

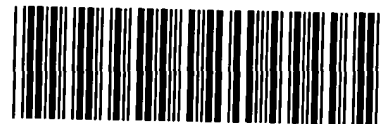
Bristow Aviation Holdings Limited

Annual report and financial statements

Registered number 03234500

31 March 2020

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Contents

Strategic report	1
Directors' report	8
Statement of directors' responsibilities in respect of the annual report and the consolidated financial statements	13
Independent auditor's report to the members of Bristow Aviation Holdings Limited	14
Consolidated profit and loss account	16
Consolidated balance sheet	17
Company balance sheet	18
Consolidated cash flow statement	19
Consolidated statement of changes in equity	20
Company statement of changes in equity	21
Notes to the financial statements	22

Strategic report

Vision, Mission and Values

Bristow Aviation Holdings Limited consolidated group of companies are committed to the Bristow Group Inc.'s new vision, mission and values. Our new Vision, Mission and Values represent what we stand for – it is how we think, act and operate. It is how we show up every day. We call it our Brand Promise because it represents what we are known for within our industry and the reputation we have built as we deliver on our promises.

Our core values: -

- Safety – We each own safety, every day.
- Integrity – We demonstrate integrity in our actions, fostering trust in our relationships.
- Passion – We have passion for our work and the impact we make on people's lives.
- Teamwork – We prioritise teamwork, achieving our goals together.
- Progress – We pursue progress through continuous improvement and innovation.

Purpose

Elevate people to achieve a safer more productive world.

Vision

Lead the world in innovative vertical flight solutions.

Mission

Make every flight personal and assure safe, efficient and reliable solutions to deliver superior outcomes for all stakeholders.

Strategic report (*continued*)

Business Review

Market outlook

We primarily provide aviation services to a broad base of major integrated, national and independent offshore energy companies. We also provide commercial search and rescue (“SAR”) services in multiple countries and public sector SAR services in the United Kingdom (“UK”) on behalf of the Maritime & Coastguard Agency (“MCA”). Additionally, we offer other ad hoc helicopter and fixed wing transportation services. Our customers charter our helicopters primarily to transport personnel between onshore bases and offshore production platforms, drilling rigs and other installations. To a lesser extent, our customers also charter our helicopters to transport time-sensitive equipment to these offshore locations. Our core business of providing aviation services to leading global oil and gas companies and public and private sector SAR services, as well as fixed wing transportation and ad hoc services, provides us with geographic and customer diversity which helps mitigate risks associated with a single market or customer.

On March 31, 2020, Brent crude oil prices closed at \$20.51 per barrel, declining from \$61.14 per barrel on December 31, 2019. A gradual decline occurred from December 31, 2019 to the first week of March 2020. The decline accelerated the first week of March 2020 from a level around \$50 per barrel to the mid-\$30's per barrel and further downward volatility continued in April 2020. A combination of factors led to this decline, including an increase in low-priced oil from Saudi Arabia supplied into the market coupled with Russia's position to abstain from participating in the supply reduction agreement with the Organization of the Petroleum Countries and the reduction in demand for oil due to the coronavirus disease, COVID-19 (“COVID-19”).

The COVID-19 pandemic has resulted in a global crisis, with many countries placing restrictions on national and international travel and instituting other measures, including, among other things, reducing or eliminating public gatherings by placing limits on such events, shuttering non-essential stores and services, encouraging voluntary quarantines and imposing involuntary quarantines, in an effort to reduce and slow the spread of COVID-19. The long-term impact of COVID-19 on the global economy is not yet known, but it has had a significant influence on economic activity and likely will continue to have a significant impact on the global economy in the near-to-medium-term especially as infection rates rise and global governments impose various restrictions to stop the spread of the virus, which in turn can cause volatility in global markets, generally, and in oil and natural gas prices, more specifically. Financial markets have also experienced significant volatility.

The outbreak of COVID-19 caused a significant decrease in oil and natural gas prices in the first half of 2020 resulting from demand weakness and oversupply, which has adversely affected demand for our services. Ongoing economic repercussions of the COVID-19 pandemic may further depress the oil and gas market in the future, which may lead to additional decreases in capital spending by oil and natural gas companies.

Together with our customers, we have implemented several measures at our bases, based upon guidance from local public health authorities, to help protect employees and customers, including, but not limited to, measures to restrict access to sites, medical screenings/questionnaires prior to all flights, enhanced sanitization of aircraft and equipment, modification of aircraft and special protocols on travel and passenger transport, and we are also monitoring developments that may require or cause us to modify actions as appropriate. Many of our employees are deemed “essential” in the regions in which they operate and therefore may continue performing their jobs notwithstanding guidance or orders of general applicability issued by governments requiring businesses to close, persons to shelter in place, borders to close and other similar actions. In addition, we have developed and are offering customers COVID-19 medevac transport in certain regions. As of February 2021, a number of our SAR crew members in certain parts of the world have received the COVID-19 vaccine.

The largest share of our revenue relates to oil and gas production; however, our largest contract, the contract with the U.K. Department for Transport (the “DfT”) to provide public sector SAR services for all of the U.K. (the “U.K. SAR contract”), is not directly impacted by declining oil prices. The significant drop in the price of crude oil and the global pandemic resulted in the rescaling, delay or cancellation of planned offshore projects and has negatively impacted our operations and could continue to negatively impact our operations in future periods.

Strategic report (continued)

Business Review (continued)

To further reduce costs and make offshore drilling more economical, the industry is implementing technology-driven solutions that could result in increased transportation needs initially but could result in decreased activity once complete. Our oil and gas markets remain competitive as material cost reductions and technological improvements have taken place in the offshore supply chain. Whilst there has been some recovery to around \$60 per barrel, the continued volatility of oil prices combined with the excess supply of aircraft could continue to impact the price and demand for helicopters and may continue to have a material impact on our financial position, cash flow and results of operations.

Bristow Group Inc.

On May 11, 2019 (the “Petition Date”), Bristow Group Inc. and seven of its subsidiaries, including two within the BAHG group, BriLog Leasing Ltd. and Bristow Equipment Leasing Ltd. (together, the “Debtors”) filed voluntary petitions (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Bankruptcy Court”) seeking relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtors’ Chapter 11 Cases were jointly administered under the caption In re: Bristow Group Inc., et al., Main Case No. 19-32713. The Debtors (including the two subsidiaries within BAHG group) continued to operate their businesses and manage their properties as “debtors-in-possession” during the Chapter 11 process.

On October 31, 2019 Bristow Group Inc and the applicable subsidiaries all successfully exited from Bankruptcy.

General operations overview and key performance indicators

Key performance indicators

The key performance indicators for the Group are represented below:

	2020	2019 (restated – see note 1)	Change
	£000	£000	%
Turnover	835,765	927,895	(10%)
Gross (loss)/profit	(111,390)	49,475	(325%)
Gross (loss)/profit %	(13%)	5%	(18%)
Administrative expenses	(107,049)	(92,909)	(15%)
Loss on disposal of operations	(27,739)	-	
Loss before tax	(486,469)	(263,707)	(84%)

Turnover, excluding share of joint ventures’ turnover, decreased by 10% on the previous year, principally reflecting the sale in May 2019 of Eastern Airways.

Gross profit decreased to a loss of £111.4m from a profit of £49.5m in 2019. The gross profit percentage decreased from 5% to (13%). The reduction in gross profit is impacted by impairment of tangible fixed assets of £204.7m and inventory provisions of £16.4m. The asset write downs reflect the directors’ assessment of the future recoverable amount of the group’s fleet and related assets in the current market environment and evidence of fair value obtained during the Bristow Group Inc. financial restructuring described above.

Administrative expenses have increased year on year.

The loss on disposal of operations of £27.7m mainly relate to the disposal of Eastern Airways of £26.2m.

The group has a loss before tax of £486.5m (2019: £263.7m). The loss before tax includes interest payable and financing charges of £250.0m (2019: £223.8m).

Bristow continues to meet its pension obligations on an on-going basis; the overall net pension deficit reduced to £14m at 31 March 2020 from £20m in 2019.

Capital expenditure in the year amounted to £63.3m (2019: £16.5m) which was mainly related to aircraft.

Strategic report *(continued)*

Business Review *(continued)*

European operations

Based on the number of aircraft operating, we are one of the largest providers of vertical flight solutions in the North Sea, where there are harsh weather conditions and geographically concentrated offshore facilities. As of March 31, 2020, we operated our oil and gas operations in our Europe Caspian region from four bases in the U.K. and four bases in Norway. The offshore facilities in the Northern North Sea and Norwegian North Sea are large and require frequent crew change flight services. In the Southern North Sea, the facilities are generally smaller with some unmanned platforms requiring shuttle operations to up-man in the morning and down-man in the evening. We deploy the majority of the large aircraft in our consolidated fleet in the North Sea, where our customers are primarily major integrated and independent offshore energy companies. Our North Sea operations are subject to seasonality as drilling activity is lower during the winter months due to harsh weather and shorter days.

We provide commercial SAR services for a number of oil and gas companies operating in the Norwegian North Sea. We have the U.K. SAR contract with the DfT to provide public sector SAR services for all of the U.K. on behalf of the MCA. This SAR contract is serviced with 21 technologically advanced aircraft operating out of a total of 10 bases throughout the UK and an overall contract length of 10 years plus options. The group has received a contract extension to 2026.

Bristow Helicopters Limited owned a 100% interest in Eastern Airways, a regional fixed wing operator based in the U.K. On May 10, 2019, we sold our ownership interest in Eastern Airways. We retained our ownership stake in Humberside Airport and continue to conduct our SAR operations from the Humberside base.

The group's Humberside Airport operations were similarly impacted by the COVID-19 global pandemic during the year ended March 31, 2020. Humberside Airport is an airport located near Humberside, England, which provides airport and related services to global and regional airlines. As a result of COVID-19, a significant customer temporarily suspended flight services into the airport, in addition to the decline in general aviation activity being experienced by all airlines and airports globally. The customer has since resumed flying operations to the airport. The group will continue to monitor the impacts of the COVID-19 global pandemic on the Humberside Airport operations.

International operations

As of March 31, 2020, most of the aircraft in our Africa region operated in Nigeria, where we are the largest provider of vertical flight solutions to the offshore energy industry. We have historically deployed a combination of small, medium and large aircraft in Nigeria and service a client base comprised mostly of major integrated offshore energy companies. We have four operational bases located as follows: Lagos, Eket and two in Port Harcourt. The marketplace for our services had historically been concentrated predominantly in the oil rich swamp and shallow waters of the Niger Delta area; however, more recently we have been undertaking work further offshore in support of deepwater exploration. Operations in Nigeria are subject to seasonality as the Harmattan, a dry and dusty trade wind, blows between the end of December and the middle of February. At times when the heavy amount of dust in the air severely limits visibility, our aircraft are unable to operate.

Strategic report *(continued)*

Business Review *(continued)*

International operations *(continued)*

In October 2015, we began providing fixed wing services to provide end-to-end transportation services for principally oil and gas industry customers and currently operate two fixed wing aircraft in support of this service.

Bristow Helicopters Australia Pty Ltd provides aviation services to the offshore energy industry in Australia. These operations are managed from our Asia Pacific region's head office facility in Perth, Western Australia. Our clients in Australia are primarily major integrated offshore energy companies. We provide search and rescue and medical evacuation services to the oil and gas industry in Australia and engineering support to the Republic of Singapore Air Force's (the "RSAF") fleet of helicopters at their base in Oakey, Queensland. Operations in the Asia Pacific region during the months of November through April may be impacted by cyclones that may reduce activity as we are unable to operate in the area of the storm.

Bristow Helicopters Australia Pty Ltd owns a 100% interest in Airnorth, a regional fixed wing operator based in Darwin, Northern Territory, Australia. Airnorth operations focus on providing both charter and scheduled services targeting the energy and mining industries in Northern and Western Australia as well as international services to Dili, Timor-Leste.

