

BOND MISSION CRITICAL SERVICES PLC

Report and Financial Statements

37 week period ended 31 December 2013



REPORT AND FINANCIAL STATEMENTS 2013

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BOND MISSION CRITICAL SERVICES PLC

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Cicero	(appointed 17 April 2013)
J Drummond	(appointed 17 April 2013)
R Mintern	(appointed 17 April 2013)
L Inigo Moreno-Ventas	(appointed 17 April 2013)

SECRETARY

L Inigo Moreno-Ventas

REGISTERED OFFICE

Gloucestershire Airport
Staverton
Cheltenham
Gloucestershire
GL51 6SP

BANKERS

Royal Bank of Scotland plc
Floor 9
280 Bishopsgate
London
EC2M 4RB

SOLICITORS

BPE Solicitors
St James' House
St James' Square
Cheltenham
GL50 3PR

AUDITOR

Deloitte LLP
Reading

BOND MISSION CRITICAL SERVICES PLC

STRATEGIC REPORT

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

BUSINESS REVIEW

The principal activity of the company is to act as holding company and to provide financial support for the operating companies of the wider Bond Aviation Group.

The profit for the period amounted to £6,025,000. The position of the company at the period ended 31 December 2013 is shown in the balance sheet on page 7.

KEY PERFORMANCE INDICATORS

The main KPI of the company is profit for the period. In the period to 31 December 2013 profit for the period was £6m which is deemed to be satisfactory performance and in line with expectations.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors adopt a thorough risk management process which involves the formal review of all the risks identified. Where possible, processes are in place to monitor and mitigate such risks.

The main risks that the company faces is interest rate risk and liquidity risk arising from the external loan notes that were issued during the period at a floating rate of interest. The company uses derivatives such as interest rate swaps and caps to partially hedge the debt so that the impact of an interest rate rise is mitigated.

The loan note interest is paid on a quarterly basis and the company has short and medium term cash flow forecasts in place which allow it to have full visibility on its ability to meet its obligations as they fall due.

POST BALANCE SHEET EVENTS

On 16 May 2014, Babcock International plc acquired the entire share capital of Avincis Mission Critical Services Topco Limited from World Helicopters S.a.r.l. and became the new ultimate parent company. Subsequent to this in May 2014 the loan notes issued by the company were fully repaid.

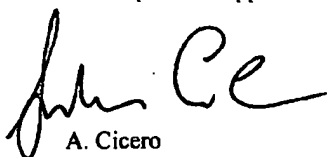
GOING CONCERN

In preparing the financial statements, the directors have considered the proposed future reorganisation of the Group and have concluded that it is not appropriate to prepare the financial statements on a going concern basis.

As required by FRS 18 'Accounting Policies', the directors have prepared the financial statements on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. Refer to note 1 for further details.

APPROVAL

This report was approved by the board of directors on 28 August 2014 and signed on its behalf by:



A. Cicero
Director
28 August 2014

DIRECTORS' REPORT

The directors present their first report and the financial statements of the company for the 37 weeks ended 31 December 2013.

The company was incorporated on 17 April 2013 and commenced trading on that date.

DIVIDENDS

The directors do not recommend payment of a dividend for the period.

DIRECTORS

The directors who served the company during the period and subsequently, with dates of appointment, are as shown on page 1.

AUDITOR

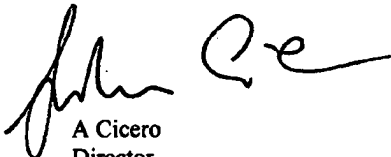
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as the company's auditor during the financial period. They have indicated their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



A Cicero
Director
28 August 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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; 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 BOND MISSION CRITICAL SERVICES PLC

We have audited the financial statements of Bond Mission Critical Services plc for the 37 weeks ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the 37 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Anna Marks (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom

29 August 2014

BOND MISSION CRITICAL SERVICES PLC

PROFIT AND LOSS ACCOUNT 37 weeks ended 31 December 2013

	Note	2013 £'000
Other operating expenses		(29)
OPERATING LOSS	2	(29)
Interest receivable	4	17,461
Interest payable and similar charges	5	(9,569)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,863
Tax on profit on ordinary activities	6	(1,838)
PROFIT FOR THE FINANCIAL PERIOD	14	6,025

All of the activities of the company are classed as continuing.

There have been no recognised gains and losses for the current financial period other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented.

