares issued	4	419,971,994	419,971,998
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2017</b>	6	419,971,994	419,972,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Bombardier Aerospace (Holdings) UK Limited

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## NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2017

### 1. ACCOUNTING POLICIES

#### Corporate information

The financial statements of the company for the period ended 31 December 2017 were authorised for issue on 17 August 2018. Bombardier Aerospace (Holdings) UK Limited is a private company limited by shares incorporated and domiciled in the United Kingdom. The registered office of the company is Suite 1, 3<sup>rd</sup> Floor, 11-12 St. James's Square, London, SW1Y 4LB. The principal activities of the company are described on page 4.

The company's immediate parent undertaking and ultimate parent undertaking and controlling party is Bombardier Inc. The company's ultimate parent undertaking and controlling party Bombardier Inc., a company incorporated in Canada, is the parent company of the largest and smallest group for which consolidated financial statements are prepared that include the company and its subsidiaries. Copies of the consolidated financial statements of Bombardier Inc., which include the company, can be obtained from Bombardier Inc., 29<sup>th</sup> Floor, 800 Rene-Levesque Blvd. West, Montreal, Quebec, Canada, H3B 1Y8.

#### Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and in accordance with applicable accounting standards.

A summary of the disclosure exemptions adopted are presented below. Equivalent disclosures for financial instruments are included in the group consolidated financial statements allowing the exemptions to be applied.

<i>Area</i>	<i>Disclosure exemption</i>
Cash flow statement	Complete exemption from preparing a cash flow statement.
IFRSs issued but not effective	Disclosure regarding the impact of standards issued but not effective is exempt.
Financial instrument disclosures	Exemption from disclosure requirements of IFRS 7 Financial Instruments and IFRS 13 Fair Value Measurement.
Related party disclosures	Exemption from disclosure requirements of IAS 24 Related Party Disclosures. Transactions entered into between two or more members of a group, provided that any subsidiary which is party to a transaction is wholly owned by such a member. Exemption from disclosure of key management personnel compensation.
Comparative information	Exemption from comparatives for movements on share capital.
Presentation of financial statements	Exemption from statement of compliance with IFRS, cash flow information, capital management policy.

The financial statements have been prepared on a historical cost basis.

The operating transactions and cashflows of the company's subsidiary undertakings are primarily denominated in the US Dollar and consequently those companies functional currency is the US Dollar. Since the financing of the company and the transactions undertaken by it are closely linked to the functional currency of its subsidiary undertakings, the US Dollar is also the functional currency of the company. The US Dollar is also the company's presentation currency. The financial statements are presented in US Dollars and all values are rounded to the nearest dollar except when otherwise indicated.

The company is not required to prepare group financial statements under Section 401 of the Companies Act 2006 as it is a wholly owned subsidiary of Bombardier Inc., a company registered in Canada and it is included in that company's consolidated financial statements. The financial statements therefore present information about the company as an individual undertaking and not about its group.

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2017

### 1. ACCOUNTING POLICIES (continued)

#### **Going concern**

The company's business activities, together with the factors likely to affect its future development and position, are discussed in the Strategic Report.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Bombardier to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and the principal risks and uncertainties facing the company, and furthermore of the enquiries made of the directors of Bombardier Inc., the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Changes in accounting policies and disclosures**

There are no other changes to IFRS effective during the period which have a material impact for the company.

#### **Investments**

Investments in subsidiaries and associates are accounted for at cost less any applicable provision for impairment.

The company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the company makes an estimate of the recoverable amount. If the recoverable amount of each investment is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

#### **Significant accounting judgements, estimates and assumptions**

The preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

##### *a) Judgments*

In the process of applying the company's accounting policies, management considers it made no judgments which would have a significant effect on the amounts recognised in the financial statements.

##### *b) Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

##### *i) Impairment of investments*

Determining whether the company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying values of investments are reviewed for impairment on an annual basis or when events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2017

**2. DIRECTORS REMUNERATION, EMPLOYEES AND AUDITORS REMUNERATION**

No remuneration was paid to the directors of the Company during the period in respect of qualifying services.

The average number of employees, including directors, employed by the company during the period was 3.

Auditors' remuneration in the current period has been borne by other related parties.

**3. INVESTMENTS**

	<i>Total</i> \$
<b>Cost and Net Investment:</b>	
At incorporation	-
Additions	419,972,000
At 31 December 2017	<u>419,972,000</u>

During the period the company acquired investments in other Group undertakings, as a result of a corporate reorganisation in the Aerospace Group.

On 7 March 2017, the Company acquired the entire share capital in BA South Africa Service (Pty) Ltd. And Bombardier Aerospace Australia PTY Limited for \$83,000 and \$250,000 respectively. On 29 November 2017, the Company acquired the entire share capital of Bombardier Aerospace U.K. Limited for \$419,639,000.

