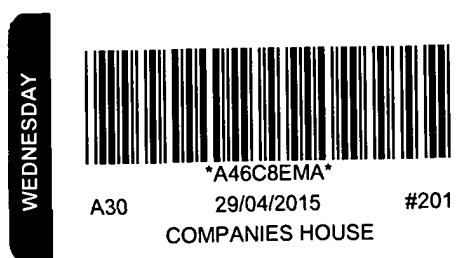


AIRBUS HELICOPTERS UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2014

Registered in England and Wales No. 1164090



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STRATEGIC REPORT

The directors present their strategic report and the financial statements for the year ended 31 December 2014.

Principal activities

The main activities of the company are the sale of helicopters, customisation and retrofit, maintenance on behalf of the customers, sale of spare parts and technical support, training for pilots and technicians and all other services required for operators to fly their helicopters.

The company is servicing and selling its products to the commercial, public and military markets foremost in the UK and Ireland.

Business review

2014 was a year of transition for the company. In previous years, Defence business has represented the majority of the turnover, however in 2014 the company recorded 54:46 split in favour of civil business.

Revenue for the year ended 31 December 2014 was £79.1m (2013: £114.3m), a decrease of £35.2m. This decrease was fully in line with expectations and was largely attributable to the Puma Life Extension Programme moving into the final stages of delivery with 23 of the 24 contracted aircraft being successfully delivered to the customer. As the Puma aircraft transition to the support phase, the Defence business volume reduced to £36.0m (2013: £64.8m). The customer continues to be highly satisfied with the aircraft and fleet availability remains impressive.

The 2014 civil business continues to reflect the volatile state of the economy. During the year, new aircraft deliveries generated £10.4m of turnover (2013: £17.1m). With a lower volume of new aircraft being delivered, customisation and retrofit activities were also lower than the previous year at £5.3m (2013: £7.6m).

Support and Service activities (including helicopter maintenance, the provision of spare parts and training) reported another increase of sales, achieving £26.4m in the year (2013: £24.8m). The company was successful in winning the five year maintenance contract for the National Police Air Service (NPAS) which commenced on 1 October 2014. The company also saw a recovery in activity for the EC225 simulator in Aberdeen.

Once again, the company has been able to record another increase in the profit after taxation for the year which stood at £7.4m (2013: £7.3m). The profit in 2014 contains an exchange rate loss of £0.2m (2013: gain of £0.8m).

Despite the reduction in the headline turnover figure, the company has emerged from the transition year in good health and with a high degree of optimism for the future. The Airbus Helicopters UK "One Stop Shop" strategy of providing end to end solutions for the whole life cycle for all civil and military customers has been pivotal in the success of the company and remains the platform upon which the company has positioned itself for future growth.

STRATEGIC REPORT (continued)

Financial risk management

The company's activities expose it to a number of financial risks including currency exchange risk, credit risk and liquidity risk.

Currency exchange risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company mitigates this exposure wherever possible by natural hedging of the currencies i.e. matching currency costs with currency revenues. However, because of the timing difference between the payment streams for helicopters, the company is vulnerable to quick and sudden currency fluctuation between Sterling and the Euro.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The credit given to customers is closely monitored and adjusted on a regular basis. No significant actual losses have been ascertained so far due to this trading risk.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company can use, if needed, an agreed overdraft facility with the Group parent company that works under a cash pooling principle.

KPIs

The business is controlled by monitoring key performance indicators including the return on sales (measured as the ratio of operating profit to sales): 10.1% in 2014 (2013: 6.2%), and the ratio of administrative expenses to sales: 7.1% in 2014 (2013: 6.2%). The administrative expenses include the parent company service charge.

Approved by the Board and signed on its behalf by:



H. Vivet
Secretary

Oxford Airport
Kidlington
Oxfordshire
OX5 1QZ

22 April 2015

DIRECTORS' REPORT

The directors present their directors' report and the financial statements for the year ended 31 December 2014.