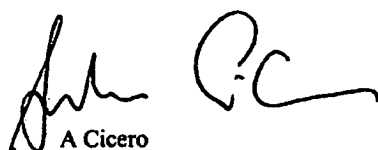
BOND MISSION CRITICAL SERVICES PLC

BALANCE SHEET As at 31 December 2013

		2013 £'000
FIXED ASSETS	Note	
Investments	7	<u>53,388</u>
CURRENT ASSETS		
Debtors	8	318
- due within one year		289,743
- due after one year		<u>290,061</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(3,350)</u>
NET CURRENT ASSETS		<u>286,711</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		340,099
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	<u>(194,037)</u>
NET ASSETS		<u>146,062</u>
CAPITAL AND RESERVES		
Called up share capital	13	140,037
Profit and loss account	14	<u>6,025</u>
SHAREHOLDERS' FUNDS	14	<u>146,062</u>

The financial statements of Bond Mission Critical Services plc (registered number 08493316) were approved by the Board of Directors and authorised for issue on 28 August 2014.

Signed on behalf of the Board of Directors



A Cicero
Director

NOTES TO THE FINANCIAL STATEMENTS
37 weeks ended 31 December 2013

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current financial period, are described below.

Going concern

As noted in the directors' report, due to a proposed group reorganisation, the directors have prepared these financial statements on a non-going concern basis as the company is likely to become dormant in the near future. No adjustment to the carrying value of assets was required from adopting this basis of preparation and the financial statements are prepared under the historical cost convention.

Consolidation

The company has taken advantage of the exemption permitted by section 400 of the Companies Act 2006 and not produced consolidated financial statements as, at 31 December 2013, it was itself a wholly-owned subsidiary of Bond Aviation Group Limited, which produces consolidated accounts that are publicly available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is a wholly-owned subsidiary of a company that prepares a cash flow statement.

Investments

The investment in subsidiary undertakings in the company's balance sheet is stated at cost less provision for impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Derivative financial instruments

Interest rate swaps are disclosed at the balance sheet date at the fair value of the swap as valued by the loan finance provider. The company does not enter into speculative derivative contracts. All such instruments are used for hedging purposes to mitigate the interest rate risk in line with the group's risk management policies. The derivative instruments are held off balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

37 weeks ended 31 December 2013

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Comparatives

No comparatives have been included in the financial statements as this is the company's first period of trading.

2. OPERATING LOSS

The operating loss for the financial period relates entirely to the company's principal activities. All activities are undertaken in the United Kingdom.

Operating loss is stated after charging/(crediting):

	2013 £'000
Audit fees	5
Net gain on foreign currency transactions	(3)
	<u> </u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the current financial period. The directors are remunerated by Bond Aviation Group Limited for their services to the group as a whole and it is not practicable to allocate their remuneration between individual entities.

4. INTEREST RECEIVABLE

	2013 £'000
Interest received from group undertakings	17,461
	<u> </u>

5. INTEREST PAYABLE

	2013 £'000
Interest payable on loan notes	8,663
Amortisation of loan arrangement fees	906
	<u> </u>
	<u>9,569</u>

NOTES TO THE FINANCIAL STATEMENTS
37 weeks ended 31 December 2013

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	2013
	£'000
Current tax	
Payment for group relief	1,838
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The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

(b) Factors affecting current tax charge

	£'000
Profit on ordinary activities before taxation	7,863
	<hr/> <hr/>
Tax on profit on ordinary activities at the blended standard UK corporation tax rate of 23.25%	1,828
Net expenses not deductible for tax purposes	10
Group relief claimed before payment	(1,838)
Payments for group relief	1,838
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Current tax charge for the period	1,838
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The forthcoming changes in the corporation tax rate to 20% in future years are not expected to materially affect the future tax charge.

7. INVESTMENTS

	2013
	£'000
Cost and net book value	
Additions and at 31 December 2013	53,388
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The company has direct investments in the following subsidiary undertakings which were acquired in 2013:

Company name	Country of incorporation	Principal activity	Holding	%
Bond Aviation Holdings Limited	UK	Holding company	Ordinary shares	100
Bond Aviation Europe Limited	UK	Holding company	Ordinary shares	100
Bond SAR Holdings Limited	UK	Holding company	Ordinary shares	100
BCOMP 463 Limited	UK	Dormant	Ordinary shares	100
BCOMP 464 Limited	UK	Dormant	Ordinary shares	100
Prioris Management Services Limited	UK	Dormant	Ordinary shares	100

BOND MISSION CRITICAL SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS 37 weeks ended 31 December 2013

7. INVESTMENTS (continued)

The company has indirect (wholly owned by Bond Aviation Holdings Limited, Bond Aviation Europe Limited, Bond SAR Holdings Limited and subsidiaries of those companies) investments in the following subsidiary undertakings:

