

**Bombardier Aerospace (Holdings)  
UK Limited**

Annual Report and Financial Statements

Year Ended

31 December 2021

Company Number 10489963

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# Bombardier Aerospace (Holdings) UK Limited

## Company Information

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<b>Directors</b>	Christopher Davey Pierre Tremblay Marc Walker
<b>Company secretary</b>	Vistra Company Secretaries Limited
<b>Registered number</b>	10489963
<b>Registered office</b>	Suite 1 3rd Floor 11-12 St. James's Square London SW1Y 4LB
<b>Independent auditor</b>	Ernst & Young LLP Bedford House Bedford Street Belfast BT2 7DT
<b>Accountants</b>	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

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

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

## **Strategic Report For the Year Ended 31 December 2021**

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The Directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2021.

### **Principal activity**

The Company acts as a holding company for Bombardier Inc. Group activities in the Aerospace industry outside North America.

### **Business review**

The Company's Statement of Comprehensive Income on page 11 of the financial statements shows a loss for the financial year, after taxation, of \$85,241,854 (2020 - loss of \$419,639,000). The balance sheet on page 12 of the financial statements shows net asset position of \$234,594,853 (2020 - \$333,000). The losses in 2021 and 2020 are mainly due to the impairment recognised on investments.

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

### **Principal risks and uncertainties**

The key business risks affecting the Company is around the recoverability of investments and the impact of Coronavirus.

#### **Investment recoverability risk**

The Company holds the investments for several Bombardier Aerospace subsidiary entities. There is a risk around the recoverability of these investments. This risk is addressed by management carrying out regular reviews over the carrying value of the investments.

#### **Ukraine-Russia military conflict**

On 24 February 2022, Russia launched a military invasion of Ukraine. The ongoing military conflict between Ukraine and Russia has provoked strong reactions from Canada, the U.S., the U.K., Europe and various other countries around the world, including the imposition of broad financial and economic sanctions and export control limitations against Russia and against certain persons and entities (collectively, "Sanctions and Export Control Limitations").

As a result of the foregoing, the Company is abiding by all Sanctions and Export Control Limitations. When such Sanctions and Export Control Limitations may be eased or lifted is not known at this time. As of the date of this report, the Company has not been materially adversely impacted by the Ukraine-Russia military conflict and the Sanctions and Export Control Limitations; however, the Company is continuously monitoring developments to assess any potential future impact that may arise.

# Bombardier Aerospace (Holdings) UK Limited

## Strategic Report (continued) For the Year Ended 31 December 2021

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### Streamlined energy and carbon report (SECR)

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 7, paragraph 15 require certain disclosures regarding greenhouse gas emissions ("GHGe"). We have taken steps to improve the future accuracy of our annual reporting of GHGe and to meet the legal reporting requirements that apply to our operations. However, it is not practical for us to make these disclosures at this time, because the information we have is not complete, and additional work needs to be performed to confirm its accuracy.

The Company consumed 40,000 kWh of energy or less in the United Kingdom during the year ended 31 December 2021, therefore the disclosures required by The Large and Medium sized Companies and Group (Accounts and Report) Regulations 2008, Schedule 7, paragraph 15 regarding greenhouse gas emissions ("GHGe") are not required.

### Section 172 (1) (a) to (f) and Stakeholder Engagement

The Companies (Miscellaneous) Reporting Regulations 2018 (the 'Regulations') aim to extend sustainable and responsible governance practice beyond listed companies to private limited companies. As a result, the Directors of Bombardier Aerospace (Holdings) UK Limited are required to report how the Directors of the Company have considered their duties under section 172 (1) of the Companies Act 2006 when discharging their duty under that section, during the financial year ended 31 December 2021.

The Directors have acted in a way that they considered, in good faith, to be the most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have regard to (amongst others matters):

- a) the likely consequence of any decision in the long-term;
- b) the interest of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the Company.

Engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. By understanding our stakeholders, the board factors into boardroom discussions the potential impact of our decisions on each stakeholder group and considers their broad range of interests.

#### *Bombardier Inc*

Bombardier Inc, the Company's parent and shareholder is a key stakeholder of our business. Bombardier Inc is a global leader in the transportation industry, creating innovative and game-changing planes. The Company is held within Bombardier and supports key investment, bids and strategic decisions. The Company engages with Bombardier on a regular basis through support of their governance processes. Bombardier provides the Company with head office functions such as financial consolidation, legal, pension, treasury and insurance services. In addition, Bombardier is the primary source of funding for the Company's operational needs. This requires the Company to provide regular cash and currency forecasts of inflows and outflows.