Political contributions

The company made no political donations nor incurred any political expenditure during the year (2013: £nil).

Dividends

The directors have proposed a final ordinary dividend in respect of the current financial year of 1,481p per share. This has not been included in creditors, as it was not approved before the year end. Dividends paid in the year comprise a final dividend of 1,451p per share in respect of the previous year ended 31 December 2013.

Directors

O Michalon
C James
M Steinke
Sir J Blackham
T Williams
C Guillemin
R Hibbert
A Desbouvrie

Chairman
Managing Director (Appointed 18 August 2014)
Managing Director (Resigned 18 August 2014)

Resigned 31 January 2015
Appointed 31 March 2015
Resigned 31 January 2014
Resigned 31 January 2014

Directors' interests

No director had any beneficial interest in this company or any other group company at any time during the year.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director 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.

DIRECTORS' REPORT (continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board and signed on its behalf by:



H. Vivet
Secretary

Oxford Airport
Kidlington
Oxfordshire
OX5 1QZ

22 April 2015

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

100 Temple Street

Bristol

BS1 6AG

United Kingdom

Independent auditor's report to the members of Airbus Helicopters UK Limited

We have audited the financial statements of Airbus Helicopters UK Limited for the year ended 31 December 2014 set out on pages 8 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Airbus Helicopters UK Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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.



Philip Cotton (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

100 Temple Street

Bristol

BS1 6AG

United Kingdom

27 April 2015

AIRBUS HELICOPTERS UK LIMITED
Annual Report and Financial Statements
Year ended 31 December 2014
Registered No. 1164090

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		<u>£000</u>	<u>£000</u>
Turnover	2	79,138	114,250
Cost of sales		(65,558)	(100,087)
Gross profit		<u>13,580</u>	<u>14,163</u>
Administrative expenses	4	(5,621)	(7,055)
Operating profit		<u>7,959</u>	<u>7,108</u>
Other interest receivable and similar income	5	151	905
Interest payable and similar charges	5	(196)	(9)
Profit on ordinary activities before taxation	3	<u>7,914</u>	<u>8,004</u>
Tax on profit on ordinary activities	8	(508)	(749)
Profit for the financial year	17	<u><u>7,406</u></u>	<u><u>7,255</u></u>

There were no recognised gains or losses other than the result for the current and previous financial year.

The results for the current and preceding financial year all arose from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

AIRBUS HELICOPTERS UK LIMITED
Annual Report and Financial Statements
Year ended 31 December 2014
Registered No. 1164090

BALANCE SHEET

AS AT 31 DECEMBER 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		<u>£000</u>	<u>£000</u>
FIXED ASSETS			
Tangible fixed assets	10	5,924	6,602
Investments	11	-	-
		<u>5,924</u>	<u>6,602</u>
 CURRENT ASSETS			
Stocks	12	8,300	15,702
Debtors	13	52,043	53,434
Cash at bank and in hand		62	30
		<u>60,405</u>	<u>69,166</u>
 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(51,017)</u>	<u>(58,120)</u>
 NET CURRENT ASSETS		<u>9,388</u>	<u>11,046</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,312</u>	<u>17,648</u>
 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR	15	<u>(669)</u>	<u>(3,156)</u>
 NET ASSETS		<u><u>14,643</u></u>	<u><u>14,492</u></u>
 CAPITAL AND RESERVES			
Called up share capital:			
Authorised, allotted and fully paid			
500,000 ordinary shares of £1 each	17	500	500
Profit and loss account	17	14,143	13,992
		<u>14,643</u>	<u>14,492</u>
 SHAREHOLDERS' FUNDS		<u><u>14,643</u></u>	<u><u>14,492</u></u>

The notes on pages 11 to 20 form part of these financial statements.

These financial statements were approved by the Board of Directors on 22 April 2015.