Company name	Country of incorporation	Principal activity	Holding	%
Bond Aviation Holdings II Limited	UK	Holding company	Ordinary shares	100
Bond Helicopters Europe Limited	UK	Holding company	Ordinary shares	100
Bond Air Services Limited	UK	Helicopter services	Ordinary shares	100
Bond Air Services (Ireland) Limited	Ireland	Helicopter services	Ordinary shares	100
Bond Offshore Helicopters Limited	UK	Helicopter services	Ordinary shares	100
International Aviation Leasing Limited	UK	Aircraft leasing	Ordinary shares	100
Bond Aviation Leasing Limited	UK	Aircraft leasing	Ordinary shares	100
Bond European Aviation Leasing Limited	UK	Aircraft leasing	Ordinary shares	100
Bond Helicopters Australia Pty Limited	Australia	Helicopter services	Ordinary shares	100
World Helicopters Norway A.S.	Norway	Holding company	Ordinary shares	100
Norsk Helikopterservice A.S.	Norway	Helicopter services	Ordinary shares	84.1
Alert SAR Limited	UK	Dormant	Ordinary shares	100
Azimuth SAR Limited	UK	Dormant	Ordinary shares	100
Bond Dormant Limited	UK	Dormant	Ordinary shares	100
Bond SAR Limited	UK	Dormant	Ordinary shares	100

8. DEBTORS

	2013
	£'000
Amounts falling due within one year	
Amounts owed by group undertakings	314
Prepayments and accrued income	4
	<u>318</u>
Amounts falling due after more than one year	
Amounts owed by group undertakings	<u>289,743</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013
	£'000
Loan notes due within one year (net of deferred finance fee)	554
Trade creditors	74
Amounts owed to group undertakings	2,717
Accruals and deferred income	5
	<u>3,350</u>

The loan notes are stated net of deferred finance costs of £1,403,000 which will be released over the next year.

NOTES TO THE FINANCIAL STATEMENTS
37 weeks ended 31 December 2013

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £'000
Loan notes (net of fees)	194,037
Borrowings are repayable as follows:	
	£'000
Loan notes	
After five years	201,402
On demand or within one year	554
Total gross loan notes	201,956
Less capitalised loan arrangement fees	(7,365)
Less on demand or within one year (note 9)	(554)
Borrowings	194,037

The loan notes are secured on a fixed and floating charge over the group's assets and attract interest at 5.75% plus LIBOR. The loan notes are stated net of deferred finance costs of £5,962,000 and these costs will be allocated to the profit and loss account over the term of the loan notes.

11. DERIVATIVES NOT INCLUDED AT FAIR VALUE

The company has derivatives which are not included at fair value in the period-end accounts as follows:

	Principal £'000	Fair value £'000
Interest rate swap contracts	29,083	(1,031)
Interest rate caps	63,000	314

The company uses the derivatives to hedge its exposures to manage its exposure to interest rate movements on its bank borrowings. The fair values are based on market values of equivalent instruments at the balance sheet date.

The interest rate swap contracts with nominal values of £29.1 million have fixed interest payments at rates between 2.64% and 5.98% for periods up until December 2016.

The interest rate caps with nominal value of £63.0 million cap floating interest rates at 4% for periods up to March 2017.

12. RELATED PARTY TRANSACTIONS

The company is a wholly-owned subsidiary of Bond Aviation Group Limited, which is registered in England and Wales. The company has taken advantage of the exemption of FRS 8 'Related Party Transactions' from disclosing transactions with other group undertakings wholly-owned within the Bond Aviation Group.

NOTES TO THE FINANCIAL STATEMENTS
37 weeks ended 31 December 2013

13. SHARE CAPITAL

	2013
	£000
Allotted, called up and fully paid	
140,036,750 ordinary shares of £1 each	140,037

On 17 April 2013, 140,036,750 ordinary shares of £1 each were issued at par.

14. COMBINED RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £'000	Profit and loss account £'000	Total £'000
Issue of ordinary share capital	140,037	-	140,037
Profit for the period	-	6,025	6,025
Balance as at 31 December 2013	140,037	6,025	146,062

15. ULTIMATE PARENT COMPANY

Bond Aviation Group Limited owns 100% of Bond Mission Critical Services plc's issued share capital and is considered to be its immediate parent company.

The smallest group of undertakings for which group accounts have been drawn up is that headed by Bond Aviation Group Limited, a company incorporated in the United Kingdom. The accounts are available at Bond Aviation Group Limited, Gloucestershire Airport, Staverton, Cheltenham, Gloucestershire GL51 6SP.

The largest group of undertakings for which group accounts have been drawn up is that headed by Avincis Mission Critical Services Topco Limited. The accounts are available at Avincis Mission Critical Services Topco Limited, 8th Floor, Kings Buildings, 16 Smith Square, London SW1P 3HQ.

Avincis Mission Critical Services Topco Limited is 100% owned by World Helicopters S.a.r.l., a company incorporated in Luxembourg.

On 16 May 2014, Babcock International PLC acquired the entire share capital of Avincis Mission Critical Services Topco Limited from World Helicopters S.a.r.l. and became the new ultimate parent company.