#### *Employees*

As a holding company for Bombardier Inc, the Company has no direct employees. The subsidiaries in which it holds investments in, do have employees, as does the parent company, Bombardier Inc. Ensuring the health, safety and wellbeing of these employees, is a core value, with the aim to provide a zero-harm working environment where risks to health and safety are assessed and controlled.

# Bombardier Aerospace (Holdings) UK Limited

Strategic Report (continued)  
For the Year Ended 31 December 2021

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## Section 172 (1) (a) to (f) and Stakeholder Engagement (continued)

### *Business Relationships*

Fostering business relationships with key stakeholders such as customers and suppliers of the Company's subsidiary entities, along with our parent company, is vital to our Group's success. Our principal decisions are carried out using high standards of business conduct and are made solely with our stakeholders in mind.

### *Stakeholders*

The stakeholders of the Company are Bombardier Inc, as the ultimate parent company, as well as the various Bombardier group subsidiary companies in which the Company holds investments. Relevant stakeholder interests are taken into account by the Board when it takes decisions. These interests relate to the financing decisions of the Group and how funding is passed down to the ultimate subsidiary companies through this holding company.

### *Principal Decisions*

On 22 June 2021, the Company issued one ordinary share of \$1.24 with a premium of an amount equal to the proposed subscription of \$313 million.

On 9 November 2021, the Company issued one ordinary share of \$1.24 with a premium of an amount equal to the proposed subscription of \$7 million. In addition, the Company made a capital contribution of \$7 million to Bombardier Aerospace U.K. Limited.

This report was approved by the board on November 17, 2022

and signed on its behalf.



**Pierre Tremblay**  
Director



**Marc Walker**  
Director

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

## **Directors' Report For the Year Ended 31 December 2021**

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The Directors present their report and the financial statements for the year ended 31 December 2021.

### **Results and dividends**

The Directors do not recommend the payment of a final dividend (2020 - \$Nil).

### **Directors**

The Directors who served during the year were:

Christopher Davey  
Pierre Tremblay  
Marc Walker

### **Future developments**

The Directors do not anticipate any changes in the activities of the Company in the foreseeable future.

### **Going concern**

At 31 December 2021, the Company has net current liabilities of \$475,913 (2020: \$475,913). Given the nature of its activities the Company is reliant on the continuance of operations and the provision of financial support by Bombardier Inc. Bombardier Inc. has confirmed its intention to continue to provide financial support to the Company for a period from approval of the Company's financial statements to 31 December 2023. The Directors have made enquires of management of Bombardier Inc. regarding its ability to continue its operations and provide financial support for the period from the approval of the Company's financial statements to 31 December 2023. Having assessed the responses from management of Bombardier Inc, the Directors are satisfied that Bombardier Inc. and the wider Bombardier Group have sufficient cash and liquidity to operate within their facilities and meet their obligations as they fall due, to provide financial support to the Company and to continue in existence until 31 December 2023. Consequently, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

### **Financial instruments**

As the Company operates as a holding company, the Company is not exposed to significant price risk, credit risk, liquidity risk or cash flow risk and as such there is no requirement for financial risk management objectives and policies. These are considered by each of the Company's subsidiary undertakings and by the ultimate parent undertaking of the wider Bombardier Group, Bombardier Inc.

The disclosures of financial instrument risks and policies have been included in the Strategic Report in accordance with 414 C (11) of the Companies Act 2016 as the directors consider that this information is of strategic importance.

### **Engagement with customer, suppliers and others**

As a holding company, the Company does not have any direct suppliers and customers and information to how the Company engages with its key stakeholder is provided in the Section 172 statement in the Strategic Report.

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

The Company has indemnity provisions in place for the directors during the year at the date of approval of the Directors' Report.

# Bombardier Aerospace (Holdings) UK Limited

## Directors' Report (continued) For the Year Ended 31 December 2021

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### Independent auditor

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

### Directors' statement as to disclosure of information to the auditor

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 Company'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.

This report was approved by the board on November 17, 2022

and signed on its behalf.



**Pierre Tremblay**  
Director



**Marc Walker**  
Director



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

## **Directors' Responsibilities Statement For the Year Ended 31 December 2021**

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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 elected to prepare 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'. 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;
- present information including accounting policies in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures where compliance with the specific requirements of FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 101, 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 to 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.