During the quarter ended March 31, 2020, the Australian government implemented significant travel restrictions within Australia and to and from Australia, severely impacting Airnorth operations in addition to the reduction in general aviation activity due to COVID-19 concerns. The group will continue to monitor the impacts of the COVID-19 global pandemic on Airnorth operations.

Competition

The helicopter and fixed wing businesses are highly competitive throughout the world. We compete directly against multiple providers in almost all of our operating regions. We have several significant competitors in the North Sea, Nigeria and Australia, and a number of smaller local competitors in other markets. Globally, we have seen a recent increase in competitive pressure and new regulation that could impact our ability to win future work. Competition has intensified, and new competitors could enter our industry if they are willing to make a significant capital investment, have access to working capital, onshore and offshore bases, personnel and operating experience. These requirements can be achieved with the appropriate level of client support and commitment. In addition, while not the predominant practice, certain of our customers and potential customers in the offshore energy industry perform their own industrial aviation services.

In most situations, customers charter aircraft on the basis of competitive bidding. On limited occasions, our customers renew or extend existing contracts without employing a competitive bid process. Contracts are generally awarded based on a number of factors, including price, quality of service, operational experience, record of safety, quality and type of equipment, client relationship and professional reputation. Incumbent operators typically have a competitive advantage in the bidding process based on their relationship with the client, knowledge of the site characteristics and existing facilities to support the operations. Because certain of our customers in the offshore energy industry have the capability to perform their own industrial aviation services, our ability to increase charter rates may be limited under certain circumstances.

Strategic report *(continued)*

Safety

Our well established global safety programme called “Target Zero” focuses on improved safety performance. Our safety vision is to have zero accidents, zero harm to people, and zero harm to the environment. The key components to achieving this are to improve safety culture and individual behaviour, increase the level of safety reporting by the frontline employees, increase accountability for addressing identified hazards by the operational managers and provide for independent oversight of the operational safety programmes.

Principal risks and uncertainties

- Our future growth depends on the level of international oil and gas activity.
- Our failure to attract and retain qualified personnel could have an adverse effect on us.
- We face substantial competition in the industrial aviation services.
- Foreign exchange risks and controls may affect our financial position and results of operations.
- Our dependence on a small number of helicopter manufacturers poses a significant risk to our business and prospects.
- A shortfall in availability of aircraft components and parts required for maintenance and repairs of our aircraft and supplier cost increases could adversely affect us.
- A major helicopter safety incident, within Bristow or beyond, which could lead our customers to use alternative means of transportation.
- The group has a significant defined benefit pension obligation to fund.
- The COVID-19 pandemic and related economic repercussions have resulted, and may continue to result, in a decrease in the price of and demand for oil, which has caused, and may continue to cause, a decrease in the demand for our services.

Going concern

The financial statements have been prepared on a going concern basis.

After incurring an operating loss of £220.1m and with consolidated net liabilities of £1,362.8m, the Group and Company is dependent on BGI Group Inc.’s financial support to provide additional funds which may be required to meet current and future cash flow requirements and to not seek repayment of amounts owed to the parent company and its subsidiaries. Bristow Group Inc. has indicated its intention to continue to make available such financial support for at least 12 months from the date of these financial statements.

Further disclosure in respect of going concern is included in note 1 to the financial statements.

Directors’ statement of compliance with duty to promote the success of the group

The Directors must act in a way that they consider, in good faith, would most likely promote the success of the group for the benefit of its members as a whole in accordance with section 172 of the UK Companies Act 2006. In doing so, have regard to matters such as, but not limited to: -

- a) The likely consequences of long term decisions

The Directors continue to take a long term view on the business, continuously analysing market conditions and seeking diversification opportunities when and where they arise in order to strengthen the business portfolio.

- b) The interests of the group’s employees

The group prides itself on having a highly skilled, motivated workforce working in an industry where safety is paramount. Employees are subject to annual reviews where employees have the opportunity to give feedback as well as to receive feedback.

Strategic report *(continued)*

The group operates a Defined Contribution Pension Scheme and also has a Defined Benefit Pension Scheme which has been closed to new members since 2004. The group continues to fund a pension scheme deficit.

c) Business relationships with suppliers, customers and others

The group's relationships with OEM's, clients and other suppliers are significant in maintaining the Bristow brand with regards quality and safety. The directors also consider the views and interests of other stakeholders relating to the group's business, including the UK CAA and other government agencies and regulators, European and other international organisations like EASA.

d) Impact of the group's operations on the community and the environment

The Directors have available information and data relating to all aspects of the business, to enable it to understand the group's operations and the interests and views of the key stakeholders, including the local community and environment.

The group has undertaken various energy efficiency measures to contribute to emission reduction initiatives.

e) Desirability of the group's maintaining a reputation for high standards of business conduct

The Director's continue to review quality and safety in the workplace and ensure compliance under the Bristow Group Inc.'s Code of Business Integrity.

f) The need to act fairly between members of the group

The board of directors participate in board meetings frequently (at least once a quarter) during which operational matters, strategy, business risks and legal and regulatory matters are discussed. These meetings enable the directors to keep abreast of the group's operations and ongoing engagement with their stakeholders.

Directors will engage (either individually or together) directly with some of the stakeholders on certain issues. Other times, engagement will be at an operational level, but always under the direction and supervision of the board of directors.

By order of the board,



A Corbett
Director

Redhill Aerodrome
Kings Mill Lane
Redhill
Surrey
RH1 5JZ

11 March 2021

Directors' report

The directors present their report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the Group (also referred to as 'Bristow' or 'company') is to provide industrial aviation services.

Our principal service continues to be that of providing customers with helicopters and crew to transport personnel and time-sensitive equipment from onshore bases to offshore drilling rigs, platforms and other installations, both in the United Kingdom (U.K.) and overseas. We have operations in many of the major offshore oil and gas producing regions of the world, including Australia, Nigeria, Norway, Russia and Trinidad. Search and Rescue helicopter services are provided in addition to supporting the oil and gas sector. Engineering and maintenance activities are also performed on aircraft working in both markets. In addition, we also provide fixed wing services in both Europe and Australia.

Results and dividends

The audited financial statements for the year ended 31 March 2020 are set out on pages 16 to 66. The Group loss for the financial year after taxation was £496.9m (2019: £274.7m). Loss for the year attributable to shareholders of the parent company was £325.4m (2019: £267.3m).

The directors do not recommend the payment of a dividend (2019: *£nil*).

Pensions

The Group is showing a net pension deficit of £14.3m as at 31 March 2020 (2019: *£19.7m*). Movements in the valuation of the pension schemes are fully disclosed in the notes to the financial statements.

Further information is outlined in note 27.

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 he 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.

Company information

The company's registered office is at; Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ and registration number is 03234500.

Directors' report *(continued)*

Directors

The company directors who held office during the year and up to the date of signing the financial statements were as follows:

A Corbett	
J Howell-Richardson	(resigned 31 October 2020)
L D Miller	(resigned 11 June 2020)
I A Godden	
C Bradshaw	(appointed 11 June 2020)
C MacFarlane	(appointed 31 October 2020)

The directors benefit from third party indemnity provisions in place during the financial year and at the date of this report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The Group values the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and of the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and through the posting of company notices. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Political contributions

No political contributions were made by the Group during the year (2019: £nil).

Financial instruments

Details of the Group's financial instruments and financial risk management are set out in note 23.

Engagement with employees

Relationships with employees are of strategic importance to the company and these matters are therefore dealt with in the strategic report (under section 172 obligations).

Engagement with suppliers, customers and others

Relationships with stakeholders are of strategic importance to the company and these matters are therefore dealt with in the strategic report (under section 172 obligations).

Energy use and Greenhouse gas emissions

The group's greenhouse gas emissions arise from the group's operations in the provision of industrial aviation services and associated business activities. UK energy use includes purchased electricity, gas and fuel for company transport but the single greatest contributor to the emissions total is from Aviation Fuel.

Directors' report *(continued)*

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013/20 introduced changes to require quoted companies to report their annual emissions and an intensity ratio in their Directors' Report. Subsequently, the 2018 Regulations introduced requirements for Large Unquoted Companies in the UK to disclose their annual energy use, greenhouse gas emissions, and related information.

During the financial year 1 April 2019 to 31 March 2020, the group's subsidiary, Bristow Helicopters Limited ('BHL') fulfilled the qualification criteria of a Large Unquoted Company and so the group is required to report on the following emissions. The table relates to BHL only and not the group:-

Gas:	Abbreviation	Emitted by BHL	Reporting Requirement
Carbon Dioxide Equivalent	CO2e	Yes	Yes
Carbon Dioxide	CO2	Yes	No
Methane	CH4	Yes	No
Nitros Oxide	N2O	Yes	No
Hydrofluorocarbons	HFC's	No	No
Perfluorocarbons	PFC's	No	No
Sulphur Hexafluoride	SF6	No	No

BHL's greenhouse gas emissions are reported in metric tons (Mt) carbon dioxide equivalents ('CO2e'). Calculations are performed using the emission factors and global warming potential of CO2, in accordance with the current guidance from the UK Department for Environment, Food and Rural affairs, UK Department for Business, Energy and Industrial Strategy and the WRI / WBCSD Greenhouse Gas protocol.

BHL has established the intensity ratio that is the most relevant to the group and will provide the most useful information to readers on a comparative yearly basis:

- Tonnes of CO2e per hour flown.

This is a reliable metric that is unaffected by inflation and price changes over time.

Energy Efficiency action taken

During the financial year 2019-20 the group has undertaken the following energy efficiency measures.

Action 1

Installation of LED lights in the aircraft hangars and offices.

Action 2

Installation of hangar door sensors which automatically switch off the heating when the doors are opened,

Directors' report *(continued)*

Action 3

Installation of movement sensors on external lighting.

Action 4

Minimizing "ground runs" (engines started and run as part of a maintenance action), eliminating unnecessary periods of engine operation (such as idling engines while waiting for flight clearance).

Action 5

Each of the UK base managers has communicated to the employees the energy saving goals of the group, which included using daylight where possible and switching off lights when leaving rooms that do not have movement sensors and have no other occupants. These communications were well received, and the employees are proactive in their contributions towards these goals.

Assessment parameters

Base Year:	1 April 2019 – 31 March 2020
Consolidation approach	Operational Control
Boundary Summary	All branches in the UK for BHL were included.
Assessment methodology	<p>Actual Gas and Electricity consumption data and meter readings are gathered regularly throughout the year so no estimated data is used in these calculations.</p> <p>Mileage records for company vehicles and fuel spend was included as recorded in the company's financial system.</p> <p>The reporting followed the guidance in the document <i>Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance</i>.</p> <p>The conversion factors used to calculate the emissions are those published in <i>UK Government GHG Conversion Factors for Company Reporting Standard Set Version 1.0</i> for the year 2020.</p>

The following table details the emissions by category for the current year (comparative information will be presented in the financial statements for the year ending 31 March 2021 onwards:

Greenhouse Gas Emissions	Unit	Current Reporting Year 2019-2020
Energy consumption used to calculate emissions – electricity	kWh	5,526,546
Energy consumption used to calculate emissions – gas	kWh	2,913,263
Energy consumption used to calculate emissions – transport	litres	37,007
Emissions from electricity	tCO ₂ e	1,412.6
Emissions from gas	tCO ₂ e	535.6
Emissions from transport	tCO ₂ e	93.3
Emissions from aircraft fuel	tCO ₂ e	55,097.5
Total gross tCO ₂ e based on above	tCO ₂ e	57,139.0
Intensity Ratio	tCO ₂ c/ hour flown	1.79

Directors' report *(continued)*

Auditor

In accordance with Section 487 of the Companies Act 2006, KPMG LLP are deemed to be re-appointed as auditors to the company.

By order of the board,

A handwritten signature in black ink, appearing to read 'A Corbett', with a stylized flourish at the end.