Signed on behalf of the Board of Directors



O. MICHALON
Chairman

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	£000	£000
Profit for the financial year	7,406	7,255
Dividend on ordinary shares	(7,255)	(2,432)
Net addition to shareholders' funds	151	4,823
Opening shareholders' funds	14,492	9,669
Closing shareholders' funds	14,643	14,492

The notes on pages 11 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. These have been consistently applied throughout the current and the preceding year.

(a) Accounting convention

The financial statements have been prepared under the historical cost accounting rules.

(b) Going concern

The financial statements have been prepared on the going concern basis. The directors have considered the financial position of the company and have concluded that it will be able to meet its liabilities as they fall due for the foreseeable future. For these purposes the foreseeable future is taken to mean a period of at least 12 months from the date of approval of these financial statements.

(c) Basis of preparation

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

(d) Turnover

Turnover represents amounts invoiced by the company in respect of goods sold and services rendered during the year, excluding VAT. The main lines of business are: the sale of helicopters along with avionics installation and interior completion; the support of the helicopter fleet including the sale of spare parts, services for maintenance and overhaul of helicopters, engines and dynamic components, technical assistance, training of pilots and technicians, helicopter documentation, and helicopter operating leases.

Revenue is recognised on transfer of title of the goods supplied or completion / delivery of the services provided, or on a rate per hour flown in the case of support agreements.

(e) Fixed Assets

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition, less accumulated depreciation. Depreciation is provided on cost less any residual value over the estimated useful life of the assets on the following bases:

- (i) Short leasehold - depreciated over 33 years;
- (ii) Plant, equipment and motor vehicles - depreciated over 10 years;
- (iii) Computers - depreciated over 3 years

Fixed assets under construction are not depreciated.

(f) Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost represents materials, direct labour and directly attributable overheads.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

ACCOUNTING POLICIES (continued)

(g) Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable margin less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less that transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

(h) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

(i) Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated at the closing rates of exchange at the balance sheet date. Transactions during the year are converted at the rates then ruling. Differences on exchange are taken to the profit and loss account.

(j) Research and development

Research and development expenses are charged to the profit and loss in the year in which they are incurred.

(k) Retirement benefits

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately of those of the company. The company is unable to identify the underlying assets and liabilities of the scheme on a reasonable and consistent basis and therefore is required by FRS 17 'Retirement Benefits' to account for the scheme as if it were a defined contribution scheme.

The amounts charged to the profit and loss account in respect of pension costs are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(l) Cash flow

Under FRS 1 'Cash Flow Statements', the company is exempt from the requirements to prepare a cash flow statement since it is included within the published consolidated accounts of the ultimate parent company.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

ACCOUNTING POLICIES (continued)

(m) Lease payments

Payments made under operating leases are expensed in the profit and loss account on a straight line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

2. TURNOVER

The turnover of the company was achieved mainly through its principal activities in the following geographical areas (by destination):

	<u>2014</u>	<u>2013</u>
	£000	£000
United Kingdom	67,131	107,313
Ireland	2,932	1,661
Other	9,075	5,276
	<hr/>	<hr/>
	79,138	114,250
	<hr/>	<hr/>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2014</u>	<u>2013</u>
	£000	£000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets - owned	1,048	1,313
Loss / (gain) on foreign currency exchange	187	(762)
(Profit) / Loss on sale of tangible fixed assets	(2)	3
Operating lease charge for the year	1,081	994
Auditors' remuneration:		
Audit of these financial statements	51	49
Taxation compliance services	16	16
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

4. ADMINISTRATIVE EXPENSES

	<u>2014</u>	<u>2013</u>
	£000	£000
Selling, general and administrative expenses	4,729	5,344
Parent company service charge	892	1,711
	<hr/>	<hr/>
	5,621	7,055
	<hr/>	<hr/>

The parent company charges a service fee covering services provided such as corporate security, fleet safety, communication, sales support and marketing.