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

## **Independent Auditor's Report to the Members of Bombardier Aerospace (Holdings) UK Limited**

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### **Opinion**

We have audited the financial statements of Bombardier Aerospace (Holdings) UK Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes 1 to 13, 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 2021 and of its result 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.

### **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. 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**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 31 December 2023.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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

## **Independent Auditor's Report to the Members of Bombardier Aerospace (Holdings) UK Limited (continued)**

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### **Other information**

The other information comprises the information included in the Directors' Report and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the 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 financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Opinions on other matters prescribed by 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 year 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 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;

# Bombardier Aerospace (Holdings) UK Limited

## Independent Auditor's Report to the Members of Bombardier Aerospace (Holdings) UK Limited (continued)

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### Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities 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.

#### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, data protection, anti-bribery and corruption.
- We understood how Bombardier Aerospace (Holdings) U.K. Limited is complying with those frameworks by making enquiries of senior management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through a review of the following documentation and performance of the following procedures;
  - Obtaining an understanding of entity-level controls and considering the influence of the control environment;
  - Obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with these policies is monitored and enforced;
  - Obtaining an understanding of management's processes for identifying and responding to fraud risks, including programs and controls established to address such risks identified, or otherwise prevent, deter and detect fraud, and how senior management monitors those controls; and
  - Review of board meeting minutes in the year and to the signing date.

# Bombardier Aerospace (Holdings) UK Limited

## Independent Auditor's Report to the Members of Bombardier Aerospace (Holdings) UK Limited (continued)

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### Auditor's responsibilities for the audit of the financial statements (continued)

*Explanations as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)*

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing journal entries with a focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; reviewing accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance and read the minutes of directors' meetings to identify any non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on 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.



Michael Kidd (Senior Statutory Auditor)  
For and on behalf of Ernst & Young, Statutory Auditor  
Belfast

Date: 21 November 2022

# Bombardier Aerospace (Holdings) UK Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Impairment of fixed asset investments	9	(85,241,854)	(419,639,000)
<b>Loss before tax</b>	8	<b>(85,241,854)</b>	<b>(419,639,000)</b>
Tax on loss		-	-
<b>Loss for the financial year</b>		<b>(85,241,854)</b>	<b>(419,639,000)</b>

There was no other comprehensive income for 2021 (2020 - \$Nil).

The notes on pages 14 to 21 form part of these financial statements.

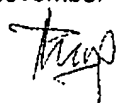
# Bombardier Aerospace (Holdings) UK Limited

Registered number:10489963

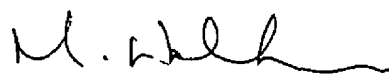
## Balance Sheet As at 31 December 2021

	Note	2021 \$	2021 \$	2020 \$	2020 \$
<b>Fixed assets</b>					
Investments	9		235,070,766		808,913
Creditors: amounts falling due within one year	10	(475,913)		(475,913)	
<b>Net current liabilities</b>			<b>(475,913)</b>		<b>(475,913)</b>
<b>Net assets</b>			<b>234,594,853</b>		<b>333,000</b>
<b>Capital and reserves</b>					
Called up share capital	11		9		6
Share premium account	12		739,475,698		419,971,994
Profit and loss account	12		(504,880,854)		(419,639,000)
			<b>234,594,853</b>		<b>333,000</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on November 17, 2022



**Pierre Tremblay**  
Director



**Marc Walker**  
Director

The notes on pages 14 to 21 form part of these financial statements.

# Bombardier Aerospace (Holdings) UK Limited

## Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2021	6	419,971,994	(419,639,000)	333,000
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(85,241,854)	(85,241,854)
Shares issued during the year (note 11)	3	319,503,704	-	319,503,707
<b>At 31 December 2021</b>	<b>9</b>	<b>739,475,698</b>	<b>(504,880,854)</b>	<b>234,594,853</b>

## Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2020	6	419,971,994	-	419,972,000
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(419,639,000)	(419,639,000)
<b>At 31 December 2020</b>	<b>6</b>	<b>419,971,994</b>	<b>(419,639,000)</b>	<b>333,000</b>

The notes on pages 14 to 21 form part of these financial statements.



# Bombardier Aerospace (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 1. General information

Bombardier Aerospace (Holdings) UK Limited is a private company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is given on the Company Information page and the nature of the Company's principal activities are given in the Strategic Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company's operating transactions and cash flows are primarily denominated in US Dollars, consequently both the Company's functional currency and presentational currency is US Dollars. The financial statements are presented in US Dollars and all values are rounded to the nearest Dollar except when otherwise indicated.