A description of the key assumptions used by the company during the impairment testing are included in Note 1 Accounting policies, 'Significant accounting judgments, estimates and assumptions'. The company uses the hierarchy as set out in IFRS 13 'Fair Value Measurement' for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value measurement of the investments is categorised within Level 3 of the fair value hierarchy.

# Bombardier Aerospace (Holdings) UK Limited

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2017

### 3. INVESTMENTS (CONTINUED)

Details of the investments in which the company or its subsidiary undertakings hold more than 10% of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Country of registration (or incorporation) and operation</i>	<i>Address of registered office</i>	<i>Proportion of shares held</i>	<i>Nature of business</i>
<b><i>Subsidiary undertakings</i></b>				
BA South Africa Service (Pty) Ltd.	South Africa	Lanseria International Airport, Entrance 1, Gauteng 1734, South Africa	100%	Aircraft maintenance and repair
Bombardier Aerospace U.K. Limited	United Kingdom	11-12 St. James's Square, London, SW1Y4LB	100%	Non trading company
Bombardier Aerospace Australia PTY Limited	Australia	Suite 7.13 247 Coward Street, Mascot, NSW 2020, Australia	100%	Aftermarket sales
Short Brothers PLC *	Northern Ireland	Airport Road, Belfast, BT3 9DZ	100%	Design and manufacture of aircraft components
Bombardier Services * (UK) Limited	Great Britain	Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB	100%	Aircraft maintenance and repair
Bombardier Aerospace * Italy S.R.L.	Italy	Foro Buonaparte, 70, 20121 Milano (MI)	100%	Aircraft maintenance and repair
Bombardier Aerospace * France S.A.S.	France	52 Rue de la Victoire, 75009 Paris	100%	Aircraft maintenance and repair

# Bombardier Aerospace (Holdings) UK Limited

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2017

### 3. INVESTMENTS (CONTINUED)

<i>Name of company</i>	<i>Country of registration (or incorporation) and operation</i>	<i>Address of registered office</i>	<i>Proportion of shares held</i>	<i>Nature of business</i>
<b><i>Subsidiary undertakings</i></b>				
Bombardier Aerospace * Spain S.L.U.	Spain	CL Barrio de Trapaga, S/N 48510, Trapagaran, Vizcaya	100%	Customer support activites
Bombardier Aerospace * Netherlands B.V.	Netherlands	Herengracht 540, 1017 CG Amsterdam	100%	Non trading company
Bombardier Aerospace * Management Germany GmbH	Germany	Hans-Böckler-Straße 9, 64521 Groß-Gerau	100%	Holding company
Bombardier Aerospace * Mexico S.A de C.V.	Mexico	Calle Retorno El Marques #4-F, Lotes 7 y 8 Manzana V, Parque Industrial El Marqués, Querétaro, 76246	100%	Manufacture of aircraft components
Bombardier Aerospace * India Private Limited	India	E-20, 1st & 2nd Floor, Hauz Khas Main Market, New Delhi, 110 016	100%	Engineering and other intra-group services

The subsidiary and associate undertakings listed above have share capital consisting solely of ordinary shares, which are held directly by the company unless indicated below:

\* Held by subsidiary undertaking Bombardier Aerospace U.K. Limited



# Bombardier Aerospace (Holdings) UK Limited

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## NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2017

### 4. SHARE CAPITAL AND RESERVES

#### *Share capital*

	2017
	\$
<i>Allotted, called up and fully paid:</i>	
5 ordinary shares of \$1.24 each	6

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The company's share capital is denominated in US dollar, the functional and presentation currency.

On incorporation, 21 November 2016, two ordinary shares were issued with a nominal value of £1. On the 28 November 2018 the ordinary share capital was redenominated into US dollars at a rate of \$1.24.

On 7 March 2017 one ordinary share was issued at a nominal value of \$1.24 for a consideration of \$250,000; resulting in share premium of \$249,999.

On 7 March 2017 one ordinary share was issued at a nominal value of \$1.24 for a consideration of \$83,000; resulting in share premium of \$82,999.

On 29 November 2017 one ordinary share was issued at a nominal value of \$1.24 for a consideration of £419,639,000 resulting in share premium of \$419,638,999.

#### *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### *Share premium account*

The share premium account represents the aggregate value of the premiums on shares issued.

#### *Retained earnings*

Retained earnings contain accumulated profits and share based payment transactions incurred as at the reporting date, net of tax

### 5. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking and ultimate parent undertaking and controlling party is Bombardier Inc. The company's ultimate parent undertaking and controlling party Bombardier Inc., a company incorporated in Canada, is the parent company of the largest and smallest group for which consolidated financial statements are prepared that include the company and its subsidiaries. Copies of the consolidated financial statements of Bombardier Inc., which include the company, can be obtained from Bombardier Inc., 29<sup>th</sup> Floor, 800 Rene-Levesque Blvd. West, Montreal, Quebec, Canada, H3B 1Y8.