5. INTEREST RECEIVABLE / PAYABLE AND OTHER SIMILAR INCOME / CHARGES

	<u>2014</u>	<u>2013</u>
	£000	£000
Interest receivable from group undertakings	151	143
Exchange rate gain	-	762
	<hr/>	<hr/>
	151	905
	<hr/>	<hr/>
Interest payable to group undertakings	(9)	(9)
Exchange rate loss	(187)	-
	<hr/>	<hr/>
	(196)	(9)
	<hr/>	<hr/>

6. OPERATING LEASES

Annual commitments payable under non-cancellable operating leases are as follows:

	<u>2014</u>	<u>2013</u>
	£000	£000
Land & Buildings		
Less than 1 year	207	139
Between 2 and 5 years	47	114
More than 5 years	675	575
	<hr/>	<hr/>
	929	828
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

6. OPERATING LEASES (continued)

	<u>2014</u>	<u>2013</u>
	£000	£000
Other		
Less than 1 year	5	101
Between 2 and 5 years	76	33
	<u>81</u>	<u>134</u>

7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	<u>2014</u>	<u>2013</u>
	£000	£000
Directors' emoluments:		
Remuneration	434	420
	<u>434</u>	<u>420</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £316k (2013: £405k). Retirement benefits are accruing to no directors in 2014 (2013: nil).

	<u>2014</u>	<u>2013</u>
	£000	£000
Staff costs including Directors' emoluments:		
Wages and salaries	10,440	10,309
Social security	1,068	1,083
Other pension costs	841	772
	<u>12,349</u>	<u>12,164</u>

	<u>Number</u>	<u>Number</u>
Average number of persons employed by the company	<u>206</u>	<u>200</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>
<i>Current tax</i>		
On the results for the year at 21.5% (2013: 23.25%):		
Current year	1,797	1,901
Adjustments in respect of prior periods	(1,200)	(1,145)
	<hr/>	<hr/>
Total current tax	597	756
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination / reversal of timing differences	(89)	(15)
Effect of change in tax rate	-	(5)
Adjustments in respect of prior periods	-	13
	<hr/>	<hr/>
Total deferred tax (note 16)	(89)	(7)
	<hr/>	<hr/>
Total tax charge	508	749
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax average for the year is lower (2013: lower) than the standard rate of corporation tax in the UK (21.5%, 2013: 23.25%). The differences are explained below.

	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>
Profit before tax	7,914	8,004
Current tax at 21.5% (2013: 23.25%)	1,702	1,861
Expenses not deductible for tax purposes	2	9
Differences between capital allowances and depreciation	17	32
Short term timing differences	76	(1)
Adjustments in respect of prior periods	(1,200)	(1,145)
	<hr/>	<hr/>
Total current tax charge	597	756
	<hr/>	<hr/>

The prior year current tax adjustment in 2014 of £1,200k (2013: £1,145k) reflects group relief surrendered from a fellow Airbus Group company.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate to 20% (effective from 1 April 2015) and 21% (effective from 1 April 2014) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

9. DIVIDENDS

The aggregate amount of dividends comprises:

	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>
Final dividend in respect of the prior year but not recognised as liabilities in that year	7,255	2,432

The aggregate amount of dividends proposed and not recognised as liabilities as at the year-end is £7,405k (2013: £7,255k).

10. TANGIBLE FIXED ASSETS

	<u>Short Leasehold</u>	<u>Fixed Assets under construction</u>	<u>Plant, equipment and vehicles</u>	<u>Total</u>
	£000	£000	£000	£000
Cost or valuation:				
As at 1 January 2014	2,877	8	9,629	12,514
Additions at cost	61	3	306	370
Reallocation	8	(11)	3	-
Disposals	-	-	(8)	(8)
As at 31 December 2014	2,946	-	9,930	12,876
Depreciation:				
As at 1 January 2014	1,125	-	4,787	5,912
Charge for the period	67	-	981	1,048
Disposals	-	-	(8)	(8)
As at 31 December 2014	1,192	-	5,760	6,952
Net book value:				
As at 31 December 2014	1,754	-	4,170	5,924
As at 31 December 2013	1,752	8	4,842	6,602

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

11. INVESTMENTS

During the year ended 31 December 2013 the company acquired 100% of the share capital of Copters Limited (formerly Airbus Helicopters UK Limited and Airbus Helicopters Limited), a company was incorporated in England and Wales, for £1. Copters Limited remained dormant from its incorporation on 29 October 2013 and dissolved on 28 October 2014.