The following principal accounting policies have been applied:

#### 2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

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 financial statements. The financial statements therefore present information about the Company as an individual undertaking and not about its group. The Bombardier Inc. consolidated financial statements are available on SEDAR at [sedar.com](http://sedar.com) or on Bombardier's dedicated investor relations website at [ir.bombardier.com](http://ir.bombardier.com).

# Bombardier Aerospace (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.3 New standards, interpretations and amendments effective from 1 January 2021

*Interest rate benchmark reform - IBOR "Phase 2" (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)*

These amendments to various IFRS standards are mandatory effective for reporting periods beginning on or after 1 January 2021. The amendments provide relief to the Company in respect of certain loans whose contractual terms are affected by interest benchmark reform.

These amendments have had no impact on the financial statements for the year ended 31 December 2021 as the Company does not hold any of these loans.

#### 2.4 Going concern

At 31 December 2021, the Company has net current liabilities of \$475,913 (2020: \$475,913). Given the nature of its activities the Company is reliant on the continuance of operations and the provision of financial support by Bombardier Inc. Bombardier Inc. has confirmed its intention to continue to provide financial support to the Company for a period from approval of the Company's financial statements to 31 December 2023. The Directors have made enquires of management of Bombardier Inc. regarding its ability to continue its operations and provide financial support for the period from the approval of the Company's financial statements to 31 December 2023. Having assessed the responses from management of Bombardier Inc, the Directors are satisfied that Bombardier Inc. and the wider Bombardier Group have sufficient cash and liquidity to operate within their facilities and meet their obligations as they fall due, to provide financial support to the Company and to continue in existence until 31 December 2023. Consequently, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

#### 2.5 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 Statement of Comprehensive Income.

#### 2.6 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

# Bombardier Aerospace (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.7 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

#### Financial liabilities

##### Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

##### At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Company's investment in subsidiaries. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

The Directors are of the opinion that there have been no key sources of estimation uncertainty.

# Bombardier Aerospace (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 4. Operating loss

The operating loss is stated after charging:

	2021	2020
	\$	\$
Impairment of fixed asset investments	85,241,854	419,639,000

### 5. Auditor's remuneration

Auditor's remuneration in the current year and prior period has been borne by other related parties.

### 6. Employees

The average monthly number of employees, including the Directors, during the year was as follows:

	2021	2020
	No.	No.
Directors	3	3

### 7. Directors' remuneration

No remuneration was paid to the Directors of the Company during the year in respect of qualifying services (2020 - \$Nil).

### 8. Taxation

	2021	2020
	\$	\$
Total current tax	-	-
Taxation on loss on ordinary activities	-	-

# Bombardier Aerospace (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 8. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 \$	2020 \$
Loss on ordinary activities before tax	(85,241,854)	(419,639,000)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(16,195,952)	(79,731,410)
Effects of:		
Adjustable items for tax purposes	16,195,952	79,731,410
Total tax charge for the year	-	-

#### Factors that may affect future tax charges

A change in the main UK corporation tax rate, announced in the Spring Budget 2021, was substantively enacted on 24 May 2021. From 1 April 2023 the main corporation tax rate will increase from 19% to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Where the Company's profits fall between £50,000 and £250,000, the lower and upper limited, it will be able to claim an amount of marginal relief providing a gradual increase in the corporation tax rate. This will increase the rate at which any future tax is recognised.

# Bombardier Aerospace (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 9. Fixed asset investments

	Investments in subsidiary companies \$
<b>Cost</b>	
At 1 January 2021	420,447,913
Additions	319,503,707
At 31 December 2021	<u>739,951,620</u>
<b>Provision for impairment</b>	
At 1 January 2021	419,639,000
Impairment charge	85,241,854
At 31 December 2021	<u>504,880,854</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>235,070,766</u></u>
At 31 December 2020	<u><u>808,913</u></u>

In June 2021 and in November 2021 there were additions to the Bombardier Aerospace U.K. Limited investment of \$312,563,806 and \$6,939,901, respectively, for a total of \$319,503,707.

A description of the key assumptions used by the Company during the impairment testing are included in note 3.

In accordance with IAS 36, the directors are required to assess whether there is any indication that the investments in subsidiary companies may be impaired. The economic performance of the Company's subsidiaries gave rise to such an impairment in the prior year and the recoverable amounts of these investments were determined. This resulted in an impairment loss of \$85,241,854 in the year. In the prior year there was an impairment loss of \$419,639,000 being recognised in respect of the carrying value of the investment in Bombardier Aerospace U.K. Limited.