A Corbett
Director

Redhill Aerodrome
Kings Mill Lane
Redhill
Surrey
RH1 5JZ

11 March 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOW AVIATION HOLDINGS LIMITED

Opinion

We have audited the financial statements of Bristow Aviation Holdings Limited ("the company") for the year ended 31 March 2020 which comprise the Consolidated profit and loss account, Consolidated balance sheet, Company balance sheet, Consolidated balance sheet, Consolidated cash flow statement, Consolidated statement of changes in equity, Company statements of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOW AVIATION HOLDINGS LIMITED (*continued*)

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 13, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at

www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



David Derbyshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Marischal Square
Broad Street
Aberdeen
AB10 1DD
12 March 2021

Consolidated profit and loss account
for the year ended 31 March 2020

	Note	2020 £000	Restated (see note 1) 2019 £000
Turnover	2	835,765	927,895
Cost of sales		(947,155)	(878,420)
Gross (loss)/profit		(111,390)	49,475
Administrative expenses		(107,049)	(92,909)
Other operating expenses	5	(14,066)	(16,999)
Other operating income	5	12,407	8,343
Group operating loss		(220,098)	(52,090)
Loss on disposal of operations		(27,739)	-
Share of operating profit in:			
Associates	13	130	123
Interest receivable and similar income	6	11,279	12,053
Interest payable and similar expenses	7	(250,041)	(223,793)
Loss before taxation	8	(486,469)	(263,707)
Tax on loss	9	(10,438)	(11,016)
Loss for the financial year		(496,907)	(274,723)
Other comprehensive income			
Foreign exchange on translation of foreign operations		49,190	40,864
Actuarial (loss)/gain on defined benefit pension scheme	27	(6,466)	(2,881)
Current tax attributable to actuarial loss		2,221	2,008
Movement of deferred tax relating to pension deficit		-	(4,491)
		44,945	35,500
Total comprehensive income for the year		(451,962)	(239,223)
<i>Loss for the year attributable to</i>			
Shareholders of the parent company		(325,368)	(267,314)
Non-controlling interest		(171,539)	(7,409)
Total loss		(496,907)	(274,723)
<i>Total comprehensive income attributable to</i>			
Shareholders of the parent company		(313,478)	(285,012)
Non-controlling interest		(138,484)	45,789
Total comprehensive income		(451,962)	(239,223)

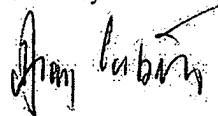
The notes on pages 22 to 66 form part of these financial statements.

Consolidated balance sheet
at 31 March 2020

	<i>Note</i>	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Goodwill	10	-		3,176	
Intangible assets	11	-		1,076	
Tangible assets	12	342,092		522,168	
Investments	13	645		576	
			342,737		526,996
Current assets					
Stocks	14	42,553		63,205	
Debtors - due within one year	15	163,723		193,346	
Debtors - due over one year	16	425,627		469,304	
Debtors - total		589,350		662,650	
Cash at bank and in hand	17	90,546		64,999	
		722,449		790,854	
Creditors: amounts falling due within one year	18	(262,350)		(293,877)	
Net current assets			460,099		496,977
Total assets less current liabilities			802,836		1,023,973
Creditors: amounts falling due after more than one year	19		(2,151,314)		(1,910,155)
Pension liabilities	27		(14,291)		(19,747)
Provisions	21		-		(95)
Net liabilities			(1,362,769)		(906,024)
Capital and reserves					
Called up share capital	22		10,000		10,000
Revaluation reserve	22		1,609		1,531
Profit and loss account	22		(1,964,451)		(1,650,895)
Deficit attributable to parent's shareholders			(1,952,842)		(1,639,364)
Non-controlling interest			590,073		733,340
Deficit in shareholders' funds			(1,362,769)		(906,024)

The notes on pages 22 to 66 form part of these financial statements.

These financial statements were approved by the board of directors on 11 March 2021 and were signed on its behalf by:



A Corbett
Director

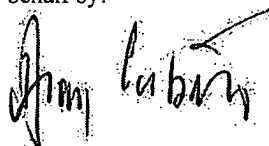
Company number: 03234500

Company balance sheet
at 31 March 2020

	<i>Note</i>	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Investments	13		101,000		101,000
Current assets					
Debtors - due within one year	15	-		-	
Debtors - due over one year	16	9,176		8,712	
Debtors - total		9,176		8,712	
Creditors: amounts falling due within one year	18	(5,406)		(5,100)	
Net current assets			3,770		3,612
Total assets less current liabilities			104,770		104,612
Creditors: amounts falling due after more than one year	19	(1,910,289)		(1,675,739)	
Net liabilities		(1,805,519)		(1,571,127)	
Capital and reserves					
Called up share capital	22	10,000		10,000	
Profit and loss account	22	(1,815,519)		(1,581,127)	
Deficit in shareholders' funds		(1,805,519)		(1,571,127)	

The notes on pages 22 to 66 form part of these financial statements.

These financial statements were approved by the board of directors on 11 March 2021 and were signed on its behalf by:



A Corbett
Director

Company number: 03234500

Consolidated cash flow statement
for the year ended 31 March 2020

	<i>Note</i>	2020 £000	2019 £000
Cash flow statement			
Cash flows from operating activities			
Loss for the year		(496,907)	(274,723)
Adjustments for:			
Depreciation	12	34,597	45,427
Impairment charge of fixed assets	12	204,699	687
Goodwill and intangible amortisation	10,11	4,160	6,252
Impairment of investment	13	(69)	310
(Profit)/loss on disposal of tangible fixed assets	5	(7,249)	1,200
(Profit)/loss on disposal of subsidiaries	5	27,739	-
Share of operating profit in associates	13	(130)	(123)
Interest receivable and similar income	6	(11,279)	(12,053)
Interest payable and similar expenses	7	250,041	223,793
Taxation	9	10,438	11,016
Decrease in stocks	14	19,088	3,849
Decrease in debtors		34,863	14,308
(Decrease)/increase in creditors		(514)	62,299
Decrease in provisions and employee benefits		(12,343)	(9,844)
Tax Paid		(9,112)	(8,178)
Net cash inflows from operating activities		48,022	64,220
Cash flows from investing activities			
Acquisition of tangible fixed assets		(63,346)	(16,496)
Proceeds from sale of tangible fixed assets		7,274	4,463
Proceeds from sale of subsidiaries		3,394	-
Cash disposed with subsidiaries		(17,276)	-
Net cash from investing activities		(69,954)	(12,033)
Cash flows from financing activities			
Proceeds from new external loans		13,317	-
Receipts from settlement of long term group loans		53,772	-
Interest paid		(15,165)	(18,050)
Interest received		11,279	-
Repayment of external borrowings		(12,295)	(28,509)
Dividends		-	(467)
Net cash from financing activities		50,908	(47,026)
Increase in cash and cash equivalents		28,976	5,161
Cash and cash equivalents at 1 April	17	64,999	58,902
Effect of exchange rate fluctuations on cash held		(3,429)	936
Cash and cash equivalents at 31 March	17	90,546	64,999

The notes on pages 22 to 66 form part of these financial statements.

Consolidated statement of changes in equity
for the year ended 31 March 2020

2019

	Called up share capital	Revaluation reserve	Profit and loss account	Total shareholders' equity	Non-controlling interest	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2018	10,000	1,422	(1,365,774)	(1,354,352)	688,018	(666,334)
Total comprehensive income for the year						
Profit or loss	-	-	(267,314)	(267,314)	(7,409)	(274,723)
Other comprehensive income	-	109	(17,807)	(17,698)	53,198	35,500
Total comprehensive income for the year	-	109	(285,121)	(285,012)	45,789	(239,223)
Transfer to profit and loss account	-	-	-	-	-	-
<i>Shareholder transactions recorded in equity</i>						
Dividends	-	-	-	-	(467)	(467)
Balance as at 31 March 2019	10,000	1,531	(1,650,895)	(1,639,364)	733,340	(906,024)

2020

	Called up share capital	Revaluation reserve	Profit and loss account	Total shareholders' equity	Non-controlling interest	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019	10,000	1,531	(1,650,895)	(1,639,364)	733,340	(906,024)
Total comprehensive income for the year						
Profit or loss	-	-	(325,368)	(325,368)	(171,539)	(496,907)
Other comprehensive income	-	78	11,812	11,890	33,055	44,945
Total comprehensive income for the year	-	78	(313,556)	(313,478)	(138,484)	(451,962)
Transfer to profit and loss account	-	-	-	-	-	-
<i>Shareholder transactions recorded in equity</i>						
Disposal of minority interest	-	-	-	-	(4,783)	(4,783)
Balance as at 31 March 2020	10,000	1,609	(1,964,451)	(1,952,842)	590,073	(1,362,769)

The notes on pages 22 to 66 form part of these financial statements.

Company statement of changes in equity
for the year ended 31 March 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2018	10,000	(1,376,316)	(1,366,316)
Total comprehensive income for the year			
Profit or loss	-	(204,811)	(204,811)
Other comprehensive income	-	-	-
	<u>-</u>	<u>(204,811)</u>	<u>(204,811)</u>
Total comprehensive income for the year	-	(204,811)	(204,811)
Transactions with owners, recorded directly in equity	-	-	-
Balance as at 31 March 2019	<u>10,000</u>	<u>(1,581,127)</u>	<u>(1,571,127)</u>

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2019	10,000	(1,581,127)	(1,571,127)
Total comprehensive income for the year			
Profit or loss	-	(234,392)	(234,392)
Other comprehensive income	-	-	-
	<u>-</u>	<u>(234,392)</u>	<u>(234,392)</u>
Total comprehensive income for the year	-	(234,392)	(234,392)
Transactions with owners, recorded directly in equity	-	-	-
Balance as at 31 March 2020	<u>10,000</u>	<u>(1,815,519)</u>	<u>(1,805,519)</u>

The notes on pages 22 to 66 form part of these financial statements.

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

Bristow Aviation Holdings Limited is a private company incorporated, domiciled and registered in the United Kingdom. The registered number is 03234500 and the registered address is Redhill Aerodrome, Kings Mill Lane, Redhill, RH1 5JZ.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are set out in note 31.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Prior year restatement (comparative profit and loss account)

During the current year, the directors identified that there was turnover totalling £123,600,000 in the year ended 31 March 2019 which should have been eliminated on the basis that it was earned between companies within the Bristow Aviation Holdings Limited consolidated group. Consequently consolidated turnover and consolidated cost of sales were overstated each by £123,600,000. The following financial statement captions have been restated within the comparative consolidated profit and loss account: Turnover previously reported of £1,051,495,000 has been reduced by £123,600,000 to £927,895,000 and Cost of Sales previously reported of £1,002,020,000 have been reduced by £123,600,000 to £878,420,000. Gross profit remains as previously reported unchanged. There is no effect on the previously reported consolidated operating loss or loss for the financial year ended 31 March 2019 and no effect on consolidated net liabilities or equity.

There is no impact on the company from the above restatement.

Notes (continued)

1 Accounting policies (continued)

Going concern

Notwithstanding a consolidated operating loss of £220.1m and net loss of £497.0m for the year ended 31 March 2020 and consolidated net liabilities of £1,362.8m at 31 March 2020, the Group and parent company financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The operating loss for the year ended 31 March 2020 of £220.1m includes non-cash charges including an impairment of tangible fixed assets of £204.7m and an inventory provision of £16.4m. In addition, the net loss for the year of £497.0m includes a loss on disposal of £27.7m and a non-cash charge of accrued interest on a related party loan of £234.6m. The Group generated cash flows from operations of £48.0m.

Principal debt obligations (other than certain quarterly instalment repayments) are not due before 2023 (note 20). Net current assets (excluding debtors receivable after more than one year) were £34.4m. The Group's net liabilities at 31 March 2020 principally reflect the principal amount and accrued interest on an unsecured subordinated loan stock owed to Bristow International Panama S de RL. It is repayable only after settlement of all third party debt obligations, which currently extend up to January 2024.