12. STOCKS

	<u>2014</u>	<u>2013</u>
	£000	£000
Goods held for resale	6,656	13,853
Work in progress	1,644	1,849
	<hr/>	<hr/>
	8,300	15,702
	<hr/>	<hr/>

13. DEBTORS

	<u>2014</u>	<u>2013</u>
	£000	£000
Trade debtors	4,921	8,022
Amounts owed by group undertakings	45,384	40,973
Other debtors	8	-
Prepayments and accrued income	1,582	4,380
Deferred tax asset (see note 16)	148	59
	<hr/>	<hr/>
	52,043	53,434
	<hr/>	<hr/>

The Amounts owed by group undertakings include the cash pooling that the company holds with the Airbus Group of £45,222k (2013: £40,777k).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2014</u>	<u>2013</u>
	£000	£000
Trade creditors	2,366	5,552
Amounts owed to group undertakings	4,679	6,909
Taxation and social security	3,371	4,653
Accruals and deferred income	40,601	41,006
	<hr/>	<hr/>
	51,017	58,120
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

15. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	<u>2014</u>	<u>2013</u>
	£000	£000
Accruals and deferred income	669	3,156
	<hr/>	<hr/>
	669	3,156
	<hr/>	<hr/>

16. DEFERRED TAX ASSET

	<u>2014</u>	<u>2013</u>
	£000	£000
At beginning of year	59	52
Charge to profit and loss account	89	7
	<hr/>	<hr/>
At end of year	148	59
	<hr/>	<hr/>
The elements of deferred tax are as follows		
Accelerated capital allowances	30	13
Short term timing differences	118	46
	<hr/>	<hr/>
	148	59
	<hr/>	<hr/>

Reductions in the UK corporation tax rate to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. The deferred tax asset at 31 December 2014 has been calculated based on the rates of 20% as substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

17. SHARE CAPITAL AND RESERVES

	<u>Share capital</u>	<u>Profit and loss account</u>	<u>Total 2014</u>	<u>Total 2013</u>
	£000	£000	£000	£000
At beginning of year	500	13,992	14,492	9,669
Dividend paid (see note 9)	-	(7,255)	(7,255)	(2,432)
Profit for the financial year	-	7,406	7,406	7,255
At end of year	<u>500</u>	<u>14,143</u>	<u>14,643</u>	<u>14,492</u>

18. RETIREMENT BENEFITS

The company participates in a group wide pension scheme providing benefits based on a mixture of final salary and defined contribution. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore has applied the multi-employer exemption as permitted by FRS 17 and accounts for the scheme as if it was a defined contribution scheme. As a result the amount charged to the profit and loss account represents the contributions payable to the scheme during the accounting period in accordance with the Schedule of Contributions.

The latest full actuarial valuation was carried out on 5 April 2013 and was updated for FRS17 purposes to 31 December 2014 by a qualified independent actuary. The contribution for the year was £841k (2013: £772k).

19. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary of Airbus Helicopters SAS (formerly Eurocopter SAS), the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

20. CAPITAL COMMITMENTS

Capital expenditure contracted but not provided at 31 December 2014 was £4k (2013: £7k).

21. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Airbus Helicopters SAS, incorporated in France, which in turn is a wholly owned subsidiary of Airbus Group NV. The consolidated financial statements of Airbus Group NV, a company incorporated and registered in The Netherlands, within which this company is included, can be obtained from Drentestraat 24, 1083 HK, Amsterdam.