The resultant fair value determined is considered to fall within level 3 of the fair value hierarchy as set out in IFRS 13 - Fair Value Measurement.

# Bombardier Aerospace (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 9. Fixed asset investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
BA South Africa Service (Pty) Ltd.	Lanseria International Airport, Entrance 1, Gauteng 1734, South Africa	Ordinary	100%
Bombardier Aerospace U.K. Limited	11-12 St. James's Square, London, SW1Y 4LB, England	Ordinary	100%
Bombardier Aerospace Australia PTY Limited	Suite 7.13 247 Coward Street, Mascot, NSW 2020, Australia	Ordinary	100%
Bombardier Services (UK) Limited *	Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB, England	Ordinary	100%
Bombardier Aerospace Italy S.R.L *	Foro Buonaparte, 70, 20121 Milano (MI), Italy	Ordinary	100%
Bombardier Aerospace Austria GmbH *	Teinfaltstraße 8 1010 Vienna, Austria	Ordinary	100%
Bombardier Morocco Manufacturing Services S.A.R.L.A.U. *	Zone Aéroport Nouaceur, Casablanca, 27000, Morocco	Ordinary	100%
Bombardier Aerospace France S.A.S. *	52 Rue de la Victoire, 75009 Paris, France	Ordinary	100%
Bombardier Aerospace Spain S.L.U. *	CL Barrio de Trapaga, S/N 48510, Trapagaran, Vizcaya, Spain	Ordinary	100%
Bombardier Aerospace Netherlands B.V. *	Herengracht 540, 1017 CG Amsterdam, Netherlands	Ordinary	100%
Bombardier Aerospace Management Germany GmbH *	Hans-Böckler-Straße 9, 64521 Groß-Gerau, Germany	Ordinary	100%
Bombardier Aerospace Mexico S.A de C.V. *	Calle Retorno El Marques #4-F, Lotes 7 y 8 Manzana V, Parque Industrial El Marqués, Querétaro, 76246, Mexico	Ordinary	100%
Bombardier Aerospace India Private Limited *	E-20, 1st & 2nd Floor, Hauz Khas Main Market, New Delhi, 110 016, India	Ordinary	100%
Bombardier Aviation Services Berlin GmbH (formerly Lufthansa Bombardier Aviation Services GmbH) *	Elly-Beinhorn-Ring 4, Building Y012, 12529 Schoenefeld, Germany	Ordinary	100%
Bombardier Aerospace (Dubai) BWC-LLC*	W/H:05, 07, Aviation District, Dubai World Central, Dubai UAE	Ordinary	100%
Bombardier Aerospace Switzerland SARL*	Chemin des Papillons 4, Contrin, Genève 1216 Switzerland	Ordinary	100%
Bombardier Aerospace Marketing Russia LLC	Denisovskiy Pereulok, 26, Moscow, 105005, Russian Federation, Russia	Ordinary	70%
Bombardier Aerospace Services Russia LLC	Denisovskiy Pereulok, 26, Moscow, 105005, Russian Federation, Russia	Ordinary	70%

# Bombardier Aerospace (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 9. Fixed asset investments (continued)

#### Subsidiary undertakings (continued)

The subsidiaries and associate undertakings listed above are held directly by the Company unless indicated below:

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

### 10. Creditors: amounts falling due within one year

	2021 \$	2020 \$
Amounts owed to group undertakings	<u>475,913</u>	<u>475,913</u>

### 11. Share capital

	2021 \$	2020 \$
<b>Allotted, called up and fully paid</b>		
7 (2020 - 5) Ordinary shares of \$1.24 each	<u>9</u>	<u>6</u>

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

Ordinary shares are classified as equity.

On 22 June 2021, 1 ordinary share was issued for a total consideration of \$312,563,807. The share premium of \$312,563,805 has been credited to the share premium account.

On 9 November 2021, 1 ordinary share was issued for a total consideration of \$6,939,900. The share premium of \$6,938,899 has been credited to the share premium account.

### 12. Reserves

#### Share premium account

The share premium account represents the aggregate value of the premiums on shares issued, net of incremental costs directly attributable to the issue of new ordinary shares.

### 13. Ultimate controlling party

The Company's immediate parent undertaking and ultimate parent undertaking and controlling party is Bombardier Inc. 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 on Bombardier's web site at: <https://bombardier.com/en/investors/financial-reports>.