Since the 31 March 2020, the outbreak of COVID-19 caused a significant decrease in oil and natural gas prices in the first half of 2020 resulting from demand weakness and oversupply, which has adversely affected demand for the Group's services. Ongoing economic repercussions of the COVID-19 pandemic may further depress the oil and gas market in the future, which may lead to additional decreases in capital spending by oil and natural gas companies. Together with our customers, the Group has implemented several measures at our bases, based upon guidance from local public health authorities, to help protect employees and customers, including, but not limited to, measures to restrict access to sites, medical screenings/questionnaires prior to all flights, enhanced sanitization of aircraft and equipment, modification of aircraft and special protocols on travel and passenger transport, and we are also monitoring developments that may require or cause us to modify actions as appropriate. Many of Group employees are deemed "essential" in the regions in which they operate and therefore may continue performing their jobs notwithstanding guidance or orders of general applicability issued by governments requiring businesses to close, persons to shelter in place, borders to close and other similar actions. In addition, the Group has developed and are offering customers COVID-19 medevac transport in certain regions. As of February 2021, a number of our SAR crew members in certain parts of the world have received the COVID-19 vaccine.

The directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides to trading activity, including as a result of the COVID-19 pandemic, the Group will have sufficient funds, through funding from its ultimate parent undertaking, Bristow Group Inc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bristow Group Inc. not seeking repayment of the amounts currently due to the Group, which at 31 March 2020 amounted to £140.0m (falling due within one year), and providing additional financial support during that period if required. Bristow Group Inc. has indicated its intention to continue to make available such funds as are needed by the Group, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any Group placing reliance on such financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, and taking into account the importance of the group's operations to Bristow Group Inc., they have no reason to believe that it will not do so.

The directors have made enquiries relating to the financial performance and position of Bristow Group Inc. including the impact of the Covid-19 pandemic, as at the date of approval of these financial statements. No matters which may reasonably possibly impact the ability of the Group and parent company to continue as a going concern have been identified from these enquiries.

Consequently, the directors are confident that the Group and parent company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the company, its subsidiary undertakings and other legal entities/partnerships where the company holds control to 31 March 2020. Where appropriate, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date control commences to the date that control ceases.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

An associate is an undertaking in which the Group has significant influence but not control over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is a contractual arrangement undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its interest in their net assets, including goodwill on acquisition, is included in investments in the consolidated balance sheet using the equity method.

Where a group company is party to a joint arrangement that is not an entity, that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. The company's loss for the year was £234.4m (2019: £204.8m).

In the parent financial statements, investments in subsidiaries and associates are carried at cost less impairment.

Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. Transaction costs are allocated between the debt component and the equity component on the basis of their relative fair values.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes (continued)

1 Accounting policies (continued)

Group structure and minority interest

Bristow Aviation Holdings Limited ("BAHL") is general partner in Bristow Worldwide Limited Partnership ("BWWLP"). The limited partner in this limited partnership is Bristow (UK) Limited Liability Partnership ("BUKLLP"), a sister entity of BAHL that is 100% controlled by Bristow Group Inc. ("BGI"). On entering the partnership, BAHL contributed to BWWLP as capital 100% of the issued share capital of Bristow Helicopter Group Limited ("BHGL"), an intermediate holding company which owns all the trading subsidiaries, affiliates and joint ventures of BAHL group as listed in note 25. Under U.K. partnership law, BAHL as general partner, has management control of the partnership, the right to use the partnership property, share the profits of the firm in predefined proportions, and has joint and several liability for the debts of the partnership.

BUKLLP contributed to BWWLP 100% of the issued share capital of Brilog Leasing Limited ("BLL") and Bristow Cayman Limited ("BCL") as capital, BLL is also a 100% owned subsidiary that owns aircraft. Under the partnership legislation, BUKLLP as limited partner has limited liability (capped at capital contributed) and the right to share the profits of the partnership in predefined proportions, but has no management authority and does not take part in the management of the partnership business.

Under the terms of the Limited Partnership Agreement, BAHL beneficially owns, through its interest in BWWLP, 95% of the ordinary share capital of BHGL and 4.1176% of the ordinary share capital of BLL and BCL. Correspondingly, BUKLLP beneficially owns, through its interest in BWWLP, 5% of the ordinary share capital of BHGL and 95.8824% of the ordinary share capital of BLL and BCL. Profits of the BWWLP partnership are allocated on these predefined proportions, such that BAHL receives 95% of BHGL profits and 4.1176% of BLL and BCL profits, and BUKLLP correspondingly receives 5% of BHGL profits and 95.8824% of BLL and BCL profits.

As the partnership agreement gives BAHL control of BWWLP, the company is deemed to control both BCL and BLL and these are accounted for as subsidiaries. Therefore, the assets and liabilities of BCL and BLL have been recognised in full in the BAHL balance sheet and the BAHL profit and loss account presents the results of the consolidated group including 100% of BCL and BLL results. BAHL then recognizes non-controlling interest of 5% of BHGL and 95.8824% of BLL and BCL results as non-controlling interests in reserves.

Notes (continued)

1 Accounting policies (continued)

Intangible assets (including goodwill)

Goodwill

Goodwill, representing the excess of the fair value of the consideration and associated costs given over the fair value of the separable net assets acquired, is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

Purchased goodwill, both positive and negative, arising on consolidation in respect of acquisitions before 1 April 1998, when FRS 10 *Goodwill and intangible assets* was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs, any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal. The cumulative amount taken to reserves is £15,858,000 (2019: £15,858,000).

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the company are stated at cost less accumulated amortisation and less accumulated impairment losses.

An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Contracts	-	over remaining life of contract
Customer relationships	-	10 – 20 years
Licences	-	over licence period remaining
Trademarks and trade name	-	15 years
Internally developed software	-	5 years

The basis for choosing these useful lives is the period over which the Group expects to derive economic benefits from these assets.

Goodwill is amortised to nil by equal instalments over its estimated useful life of up to 5 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 *Impairment of assets* when there is an indication that goodwill or an intangible asset may be impaired.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets, capitalised interest costs and depreciation

Tangible fixed assets are stated at cost/deemed cost net of depreciation and any provision for impairment. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described in the expenses policy below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	15 – 40 years
Long leasehold property	-	over lease period
Short leasehold property	-	over lease period
Plant and equipment	-	3 – 15 years
Vehicles	-	3 – 5 years
Aircraft & rotatable spares	-	2 – 30 years with a 30% - 50% residual value

The impact of this change in estimate in the current period's financial statements was to decrease the depreciation charge recorded from 1 November 2019 by £0.1m.

No depreciation is provided on freehold land.

Consistent with the group's policy to review useful lives and residual value when changes in circumstances indicate a change in estimate may be required, upon emergence from Chapter 11, the group performed a review of useful lives and residual values. As a result of this review, the group made certain changes to the useful lives and residual values of aircraft and related equipment. No material changes were made to non-aircraft property, plant and equipment useful lives and residual values. The group's previous policy stated that estimated useful lives of aircraft generally range from 5 to 15 years, and the residual value used in calculating depreciation of aircraft generally ranged from 30% to 50% of cost. The group's revised policy will generally utilize a 30 year useful life from the date of manufacture of an aircraft for used aircraft and the in-service date for new aircraft and a residual value range of 5% to 25% of cost. In certain circumstances, the useful lives of aircraft are limited by a 30,000 flight hour restriction on the airframe of an aircraft imposed by certain aircraft manufacturers. These changes in useful lives reflect the group's view of expected operating conditions and the economic environment, which suggests the group will utilize its aircraft for longer than it has historically. The changes in residual values reflect the change made to useful lives and the current expectations of fair market value to be achieved at the time of eventual disposal, based on historical sales data during the decline in the oil and gas industry.

The interest costs attributable to progress payments or deposits on aircraft purchase contracts and construction projects are capitalised as part of the cost of that asset.

Spare parts which are classified as tangible fixed assets are those items which are considered major components of aircraft.

Notes (continued)

1 Accounting policies (continued)

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes (continued)

1 Accounting policies (continued)

Impairment excluding stocks and deferred tax assets (continued)

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or, if it has been integrated, then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation. In this case, the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Expenses *(continued)*

Interest receivable and interest payable

Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Stocks

Stocks are stated at the lower of cost or net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost which includes an appropriate proportion of attributable overheads.

Spare parts which are classified as inventory include repairables and consumables.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates, and branches, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation *(continued)*

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense/income on the net defined benefit liability/asset for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/asset taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Notes *(continued)*

1 Accounting policies *(continued)*

Employee benefits *(continued)*

Termination benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Share-based payment transactions

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the entity receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the entity's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss. As the company is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The basis of such allocation is disclosed in note 26.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Aircraft and major component overhaul and maintenance

Rotor wing

The Group undertakes aircraft and major component overhauls and maintenance internally and also holds contracts with third party providers for such work.

Under certain contracts the providers invoice for their services by reference to units of economic consumption, typically hours flown. All major component overhauls and maintenance which are covered by third party maintenance agreements, where there is a transfer of risk and legal obligation, are expensed on the basis of hours flown. All other maintenance costs are expensed as incurred.

The costs of major overhauls of aircraft and components held under operating leases are charged to the profit and loss account in accordance with the legal obligations under the terms of the lease.

Fixed wing

The costs of periodic overhauls on owned and finance leased aircraft are capitalised and depreciated within tangible fixed assets unless the liability for those overhauls has been passed to a third party. All other costs relating to maintenance of owned and finance leased aircraft are charged to the profit and loss account as incurred.

Provisions for periodic overhaul costs on aircraft held under operating leases are made with reference to the number of hours flown, or similar basis, over the lease period.

For certain operating leased aircraft, arrangements have been entered into with maintenance providers under which monthly payments are made on a flying hour, or similar basis. The Group retains responsibility for the total costs of the maintenance overhaul of these aircraft, and where these costs exceed the monthly payment the group will incur additional costs. The additional costs are spread over the period to the shorter of the next overhaul, or end of the lease term, and are shown within tangible fixed assets.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Notes (continued)

2 Turnover

Turnover represents total turnover receivable for the period exclusive of sales tax and intra-group transactions.

Turnover is recognised when it is realised or realisable, and earned. Turnover is considered to be realised or realisable and earned when the following conditions exist: the persuasive evidence of an arrangement, generally a customer contract; the services or products have been performed or delivered to the customer; the sales price is fixed or determinable within the contract; and collection is probable. More specifically, turnover from helicopter services is recognised based on contractual rates as the related services are performed. The charges under these contracts are generally based on a two-tier rate structure consisting of a daily or monthly fixed fee plus additional fees for each hour flown. These contracts are for varying periods and generally permit the customer to cancel the contract before the end of the term. Services are also provided to customers on an “ad-hoc” basis, which usually entails a shorter notice period and shorter duration. The charges for ad-hoc services are based on an hourly rate or a daily or monthly fixed fee plus additional fees for each hour flown. In order to offset potential increases in operating costs, the long-term contracts may provide for periodic increases in the contractual rates charged for our services. These rate increases are recognised when the criteria outlined above have been met. This generally includes written recognition from the customers that they are in agreement with the amount of the rate escalation. In addition, the Group’s standard rate structure is based on fuel costs remaining at or below a predetermined threshold. Fuel costs in excess of this threshold are generally reimbursed by the customer.

	2020 £000	*2019 Restated £000
Analysis of turnover by class of business:		
Helicopter and fixed wing services	835,765	927,895
Analysis of turnover by country of destination:		
United Kingdom	338,795	387,361
Europe	205,250	207,269
Rest of world	291,720	333,265
	835,765	927,895

*Comparative financial information has been restated as disclosed and explained in note 1.

