

Registration number: 10939557

# LCIH Hobart Eight Limited

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Directors' Report and Financial Statements  
for the period from 31 August 2017 to 31 December 2018



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## **Company Information**

**Directors**

J. Jandu  
C. Maunder

**Registered office**

13-14 Hobart Place  
London  
SW1W 0HH

**Company registration  
number**

10939557

**Auditors**

BDO LLP  
150 Aldersgate Street  
London  
EC1A 4AB

## **Strategic Report for the period from 31 August 2017 to 31 December 2018**

The directors of LCIH Hobart Eight Limited (the "Company") present their Strategic Report for the period from 31 August 2017 to 31 December 2018.

### **Principal activity**

The Company is part of a group engaged in the leasing of helicopters.

### **Review of business and future prospects**

The Company considers the following key indicators in assessing its performance:

	<b>31 Aug 2017</b>
	<b>31 Dec</b>
	<b>2018</b>
	<b>US\$ 000</b>
EBITDA*	(3)
Operating loss	(3)
Loss before taxation	(3)

\*EBITDA is defined as profit before interest, tax, depreciation, impairment and amortisation and is broadly reflective of the Company's ability to generate positive cash flows from its operations.

The directors are satisfied with the performance of the Company based on these key indicators and have reviewed the adequacy of the Company's funding, borrowing facilities and cash flow forecasts for the next 12 months and have thus prepared the Company's financial statements on a going concern basis.

The directors expect the business to continue as is for the foreseeable future. The Company is also backed by large shareholders who are intent on supporting it as required.

The directors of the Company are committed to proactively managing its cost base by identifying key drivers and ensuring that all departments adhere to budgets and the relevant controls put in place by management. The directors expect the cost base to remain constant over the next couple of years.

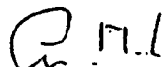
### **Principal risks and uncertainties**

The board of directors is responsible for setting policies and objectives for the Company which include procedures and controls designed to manage financial risk arising from the Company's operations. The principal risks and uncertainties inherent in the Company's operations comprise of credit risk.

Approved by the Board on 5 July 2019 and signed on its behalf by:



.....  
J. Jandu  
Director



.....  
C. Maunder  
Director

## **Directors' Report**

The directors present their report and the financial statements of the Company for the financial period from 31 August 2017 to 31 December 2018.

Please refer to the Company Information on page 1 for the names of the directors and to the Strategic Report on page 2 for the activities and business review of the Company and a discussion on risks and uncertainties. Please refer to note 8 of the financial statements for disclosure of the financial risks.

### **Results and dividends**

The Company's loss for the year ended 31 December 2018 amounted to US\$3,000. The directors do not recommend the payment of a dividend.

### **Disclosure of information to the auditor**

Each of the persons who are directors at the time when this report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Approved by the Board on 5 July 2019 and signed on its behalf by:



.....  
J. Jandu  
Director



.....  
C. Maunder  
Director

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the European Union 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.

## **Independent Auditor's Report to the Members of LCIH Hobart Eight Limited**

### **Opinion**

We have audited the financial statements of LCIH Hobart Eight Limited (the 'Company') for the period from 31 August 2017 to 31 December 2018, which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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**

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

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent Auditor's Report to the Members of LCIH Hobart Eight Limited**

### **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 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 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.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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: [www.frc.org.uk/auditorsresponsibilities](http://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.



**Independent Auditor's Report to the Members of LCIH Hobart Eight Limited**

**BDO LLP**

.....  
Daniel Henwood (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor

150 Aldersgate Street  
London  
EC1A 4AB

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

5 July 2019

**Statement of Comprehensive Income**  
**for the period from 31 August 2017 to 31 December 2018**

	<b>Note</b>	<b>31 Aug 2017 31 Dec 2018 US\$ 000</b>
Revenue	3.2	-
Administrative expenses		(3)
Operating loss	4	(3)
Loss before tax		(3)
Taxation	5	-
Loss for the period		(3)
<b>Total comprehensive loss for the period</b>		<b>(3)</b>

The notes on pages 12 to 18 form an integral part of these financial statements.