3 Remuneration of directors

	2020 £000	2019 £000
Directors’ emoluments	1,913	504
Amounts receivable under long term incentive schemes	59	98
Company contributions to money purchase pension schemes	49	37
	2,021	639

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £1,518,507 (2019: £476,970), and company pension contributions of £37,553 (2019: £35,114) were made to a money purchase scheme on his behalf.

Notes (continued)

3 Remuneration of directors (continued)

	Number of directors 2020	2019
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	2	2
	<u> </u>	<u> </u>
The number of directors who exercised share options	-	-
	<u> </u>	<u> </u>

4 Staff numbers and costs

The average number of persons employed by the Group including directors during the year, analysed by category, was as follows:

	Number of employees 2020	2019
Operating staff	2,017	2,600
Management and administration	363	505
	<u> </u>	<u> </u>
	2,380	3,105
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2020 £000	2019 £000
Wages and salaries	203,674	227,147
Social security costs	20,169	23,341
Defined contribution pension costs (note 27)	19,068	21,917
Defined benefit pension costs (note 27)	15	20
	<u> </u>	<u> </u>
	242,926	272,425
	<u> </u>	<u> </u>

5 Other operating (expenses)/income

	2020 £000	2019 £000
Exchange movements	(14,010)	(15,799)
Amounts written off investments	(56)	-
Loss on disposal of tangible fixed assets	-	(1,200)
	<u> </u>	<u> </u>
Other operating expenses	(14,066)	(16,999)
	<u> </u>	<u> </u>
Profit on disposal of tangible fixed assets	7,249	-
OEM settlement	-	5,728
Other income	5,158	2,615
	<u> </u>	<u> </u>
Other operating income	12,407	8,343
	<u> </u>	<u> </u>

Notes (continued)

6 Interest receivable and similar income

	2020 £000	2019 £000
Interest receivable	489	583
Interest receivable from related companies	10,790	11,470
	<u>11,279</u>	<u>12,053</u>

7 Interest payable and similar expenses

	2020 £000	2019 £000
Interest on related party loans	234,550	205,220
Interest on other loans	15,164	18,050
Interest on defined benefit pension scheme	327	523
	<u>250,041</u>	<u>223,793</u>

Interest on related party loans arises mainly on the principal and unpaid interest balance of the Group's unsecured 13.5% loan stock.

8 Expenses and auditor's remuneration

	2020 £000	2019 £000
<i>Loss before taxation is stated after charging:</i>		
Depreciation:		
Owned assets	34,597	45,427
Impairment charge on tangible fixed assets	204,699	687
Operating lease rental expenses	148,009	152,014
Amortisation of goodwill	3,109	3,553
Amortisation of intangible assets	1,051	2,699
Cost of stock recognised as an expense	323	1,321
Impairment of stock recognised as an expense	16,378	7,713
	<u></u>	<u></u>

Auditor's Remuneration

	2020 £000	2019 £000
Audit of these financial statements	100	49
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	1,259	1,023
Taxation compliance services	205	148
Other tax advisory services	198	182
Other assurance services	4	-
	<u></u>	<u></u>

Notes (continued)

9 Taxation

Analysis of charge in year

	2020 £000	2020 £000	2020 £000	2019 £000	2019 £000	2019 £000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in profit and loss account	11,343	(905)	10,438	11,647	(631)	11,016
Recognised in other comprehensive income	(2,221)	-	(2,221)	(2,008)	4,491	2,483
	<u>9,122</u>	<u>(905)</u>	<u>8,217</u>	<u>9,639</u>	<u>3,860</u>	<u>13,499</u>

Analysis of charge in year in profit and loss

	2020 £000	2019 £000
<i>UK corporation tax</i>		
Current tax on income for the year	3,373	3,192
Double taxation relief	(1,145)	(1,290)
	<u>2,228</u>	<u>1,902</u>
<i>Foreign tax</i>		
Current tax on income for the year	9,253	9,000
	<u>11,481</u>	<u>10,902</u>
Adjustments in respect of prior year		
UK corporation tax	(138)	-
Foreign tax	-	745
	<u>11,343</u>	<u>11,647</u>
Share of joint ventures' tax	-	-
	<u>11,343</u>	<u>11,647</u>
Total current tax charge	<u><u>11,343</u></u>	<u><u>11,647</u></u>
Deferred taxation		
Origination and reversal of timing differences – current year	(905)	(631)
Origination and reversal of timing differences – prior years	-	-
Rate change	-	-
	<u>(905)</u>	<u>(631)</u>
Total deferred tax	<u><u>(905)</u></u>	<u><u>(631)</u></u>
Total tax on loss	<u><u>10,438</u></u>	<u><u>11,016</u></u>

Notes (continued)

9 Taxation (continued)

Tax reconciliation

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2020 £000	2019 £000
Loss for the year	(496,907)	(274,723)
Total tax expense	(10,438)	(11,016)
	<u> </u>	<u> </u>
Loss excluding taxation	(486,469)	(263,707)
	<u> </u>	<u> </u>
Tax at 19% (2019: 19%)	(92,429)	(50,104)
Effects of:		
Net expenses and income not deductible for tax purposes	58,248	42,147
Losses not recognised for tax	7,870	14,507
Tax rate differentials on overseas earnings	31,033	(1,673)
Irrecoverable overseas withholding tax	5,854	5,394
	<u> </u>	<u> </u>
Adjustments to tax charge in respect of previous periods	10,576 (138)	10,271 745
	<u> </u>	<u> </u>
Total tax charge	10,438	11,016
	<u> </u>	<u> </u>

Factors affecting the future tax charge

A UK corporation tax rate of 19% (effective 1 April 2020) was substantially enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future tax charge accordingly.

Notes *(continued)*

10 Goodwill

Group

£000

Cost

At beginning of year	40,348
Exchange movements	(1,605)
Disposals	(16,735)

At end of year	22,008
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Amortisation and impairment

At beginning of year	37,172
Charge for the year	3,109
Disposals	(16,735)
Exchange movements	(1,538)

At end of year	22,008
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Net book value

At 31 March 2020

-

At 31 March 2019

3,176

Notes (continued)

11 Intangible assets

Group	Contracts £000	Customer relationships £000	Licences £000	Trademarks and Trade Name £000	Internally Developed Software £000	Total £000
<i>Cost</i>						
At beginning of year	4,552	8,810	432	3,518	821	18,133
Exchange adjustments	(595)	(276)	(60)	(24)	-	(955)
	<u>3,957</u>	<u>8,534</u>	<u>372</u>	<u>3,494</u>	<u>821</u>	<u>17,178</u>
<i>Amortisation and impairment</i>						
At beginning of year	4,552	7,987	432	3,265	821	17,057
Exchange adjustments	(595)	(257)	(60)	(18)	-	(930)
Charge for year	-	804	-	247	-	1,051
	<u>3,957</u>	<u>8,534</u>	<u>372</u>	<u>3,494</u>	<u>821</u>	<u>17,178</u>
<i>Net book value</i>						
At 31 March 2020	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2019	-	823	-	253	-	1,076
	<u>-</u>	<u>823</u>	<u>-</u>	<u>253</u>	<u>-</u>	<u>1,076</u>

Notes (continued)

12 Tangible assets

Group	Land and buildings £000	Aircraft and airport infrastructure £000	Plant, equipment and rotatable spares £000	Assets in course of construction £000	Total £000
Cost					
At beginning of year	95,895	556,666	69,798	11,429	733,788
Exchange adjustments	(627)	16,169	(797)	1,638	16,383
Additions	89	57,446	925	4,886	63,346
Transfers	53	1,274	1,462	(2,789)	-
Disposals	(2,613)	(15,987)	(14,592)	(10,736)	(43,928)
At end of year	92,797	615,568	56,796	4,428	769,589
Depreciation					
At beginning of year	22,714	142,670	46,236	-	211,620
Exchange adjustments	(296)	3,338	(574)	-	2,468
Charge for the year	3,255	28,020	3,322	-	34,597
Disposals	(1,468)	(13,669)	(10,750)	-	(25,887)
Impairment charge	5,063	193,535	6,101	-	204,699
At end of year	29,268	353,894	44,335	-	427,497
Net book value					
At 31 March 2020	63,529	261,674	12,461	4,428	342,092
At 31 March 2019	73,181	413,996	23,562	11,429	522,168

Construction in progress is mainly progress payments on aircraft purchases and facility construction.

Aircraft impairment is calculated on an individual aircraft basis. Recoverable amount has been principally determined by reference to the estimated market value of aircraft at 31 October 2019. The impairment review was triggered based on the indicator arising as a result of Bristow Group Inc., and certain of the company's subsidiaries seeking relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). No further impairments were required to be recorded as at 31 March 2020.

Further analysis of land and buildings:

The net book value of land and buildings comprises:	2020 £000	2019 £000
Freehold	8,987	18,520
Short leasehold	2,311	2,380
Long leasehold	52,231	52,281
	63,529	73,181

Notes *(continued)*

13 Fixed asset investments

	Interests in associated undertakings £000
Group	
<i>Cost</i>	
At beginning of year	3,351
Additions	-
Disposals	(5)
Share of current year profits	130
	<hr/>
At end of year	3,476
	<hr/>
<i>Provisions</i>	
At beginning of year	2,775
Provision	56
	<hr/>
At end of year	2,831
	<hr/>
<i>Net book value</i>	
At 31 March 2020	645
	<hr/>
At 31 March 2019	576
	<hr/>

Notes (continued)

13 Fixed asset investments (continued)

The following information is given in respect of the Group's share of the results of all associated undertakings.

	2020 £000	2019 £000
Turnover	3,062	2,317
Profit/(loss) before tax	130	123
Taxation	-	-
Profit/(loss) after tax	130	123

Company	Shares in subsidiary undertakings £000
<i>Cost</i>	
At beginning and end of year	101,000
<i>Provisions</i>	
At beginning and end of year	-
<i>Net book value</i>	
At 31 March 2020	101,000
At 31 March 2019	101,000

The subsidiary and associated undertakings at 31 March 2020 are shown in note 25.

Notes (continued)

14 Stocks

Group	2020 £000	2019 £000
Raw materials and consumables	42,508	63,177
Work in progress	45	28
	<u>42,553</u>	<u>63,205</u>

Raw materials and consumables and changes in finished goods and work in progress recognised as cost of sales amounted to £323,138 (2019: £1,320,634). The write-down of stocks to net realisable value amounted to £16,377,835 (2019: £7,713,371).

15 Debtors: amounts due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	104,084	127,743	-	-
Amounts due from associated undertakings	3,263	4,729	-	-
Amounts due from related company	15,695	15,560	-	-
Corporation tax debtor	905	819	-	-
Other debtors	10,090	12,249	-	-
Prepayments and accrued income	29,686	32,246	-	-
	<u>163,723</u>	<u>193,346</u>	<u>-</u>	<u>-</u>

16 Debtors: amounts due after more than one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Other debtors	9,418	11,233	-	-
Amounts due from subsidiary undertakings	-	-	9,176	8,712
Amounts due from related company	393,034	429,081	-	-
Prepayments and accrued income	23,175	28,990	-	-
	<u>425,627</u>	<u>469,304</u>	<u>9,176</u>	<u>8,712</u>

Notes (continued)

17 Cash and cash equivalents/bank overdrafts

Group	2020 £000	2019 £000
Cash at bank and in hand	90,546	64,999
Bank overdrafts	-	-
Cash and cash equivalents per cash flow statements	90,546	64,999

18 Creditors: amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Finance loan	4,238	4,238	-	-
Secured loans	1,681	2,176	-	-
Term loan	16,946	13,473	-	-
Bank loan	60	-	-	-
Trade creditors	29,229	58,008	-	-
Amounts owed to subsidiary undertakings	-	-	5,343	5,004
Amounts owed to related company	139,972	106,064	-	-
Corporation tax payable	1,701	2,510	63	96
Taxation and social security	3,395	8,641	-	-
Other creditors	12,830	29,721	-	-
Accruals and deferred income	52,298	69,046	-	-
	262,350	293,877	5,406	5,100

19 Creditors: amounts falling due after more than one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Finance loan	54,736	58,974	-	-
Secured loans	4,542	6,311	-	-
Term loan	156,707	145,226	-	-
Bank loan	210	-	-	-
Unsecured subordinated loan stock at 13.5% p.a.	1,910,289	1,675,739	1,910,289	1,675,739
Other creditors	16,640	17,975	-	-
Amounts owed to related company	6,018	5,930	-	-
Accruals and deferred income	2,172	-	-	-
	2,151,314	1,910,155	1,910,289	1,675,739

Notes (continued)

20 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Creditors falling due more than one year				
Finance loan	54,736	58,974	-	-
Secured loans	4,542	6,311	-	-
Term loan	156,707	145,226	-	-
Bank loan	210	-	-	-
Unsecured subordinated loan stock at 13.5% p.a.	1,910,289	1,675,739	1,910,289	1,675,739
	<u>2,126,484</u>	<u>1,886,250</u>	<u>1,910,289</u>	<u>1,675,739</u>

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Creditors falling due within less than one year				
Finance loan	4,238	4,238	-	-
Secured loans	1,681	2,176	-	-
Term loan	16,946	13,473	-	-
Bank loan	60	-	-	-
	<u>22,925</u>	<u>19,887</u>	<u>-</u>	<u>-</u>

Notes (continued)

20 Interest-bearing loans and borrowings (continued)

Terms and debt repayment schedule

Group	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2020 £000	2019 £000
Unsecured subordinated loan stock 13.5%	GBP	13.5%	-	Callable once other debt is repaid	91,000	91,000
Unsecured subordinated loan stock 13.5% accrued interest	GBP	13.5%	-	Callable once other debt is repaid	1,819,289	1,584,739
Bank loan	GBP			Within 1 year	60	-
Secured loan				Greater than 1 year	210	-
	USD	3.10%	2023	Within 1 year	1,681	2,176
				Greater than 1 year	4,542	6,311
Finance loan	GBP	2.5116%	Jan 2024	Within 1 year	4,238	4,238
				Greater than 1 year	54,736	58,974
Term loan	USD	6.25%	Dec 2023	Within 1 year	16,946	13,473
				Greater than 1 year	156,707	145,226
					2,149,409	1,906,137

The finance loan totalling £59.0m (2019: £63.2m) is a secured loan. It is guaranteed by Bristow Group Inc. and is secured over five aircraft. The net book value of fixed assets pledged as security against this loan is £63.7m (2019: £66.7m).

There is a secured loan and bank loan totalling £6.5m (2019: £8.5m), which is guaranteed by Bristow Group Inc.

The term loan of £173.7m (2019: £158.7m). Twenty four aircraft are pledged as collateral for the term loan. The term loan is also secured by a pledge of all shares of the borrower and any other assets of the borrower, and is guaranteed by Bristow Group Inc.

Certain loans and financing arrangements within the Bristow Group Inc. are secured over assets or shares held by the company or its subsidiaries.

The unsecured subordinated loan stock at 13.5% p.a. is due to Bristow International Panama S de RL and is callable only after settlement of all other pari passu and senior debts.

Subsequent to the year end in March 2021, the Group has repaid the term loan. This has been financed by a new borrowing facility with, Bristow Group Inc.

This repayment formed part of a refinancing under which Bristow Group Inc. and certain subsidiaries of the Group acting as guarantors, entered into an Indenture with U.S. Bank National Association, as trustee and as collateral agent, pursuant to which the Bristow Group Inc. issued \$400,000,000 aggregate principal amount of its 6.875% Senior Secured Notes due 2028 in a private offering.

Notes (continued)

20 Interest-bearing loans and borrowings (continued)

Net debt

The below is an analysis of changes in net debt of the Group from the beginning to the end of the current reporting period:

Group	Borrowings due within one year £000	Borrowings due after one year £000	Subtotal £000	Cash and cash equivalents £000	Net debt £000
Net debt analysis					
Balance at 1 April 2019	(19,887)	(1,886,250)	(1,906,137)	64,999	(1,841,138)
Cash flows	16,181	(13,317)	2,864	28,976	31,840
Changes arising from disposal of subsidiaries	-	-	-	-	-
New finance leases	-	-	-	-	-
Other non-cash changes	(21,184)	(213,366)	(234,550)	-	(234,550)
Movements in foreign exchange	1,965	(13,551)	(11,586)	(3,429)	(15,015)
Balance at 31 March 2020	(22,925)	(2,126,484)	(2,149,409)	90,546	(2,058,863)

Notes (continued)

21 Deferred taxation

	Deferred tax asset 2020 £000	Deferred tax asset 2019 £000	Deferred tax liability 2020 £000	Deferred tax liability 2019 £000	Deferred tax total 2020 £000	Deferred tax total 2019 £000
Group						
At beginning of year	-	4,494	(95)	(683)	(95)	3,811
Exchange	-	-	(5)	(46)	(5)	(46)
Acquisition	-	-	(762)	-	(762)	-
Movement in provision (charged)/ credited to the profit and loss account during the year	-	(3)	905	634	905	631
Movement in provision charged to reserves for year	-	(4,491)	(43)	-	(43)	(4,491)
At end of year	-	-	-	(95)	-	(95)
Recognised as:						
Deferred tax asset					-	-
Deferred tax liability					-	(95)
Deferred tax is provided as follows:						
Accelerated capital allowances	-	-	-	(3)	-	(3)
Other short term timing differences	-	-	-	(92)	-	(92)
Pension deficit	-	-	-	-	-	-
	-	-	-	(95)	-	(95)

In addition to the deferred tax asset above, the Group has additional unrecognised gross tax losses of £253.2 m (2019: £253.5m).

Notes (continued)

22 Share capital and reserves

Called up share capital

	2020	2019
	£000	£000
<i>Issued and fully paid</i>		
920,000 'A' Ordinary shares of £1 each	920	920
980,000 'B' Ordinary share of £1 each	980	980
100,000 'C' Ordinary shares of £1 each	100	100
8,000,000 Deferred shares of £1 each	8,000	8,000
	<hr/>	<hr/>
	10,000	10,000
	<hr/>	<hr/>

The 'A', 'B' and 'C' Ordinary shares and the Deferred shares all rank pari passu in the event of the winding up of the company. The 'A', 'B' and 'C' Ordinary shares carry equal dividend rights, whilst the Deferred shares carry no dividend rights. The 'A' and 'B' Ordinary shares carry equal voting rights, at 0.7894 votes per £1 share, the 'C' Ordinary shares carry voting rights at 5 votes per £1 share, and the Deferred shares carry no voting rights.

The holders of 'A' and 'C' Ordinary shares have a 'put' option allowing them to require the holders of the 'B' Ordinary shares, or an EU national acceptable to the holders of the 'B' Ordinary shares, to buy their holding. The price is calculated at a rate equal to LIBOR plus 3% fixed on a quarterly basis and compounded annually.

The holders of the 'B' Ordinary shares have a 'call' option to enable them, or a related party or nominated EU national, to acquire the 'A' and 'C' Ordinary shares. The price is calculated at a rate equal to LIBOR plus 3% fixed on a quarterly basis and compounded annually.

The exercise of options is subject to prior consultation with the Civil Aviation Authority, and there are provisions in the Articles that are designed to secure that the holding of any Civil Aviation Authority licence within the group is not jeopardised by a share transfer.

Profit and Loss Account

The profit and loss account comprises cumulative undistributed earnings of the Group.

Revaluation Reserve

The revaluation reserve arose on the revaluation of aircraft on transition to FRS 102.

Notes (continued)

23 Financial instruments

Carrying amount of financial instruments

The Group's principal financial instruments are cash and cash equivalents, bank loans, trade creditors and trade debtors. Financial instruments also comprise inter-company balances.

The carrying amounts of the financial assets and liabilities include amounts carried at amortised cost, comprising debtors and creditors, as disclosed in notes 15, 16, 18 and 19 and cash and cash equivalents (note 17). No material financial assets or liabilities were carried at fair value at the current or prior period end.

Financial risk management

The Group operates a decentralised treasury management which is responsible for managing the credit, liquidity, interest and foreign currency risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group's credit risk arises from bank balances and trade receivables from customers. Management of credit risk is a prime objective of the Group. At 31 March 2020, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet. The bulk of the Group's business is conducted with large companies which have strong credit ratings. Management is of the opinion that adequate provision currently exists in respect of trade receivables.

The concentration of credit risk of liquid funds and financial instruments with individual bank counter-parties is monitored. The Group's exposure and the credit ratings of its counterparties are monitored.

Liquidity risk

Liquidity risk refers to the risk that the Group will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities. Cash flow forecasts form part of the Group's annual planning process and are revised during the financial period. Details of long term borrowing facilities available for the Group are set out in note 20.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the Group. The majority of the Group's business is conducted outside of the UK (note 2). Foreign currency risk is monitored on a weekly basis. From time to time, forward contracts may be used to mitigate the risk of adverse exchange rate movements.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of balance sheet items or changes in interest income or expenses. Where appropriate, the Group will use interest rate swaps and collars to manage the risk relating to interest rate fluctuations.

24 Contingent liabilities

UK Bank facilities

The company is party to bank agreements guaranteeing its obligations and those of certain of its subsidiary undertakings. The agreement contains charges over certain property as security for such guarantees or obligations which have arisen, or may arise, pursuant to bank loans and overdrafts and revolving credit and guarantee facilities provided to Bristow Aviation Holdings Limited and its subsidiary undertakings by its principal bankers.

As of 31 March 2020 there was a £2.5 m (2019: £2.5m) facility for revolving credit and guarantee facilities in place with National Westminster Bank Plc. On 31 March 2020 the amount due under revolving credit and guarantee facilities was £1.0m (2019: £2.3m).

Notes (continued)

24 Contingent liabilities (continued)

Legal issues

In November 2005, two of our consolidated foreign affiliates were named in a lawsuit filed with the High Court of Lagos State, Nigeria by Mr. Benneth Osita Onwubalili and his affiliated company, Kensit Nigeria Limited, which allegedly acted as agents of our affiliates in Nigeria. The claimants allege that an agreement between the parties was terminated without justification and seek damages of \$16.3 million. We responded to this claim in early 2006. There has been minimal activity on this claim since then.

There are various litigation and regulatory matters which arise, from time to time, in the ordinary course of business. The amount, if any, of the group's ultimate liability with respect to these matters cannot always be determined. The resolution of any pending matters is not expected to have a material adverse effect on the group's business or financial condition.