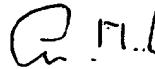
**Balance Sheet**  
**as at 31 December 2018**

	Note	As at 2018 US\$ 000
<b>ASSETS</b>		
<b>Current assets</b>		
Trade and other receivables	6	1
<b>Total assets</b>		<b>1</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables	7	3
<b>Equity</b>		
Share capital	9	1
Retained earnings		(3)
<b>Total equity</b>		<b>(2)</b>
<b>Total equity and liabilities</b>		<b>1</b>

Approved by the Board on 5 July 2019 and signed on its behalf by:



.....  
J. Jandu  
Director



.....  
C. Maunder  
Director

**Statement of Changes in Equity**  
**for the period from 31 August 2017 to 31 December 2018**

	<b>Share capital</b> <b>US\$ 000</b>	<b>Retained</b> <b>earnings</b> <b>US\$ 000</b>	<b>Total</b> <b>US\$ 000</b>
Total comprehensive loss for the period	-	(3)	(3)
New share capital subscribed	1	-	1
<b>At 31 December 2018</b>	<b>1</b>	<b>(3)</b>	<b>(2)</b>

The notes on pages 12 to 18 form an integral part of these financial statements.

**Statement of Cash Flows**  
**for the period from 31 August 2017 to 31 December 2018**

	31 Aug 2017 31 Dec 2018 US\$ 000
<b>Cash flows from operating activities</b>	
Loss for the period before taxation	(3)
<i>Working capital adjustments</i>	
Increase in trade and other payables	3
Net cash flow from operating activities	-
Net increase/(decrease) in cash and cash equivalents	-
Cash and cash equivalents at 31 August	-
<b>Cash and cash equivalents at 31 December</b>	<b>-</b>

The Company does not hold a bank account and therefore no cash flows directly through the Company. The cash flows shown above reflect the substance of the Company's activity during the year.

Transactions of the Company are settled through balances with the immediate parent company.

**Notes to the Financial Statements  
for the Period from 31 August 2017 to 31 December 2018**

**1 General information**

LCIH Hobart Eight Limited (the "Company") is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is: 13-14 Hobart Place, London, SW1W 0HH, United Kingdom.

**1.1 Preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and as applied in accordance with the provisions of the Companies Act 2006.

**2 Recent accounting pronouncements**

**2.1 Standards and interpretations issued but not yet effective**

A number of new standards and amendments to existing standards have been published which are mandatory, but are not effective for the period ended 31 December 2018. The directors do not anticipate that the adoption of these revised standards and interpretations will have a significant impact on the figures included in the financial statements in the period of initial application other than the following:

**IFRS 16 Leases**

The standard makes substantial changes to the recognition and measurement of leases by lessees. On adoption of the standard, lessees, with certain exceptions for short term or low value leases, will be required to recognise all leased assets on their balance sheet as 'right-of-use assets' with a corresponding lease liability. The requirements for lessors are substantially unchanged.

On application of the standard, the disclosures are likely to increase for both lessors and lessees. The standard includes principles on disclosing the nature, amount, timing and variability of lease payments and cash flows by providing qualitative and quantitative information.

The Company has not as yet evaluated the full extent of the impact that the standard will have on its financial statements, nor the transitional provisions which may be utilised.

The standard is effective for periods beginning on or after 1 January 2019.

**Notes to the Financial Statements**  
**for the Period from 31 August 2017 to 31 December 2018**

**3 Summary of significant accounting policies**

**3.1 Foreign currencies**

The functional and presentational currency of the Company is the United States Dollar ("US\$"). Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Revenue, costs and non-monetary assets and liabilities are translated at the exchange rates ruling at the dates of transactions. Foreign exchange gains and losses are included in profit or loss.

**3.2 Revenue**

Revenue from aircraft on operating leases is recognised on a straight-line basis over the period of the lease. Benefits paid or payable as an incentive to enter into an operating lease are also recorded on a straight-line basis over the lease term.

All rental amounts received but unearned under the lease agreements are recorded as deferred income in trade and other payables.

**3.3 Income tax**

Current tax is provided for at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

**3.4 Trade and other receivables**

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for credit losses expected over the lifetime of the asset. The Company reviews the ageing of receivables regularly.

**3.5 Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and deposits maturing within three months of the date of deposit.

**3.6 Trade and other payables**

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

**Notes to the Financial Statements**  
**for the Period from 31 August 2017 to 31 December 2018**

**3 Summary of significant accounting policies (continued)**

**3.7 Financial instruments**

Financial assets and liabilities are initially recognised on the Statement of Financial Position at fair value when the Company has become party to the contractual provisions of the instruments.

All financial assets other than marketable securities and derivative financial instruments are categorised as financial assets held at amortised cost. Such assets are subsequently carried at amortised cost using the effective interest method, if the time value of money may have a significant impact on their value, less allowances for any expected lifetime credit losses.

The Company assesses at the balance sheet date whether there is objective evidence that there has been an increase in the credit risk of its financial assets. The Company uses criteria such as significant financial difficulty of the counterparty, the disappearance of an active market for that financial asset because of financial difficulties and breaches of contract as objective evidence.