25 Subsidiary and associated undertakings

Name	Registered address	Principal activity	Class	% held
Subsidiary undertakings				
BGI International Ltd.*	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	Provide helicopter services	Ordinary	4.1176
Bristow Caribbean Limited*	Golden Grove Road, Hangar #4 Piarco International Airport Arouca, Trinidad & Tobago	Provide helicopter services	Ordinary	95.0
Bristow Cayman Ltd.*	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	Holding company	Ordinary	4.1176
Bristow Helicopters Australia Pty Ltd*	Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia	Provide helicopter services	Ordinary	95.0
Bristow Helicopter Group Limited	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Holding company	Ordinary	95.0
Bristow Helicopters (International) Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Provide helicopter services	Deferred	95.0
Bristow Helicopters Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Provide helicopter services	Ordinary	95.0
			5% Non-cumulative preference	95.0
Bristow Helicopters (Nigeria) Limited*	General Aviation Area, Murtala Mohammed Airport, Ikeja, Lagos, Nigeria	Provide helicopter services	Ordinary	45.6
Bristow International Aviation (Guernsey) Limited*	Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 3 BQ	Provide personnel to support aviation	Ordinary	95.0
BriLog Leasing Ltd.*	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	Provide aircraft lease rentals	Ordinary	4.1176

Notes (continued)

25 Subsidiary, joint venture and associated undertakings (continued)

Bristow International Leasing Limited*	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	Provide aircraft lease rentals	Ordinary	4.1176
Bristow Norway A.S.*	Flyplassvegen 260, 4050 Sola, Rogaland, Norway	Provide helicopter services	Ordinary	95.0
Bristow Southeast Asia Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Provide helicopter services	Ordinary	95.0
Bristow Technical Services Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Provide technical services	Ordinary	95.0
Caledonian Helicopters Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Provide helicopter services	Ordinary	95.0
Humberside International Airport Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Airport operator	Ordinary	78.565
Sakhalin Bristow Air Services Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Provide survival suits	Ordinary	57.0
United Helicopters Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Holding company	Ordinary	95.0
Aircraft Logistics Pty Limited*	Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia	Provide personnel to support aviation	Ordinary	95.0
Asia Pacific Air Pty Limited*	Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia	Provides helicopter services	Ordinary	95.0
Capiteq Pty Limited*	Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia	Provides fixed wing services	Ordinary	95.0
Syncom Pty Limited*	Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia	Provide aircraft lease rentals	Ordinary	95.0
Aircrew Logistics Pty Limited*	Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia	Provide personnel to support aviation	Ordinary	95.0
Aimorth Fleet Pty Limited*	Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia	Provide aircraft lease rentals	Ordinary	95.0
E170 Fleet Pty Limited*	Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia	Provide aircraft lease rentals	Ordinary	95.0
Bristow Aerial Solutions Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Provides UAV services	Ordinary	95.0
Bristow Staff Pension Scheme Trustees Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Trustee of the Bristow Staff Pension Scheme	Ordinary	95.0
BGI Aviation Technical Services (Overseas) Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Provide technical services	Ordinary	95.0
Bristow Helicopters (Ghana) Limited*	2 nd floor, Vanguard House, No 21 Independence Avenue, Ridge-Accra, Ghana	Dormant	Ordinary	95.0
Bristow Travel Propriety Limited*	Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia	Provide travel services	Ordinary	95.0
Kingsmill Insurance Company Limited*	Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 4AT	Provide insurance services	Ordinary	95.0

Notes (continued)

25 Subsidiary, joint venture and associated undertakings (continued)

Bristow Management Services Pty Limited*	Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia	Provide engineering services	Ordinary	95.0
Bristow Aircraft Leasing Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Provide aircraft lease rentals	Ordinary	95.0
Atyrau-Bristow Airways Services Limited*	Atyrau Airport, Atyrau, 465050, Kazakhstan	Provide helicopter services	Ordinary	47.0
Bristow Worldwide LP	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Holding Partnership	Ordinary	4.1176
Bristow Equipment Leasing Limited*	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	Provide helicopter services	Ordinary	4.1176
Bristow Aircraft Leasing II Limited*	Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ	Provide aircraft lease rentals	Ordinary	95.0
BriLog Leasing Ltd. II*	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	Provide aircraft lease rentals	Ordinary	4.1176
Associates				
Turkmenistan Helicopters Limited*	54, Turkmenbashi av, Yimpash Business Centre /room 506/ Ashgabat, 744000 Turkmenistan	Provide helicopter services	Ordinary	48.5
Visasset Ltd	c/o Taylor Vinters LLP, Tower 42, Level 33, 25 Old Broad Street, London, EC2N 1HQ	Provide UAV inspection services	Ordinary	16.3%

* Indicates entities held indirectly.

During the year the group disposed of its investments in the Eastern Group of companies (with the exception of Humberside International Airport Ltd), Bristow Helicopter Leasing Limited and Aviasheff.

All companies in the Group provide services connected with air transport or associated activities. Bristow Helicopters (Nigeria) Limited has been treated as a subsidiary undertaking due to the dominant influence of the group over the operating and financial policies of the company. Aviasheff is considered a subsidiary undertaking due to the presence of share options which, if exercised, would confer a majority of the voting rights. All of these subsidiaries have been included in the consolidation.

Brillog Leasing Limited ("BLL") and Bristow Cayman Limited ("BCL") have also been consolidated due to the company ("BAHL") having control, as general partner, of Bristow Worldwide LP which owns, in trust, the shares in both BLL and BCL. Bristow Worldwide LP has taken advantage of the exemption to prepare partnership accounts as its results are consolidated in the BAHL accounts.

Notes (continued)

26 Equity-settled share option plans

Share option plans

Incentive and Stock Option Plans - Prior to May 11, 2019, stock-based awards were made under the Bristow Group Inc. 2007 Long-Term Incentive Plan (the "2007 Plan"). A maximum of 10,646,729 shares of common stock were reserved. Awards granted under the 2007 Plan were in the form of stock options, stock appreciation rights, shares of restricted stock, other stock-based awards (payable in cash or common stock) or performance awards, or any combination thereof, and were made to outside directors, employees or consultants.

In June 2018 and 2017, the Compensation Committee of the Company's prior board of directors authorized the grant of stock options, time vested restricted stock and long-term performance cash awards to participating employees. Each of the stock options had a ten-year term and an exercise price equal to the fair market value (as defined in the 2007 Plan) of common stock on the grant date. The options would vest in annual installments of one-third each, beginning on the first anniversary of the grant date. Restricted stock grants vested at the end of three years. Performance cash awards granted in June 2017 and 2018 had two components. One half of each performance cash award would vest and pay out in cash three years after the date of grant at varying levels depending on the Company's performance in total shareholder return against a peer group of companies. The other half of each performance cash award would be earned based on absolute performance in respect of improved average adjusted earnings per share for the Company over the three-year performance period beginning on April 1, 2017 and 2018. The value of the performance cash awards was calculated on a quarterly basis by comparing the performance of the Company's common stock, including any dividends paid since the award date, against the peer group. The total value of the awards was recognized as compensation expense over a three-year vesting period with the recognition amount being adjusted quarterly.

No stock-based compensation was awarded in fiscal year 2020 under the 2007 Plan. The 2007 Plan and all awards thereunder were cancelled effective upon emergence from bankruptcy on October 31, 2019.

Details of the Bristow Group stock options outstanding related to employees of Bristow Aviation Holdings Limited and subsidiaries ("BAHL") during the financial year are as follows:

	Number of share options	2020 Weighted average exercise Value (in \$)	Number of share options	2019 Weighted average exercise Value (in \$)
Outstanding at the beginning of the financial year	675,423	15,036,836	653,386	17,698,922
Granted during the year	-	-	116,334	1,418,111
Forfeited/cancelled during the year	(675,423)	(15,036,836)	(15,899)	(153,411)
Exercised during the year	-	-	16,172	262,148
Expired during the year	-	-	(94,570)	(4,188,934)
Transfers in and out during the year	-	-	-	-
Outstanding at the end of the year	-	-	675,423	15,036,836
Exercisable at the end of the financial year	-	-	338,442	10,595,942

Notes (continued)

26 Equity-settled share option plans

Share option plans

The inputs into the Black-Scholes option pricing model utilized by Bristow Group Inc. to estimate the fair value of the option are as follows:

	2020	2019
Weighted average share price	-	\$12.19
Weighted average exercise price	-	\$12.19
Expected volatility	-	62.83%
Expected life	-	5
Risk-free rate	-	2.76%
Expected dividends	-	0

The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for a period equal to the expected term of the option. Expected volatilities are based on the historical volatility of shares of Bristow Group Inc. common stock, which has not been adjusted for any expectation of future volatility given uncertainty related to the future performance of Bristow Group Inc. common stock at this time. We also use historical data to estimate the expected term of the options within the option pricing model; groups of employees that have similar historical exercise behaviour are considered separately for valuation purposes. The expected term of the options represents the period of time that the options granted are expected to be outstanding.

Details of the Bristow Group Inc. restricted stock units and awards outstanding related to employees of Bristow Aviation Holdings Limited. and subsidiaries ("BAHL") during the year are as follows:

	Number of units and awards	2020 Weighted average exercise Value (in \$)	Number of units and awards	2019 Weighted average exercise Value (in \$)
Outstanding at the beginning of the financial year	394,858	2,722,527	302,372	3,907,188
Granted during the year	-	-	135,277	1,283,741
Forfeited/cancelled during the year	(394,858)	(2,722,527)	(16,476)	(1,024,178)
Exercised during the year	-	-	(26,315)	(1,444,224)
Transfers in and out	-	-	-	-
Outstanding at the end of the year	-	-	394,858	2,722,527
Exercisable at the end of the financial year	-	-	-	-

Notes (continued)

27 Pensions

The group maintains defined benefit schemes and also operates defined contribution schemes for its employees.

Defined benefit section

The Group operates three pension schemes that provide benefits based on final pensionable pay. The UK schemes cover most full-time employees of the Group who were employed on, or before, 31 December 1997. The main UK scheme is The Bristow Staff Pension Scheme ('Staff Scheme'), which covers UK based staff. The other scheme is The Bristow Expatriate Pension Scheme ('Expatriate Scheme'), which covers internationally based staff. These schemes have two sections, the defined benefit section and the defined contribution section. The third scheme is a defined benefit Norwegian scheme bought into the group with the acquisition of Bristow Norway AS in October 2008. This scheme was closed on 1 March 2016 and replaced with a defined contribution plan.

Members of the UK defined benefit schemes ceased to accrue defined benefit entitlements in respect of service with effect from 1 February 2004, however death-in-service benefit continued to be provided. The age distribution of the defined benefit section of the schemes is expected to increase over time and the cost of providing the death-in-service benefit is expected to increase as the members approach retirement.

Bristow Norway had a final salary defined benefit pension plan, which was closed on 1 March 2016. Under this plan, pilots could have retired from age 58 and other employees from age 62 (after meeting certain criteria). Bristow Norway also participates in the standard Norwegian Avtalefestet pension (contractual pension or "AFP"), which is accounted for as a defined contribution plan. The pension benefit was a percentage of final salary in excess of a deductible. The maximum pension was available to those with 30 or more years of services at the date of retirement. Additionally, there were associated death and disability benefits. Plan assets were held in an insurance policy with an insurance company and contributions followed Norwegian rule, which were based on an individual actuarial calculation for each plan member.

The closure of the Bristow Norway final salary plan has led to curtailment and settlement of the projected benefit obligations. All active members of the plan have been transferred to the new defined contribution for future service and the accrued individual insurance reserves for the majority of the beneficiaries will be transferred to individual insurance policies.

From 1 February 2004, UK defined benefit scheme members became eligible to receive an employer contribution into a defined contribution section of the respective scheme. For those members who have stayed in the scheme's company contributions into the defined contribution sections were made at a rate of 5%. The group contribution increased to 7% with effect from 1 January 2005, which increased to 7.35% from 1 July 2008, if employees contribute up to the same level themselves. Both the defined contribution and defined benefit sections of the Expatriate Scheme were closed to new members on 31 December 1997.

The FRS 102 valuation of the Company Scheme was assessed as at 31 March 2020 by an independent qualified actuary in accordance with FRS 102. As required by FRS 102, the defined benefit liabilities have been measured using the projected unit method.

The information disclosed below is in respect of the whole of the plans of the Group.