Financial liabilities other than derivative financial instruments are subsequently measured at amortised cost using the effective interest method.

**4 Operating profit**

Operating profit is stated after charging:

	<b>31 Aug 2017</b>
	<b>31 Dec</b>
	<b>2018</b>
	<b>US\$ 000</b>
<b>Auditor's remuneration</b>	
Audit of financial statements	3
	<b>3</b>

**5 Taxation**

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK ( - the same as the standard rate of corporation tax in the UK) of 19% .

The differences are reconciled below:



**Notes to the Financial Statements**  
**for the Period from 31 August 2017 to 31 December 2018**

**5 Taxation (continued)**

	31 Aug 2017 31 Dec 2018 US\$ 000
Loss before tax	(3)
Corporation tax at standard rate	-
<b>Total tax charge/(credit)</b>	<b>-</b>

**6 Trade and other receivables**

	As at 31 Dec 2018 US\$ 000
Amount due from parent company	1
	<b>1</b>

The amounts due to the intermediate parent company are unsecured, interest-free and repayable on demand.

**7 Trade and other payables**

	As at 31 Dec 2018 US\$ 000
Accrued expenses	3
	<b>3</b>

**8 Financial risk management and impairment of financial assets**

The Company's key financial risks arising from its operating activities and its financial instruments are:

- Credit risk;
- Liquidity risk; and
- Market risk (including interest rate risk and currency risk).

The directors of the Company have overall responsibility for the establishment and oversight of the risk management framework.

**Notes to the Financial Statements**  
**for the Period from 31 August 2017 to 31 December 2018**

**8 Financial risk management and impairment of financial assets (continued)**

Categories of financial instruments:

	2018 US\$ 000	Fair value US\$ 000
<b>Financial assets</b>		
<b>At amortised cost (loans and receivables):</b>		
Trade and other receivables	1	1
	<b>1</b>	<b>1</b>
<b>Financial liabilities</b>		
<b>At amortised cost:</b>		
Trade and other payables	3	3
	<b>3</b>	<b>3</b>

**8.1 Credit risk**

The Company services the aviation industry as it leases its aircraft to operators. The aviation industry is cyclical, economically sensitive and highly competitive. A key determinant of the Company's success is the financial strength of its counterparties and their ability to react to and cope with the environment in which they operate.

At 31 December 2018, the lifetime expected credit loss provisions for current trade and other receivables, excluding prepayments, is as follows:

	Not yet due US\$ 000	Current US\$ 000	More than 30 days past due US\$ 000	More than 60 days past due US\$ 000	More than 120 days past due US\$ 000	Total US\$ 000
<b>31 December 2018</b>						
Trade and other receivables	1,000	-	-	-	-	1,000
<b>Total</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>

**8.2 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company aims to mitigate liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Notes to the Financial Statements**  
**for the Period from 31 August 2017 to 31 December 2018**

**8 Financial risk management and impairment of financial assets (continued)**

**8.2 Liquidity risk (continued)**

**Maturity analysis**

The following table represents the maturity of financial liabilities

	<b>Carrying Amount US\$ 000</b>	<b>Contractual cash flow US\$ 000</b>	<b>Less than one year US\$ 000</b>	<b>One to five years US\$ 000</b>	<b>Over five years US\$ 000</b>
<b>2018</b>					
Trade and other payables	3	3	3	-	-
	<b>3</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>

**8.3 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**8.3.1 Currency risk**

The Company has no significant assets or liabilities denominated in currencies other than the United States dollar and was therefore not exposed to currency risk at the balance sheet date.

**8.3.2 Interest rate risk**

The Company has no interest bearing financial assets or liabilities exposed to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

**8.4 Capital management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company reviews and monitors its capital structure on a regular basis to ensure its objectives are met.

The Company's intermediate parent company, LCI Helicopters Limited, has agreed to provide financial support to enable the Company to meet its future liabilities as they fall due.

**Notes to the Financial Statements**  
**for the Period from 31 August 2017 to 31 December 2018**

**9 Share capital**

**As at**  
**31 Dec 2018**  
**US\$ 000**

**Authorised, issued and fully paid**

1,000 ordinary shares of US\$1.00 per share

**1**

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**1**

**10 Contributed surplus**

Contributed surplus represents funds received from shareholders in addition to their subscriptions to the issued share capital of the Company.

**11 Parent and ultimate parent undertaking**

The Company's parent company is LCI Helicopters One Limited, a company incorporated in Ireland.

The ultimate parent is Libra Holdings Limited, a company incorporated in Bermuda, which is wholly owned under an overseas family discretionary settlement, the beneficiaries of which include the family of M.G. Logothetis.