Notes (continued)

27 Pensions (continued)

Net pension liability

	2020 £000	2019 £000
Defined benefit obligation ('DBO')	(369,600)	(386,900)
Plan assets	355,309	367,153
Net pension liability	14,291	19,747

Movements in present value of defined benefit obligation

	2020 Staff £000	Expatriate £000	Total £000
Year to 31 March 2020			
At start of the year	381,200	5,700	386,900
Interest cost	9,006	134	9,140
Current service cost	461	24	485
Actual benefit payments by the fund	(18,261)	(382)	(18,643)
Remeasurement of DBO	(6,970)	(66)	(7,036)
Administrative expenses paid	(1,236)	(10)	(1,246)
At end of the year	364,200	5,400	369,600
	2019 Staff £000	Expatriate £000	Total £000
Year to 31 March 2019			
At start of the year	383,600	5,000	388,600
Interest cost	9,763	126	9,889
Current service cost	475	24	499
Actual benefit payments by the fund	(20,957)	(360)	(21,317)
Remeasurement of DBO	6,474	915	7,389
Plan introductions, changes, curtailments & settlements	2,300	-	2,300
Administrative expenses paid	(455)	(5)	(460)
At end of the year	381,200	5,700	386,900

Notes (continued)

27 Pensions (continued)

Movements in fair value of plan assets

	2020 Staff £000	Expatriate £000	Total £000
Year to 31 March 2020			
At start of the year	362,028	5,125	367,153
Actual total benefit payments	(18,261)	(382)	(18,643)
Actual contributions – company	12,466	268	12,734
Interest income on fund assets	8,690	123	8,813
Return on fund assets (less)/greater than discount rate	(12,948)	(554)	(13,502)
Administrative expenses paid	(1,236)	(10)	(1,246)
At end of the year	350,739	4,570	355,309
Year to 31 March 2019			
Market value at start of the year	357,183	5,197	362,380
Actual total benefit payments	(20,957)	(360)	(21,317)
Actual contributions – company	12,455	221	12,676
Interest income on fund assets	9,232	134	9,366
Return on fund assets (less)/greater than discount rate	4,570	(62)	4,508
Administrative expenses paid	(455)	(5)	(460)
At end of the year	362,028	5,125	367,153

Expense recognised in the profit and loss account

	2020 £000	2019 £000
Current service cost	15	20
Administrative expenses paid	470	479
Plan introductions, changes, curtailments and settlements	-	2,300
Net interest on net defined benefit liability	485	2,799
Total expense recognised in profit or loss	812	3,322

Amounts recorded in other comprehensive income

	2020 £000	2019 £000
Remeasurement of DBO	(7,036)	7,389
Return on fund assets (less)/greater than discount rate	13,502	(4,508)
	6,466	2,881

Notes (continued)

27 Pensions (continued)

Financial assumptions:

	As at 31 March 2020 % pa	As at 31 March 2019 % pa
UK schemes		
Inflation rate	3.20	3.20
Rate of increase in pensionable salary *	-	-
Rate of increase of pensions in payment **	3.0	3.00
Rate of increase for deferred pensioners **	2.20/3.20	2.20/3.20
Discount rate	2.40	2.40

* reflecting the Scheme amendments with effect from 1 February 2004

** in excess of any Guaranteed Minimum Pension (GMP) element

In valuing the liabilities of the pension fund at 31 March 2020, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 22.8 years (male), 24.3 years (female).
- Future retiree currently aged 50 upon reaching 65: 23.6 years (male), 25.3 years (female).

The following table sets out the market values of the respective scheme assets split into the main asset classes, showing the expected rate of return on each asset class, and the present value of the FRS 102 liabilities and the deficit of assets below the FRS 102 liabilities (which equals the group pension liability). The Scheme's assets are not intended to be realised in the short term and their value may be subject to significant change before they are realised. The present value of the respective scheme liabilities is derived from cash flow projections over long periods and thus inherently uncertain.

<i>Staff Scheme</i>	2020 £000	2019 £000
Market value of assets		
Equities	79,127	85,402
Bonds	94,735	161,646
Other (including 6% real estate)	176,877	114,980
	<hr/>	<hr/>
Total value of plan assets	350,739	362,028
	<hr/>	<hr/>

The increase in the category "other (including 6% real estate)" compared to the prior year reflects the purchase of a buy-in insurance policy during the period.

Notes (continued)

27 Pensions (continued)

<i>Expatriate Scheme</i>	2020	2019
	£000	£000
Market value of assets		
Equities	2,679	2,928
Bonds	1,530	1,536
Other assets	361	661
	<hr/>	<hr/>
Total value of plan assets	4,570	5,125
	<hr/>	<hr/>
<i>Aggregated Schemes</i>	2020	2019
	£000	£000
Market value of assets		
Equities	81,806	88,330
Bonds	96,265	163,182
Other (including 6% real estate)	177,238	115,641
	<hr/>	<hr/>
Total value of plan assets	355,309	367,153
	<hr/>	<hr/>
Actual return on plan assets	(4,689)	13,874
	<hr/>	<hr/>

The Group expects to contribute £13.2m to its defined benefit pension scheme in fiscal year 2020.

Defined contribution pension scheme

The defined benefit sections of both UK schemes were closed to new members on 31 December 1997. Most staff who commenced employment after this date were able to join a company defined contribution scheme operated by private insurance companies and a stakeholder pension plan. Contributions to these schemes by the Group matched those of the employee up to a maximum of 7%, increased to 7.35% from 1st July 2008, of gross pensionable salary over the year.

Contributions into defined contribution schemes by the group during the year totalled £19.1m (2019: £21.9m).

Notes (continued)

28 Commitments

(a) Capital commitments are as follows:-

Group	2020 £000	2019 £000
<i>Aircraft, land and buildings</i>		
Contracted but not provided for:		
Within one year	-	45,188
In the second to fifth years inclusive	-	-
	<hr/>	<hr/>
	-	45,188
<i>Options (aircraft)</i>	<hr/>	<hr/>
Contracted but not provided for:		
Within one year	-	24,201
In the second to fifth years inclusive	-	-
	<hr/>	<hr/>
	-	24,201
	<hr/>	<hr/>

Other Purchase Obligations

At 31 March 2020 the group had approximately £76.3 m (2019: £84.7m) of other purchase obligations representing non-cancellable power by the hour maintenance commitments.

(b) Annual commitments under non-cancellable operating leases are as follows:

Group	2020 £000	2019 £000
Operating leases which expire:		
Within one year	59,558	74,386
In the second to fifth years inclusive	163,381	57,226
Over five years	12,826	19,212
	<hr/>	<hr/>
	235,765	150,824
	<hr/>	<hr/>

During the year £148,008,857 was recognised as an expense in the profit and loss account in respect of operating leases (2019: £152,013,826).

29 Related party transactions

a) Transactions with joint venture and associated undertakings

	2020 £000	2019 £000
Sales to associated undertakings in respect of aircraft rental and related services	21,925	17,624
Purchases from associated undertakings in respect of aircraft and related services	-	-
Other amounts receivable from associated undertakings	3,263	4,729
	<hr/>	<hr/>

Notes (continued)

29 Related party transactions (continued)

b) Transactions with other related parties

	2020 £000	2019 £000
Purchases from Bristow Group Inc. subsidiary in respect of aircraft rental and related services	73,154	63,899
Sales to Bristow Group Inc. subsidiary in respect of aircraft rental and related services	374	46
Interest expense to Bristow Group Inc. subsidiary in respect of - unsecured subordinated loan stock 13.5%	234,550	205,220
Other interest expense	40	127
Interest income	11,141	11,470
Amounts due to Bristow Group Inc. subsidiary - management fees	4,885	4,885
- unsecured subordinated loan stock at 13.5% p.a. including interest	1,910,289	1,675,739
- creditors	145,990	111,994
Amounts due from Bristow Group Inc. subsidiary - debtors	410,843	444,641

c) Transactions with entities over which the Group has control (subject to the wholly owned exemption)

	2020 £000	2019 £000
Sales to entities over which the Group has control	736	4,784
Purchases from entities over which the Group has control	-	912
Amounts due from entities over which the Group has control	390	71,706
Amounts due to entities over which the Group has control	5,468	3,916

30 Ultimate parent company

At the date of signing these financial statements, Impigra Aviation Holdings Limited owns 51% of the ordinary share capital of Bristow Aviation Holdings Limited. Bristow Group Inc. subsidiaries own 49% of the ordinary share capital of Bristow Aviation Holdings Limited.

The largest group in which the results of the company and its group are consolidated is that headed by Bristow Group Inc., incorporated in the United States of America. The smallest group in which they are consolidated is that headed by Bristow Group Inc., incorporated in the United States of America. No other group financial statements include the results of the company. The consolidated financial statements of these groups are available to the public and may be obtained from 3151 Briarpark Drive, Suite 700, 7th Floor, Houston, Texas, 77042.

Notes (continued)

31 Accounting estimates and judgements

The preparation of these financial statements requires us to make estimates, judgements and assumptions that we believe are reasonable based upon information available. We base our estimates and judgements on historical experience, professional advice and various other sources that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions. We believe that of our significant accounting policies, as discussed in note 1 in the “Notes to Consolidated Financial Statements” included elsewhere in this annual report, the following involve a higher degree of judgment and complexity. Judgements in respect of going concern are disclosed in note 1.

Property and Equipment

Our net property and equipment represents 32% of our total assets as of March 31, 2020. We determine the carrying value of these assets based on our property and equipment accounting policies, which incorporate our estimates, assumptions, and judgements relative to capitalised costs, useful lives and salvage values of our assets. Our property and equipment accounting policies are also designed to depreciate our assets over their estimated useful lives. The assumptions and judgments we use in determining the estimated useful lives and residual values of our aircraft reflect both historical experience and expectations regarding future operations, utilisation and performance of our assets. The use of different estimates, assumptions and judgements in the establishment of property and equipment accounting policies, especially those involving the useful lives and residual values of our aircraft, would likely result in materially different net book values of our assets and results of operations.

Useful lives and residual values of aircraft are difficult to estimate due to a variety of factors, including changes in operating conditions or environment, the introduction of technological advances in aviation equipment, changes in market or economic conditions, including changes in demand for certain types of aircraft, and changes in laws or regulations affecting the aviation or offshore oil and gas industry. We evaluate the remaining useful lives of our aircraft when certain events occur that directly impact our assessment of their remaining useful lives. Our consideration of ultimate residual value takes into account current expectations of fair market value and the expected time to ultimate disposal. The determination of the ultimate value to be received upon sale depends largely upon the condition of the aircraft and the flight time left on the aircraft and major components until the next major maintenance check is required. The future value also depends on the aftermarket that exists as of that date, which can differ substantially over time. We review our property and equipment for impairment when events or changes in circumstances indicate that the carrying value of assets or asset groups may be impaired.

Inventory Allowance

We maintain inventory that primarily consists of spare parts to service our aircraft. We establish an allowance to distribute the cost of spare parts expected to be on hand at the end of an aircraft type’s life over the service lives of the related equipment, taking into account the estimated salvage value of the parts. Also, we periodically review the condition and continuing usefulness of the parts to determine whether the realisable value of this inventory is lower than its net book value. Parts related to aircraft types that our management has determined will no longer be included in our fleet or will be substantially reduced in our fleet in future periods are specifically reviewed. If our valuation of these parts is significantly lower than the net book value of the parts, an additional provision may be required.

Allowance for Doubtful Accounts

We establish allowances for doubtful accounts on a case-by-case basis when we believe the payment of amounts owed to us is unlikely to occur. In establishing these allowances, we consider a number of factors, including our historical experience and changes in our client’s financial position as well as disputes with clients regarding the application of contract provisions to our services. We derive a significant portion of our turnover from services to major integrated oil and gas companies and government owned or government-controlled oil and gas companies. Our receivables are concentrated in certain oil-producing countries. We generally do not require collateral or other security to support client receivables. If the financial condition of our clients was to deteriorate resulting in impairment of their ability to make the required payments, additional allowances may be required.

Notes *(continued)*

31 Accounting estimates and judgements *(continued)*

Pension Benefits

Pension obligations are actuarially determined and are affected by assumptions including discount rates, compensation increases and employee turnover rates. The recognition of these obligations through the profit and loss account is also affected by assumptions about expected returns on plan assets. We evaluate our assumptions periodically and make adjustments to these assumptions and the recorded liabilities as necessary.

Two of the most critical assumptions are the assumed discount rate and the mortality rate. We utilize a British pound sterling denominated AA corporate bond index as a basis for determining the discount rate for our U.K. plans. We base mortality rates utilized on actuarial research on these rates, which are adjusted to allow for expected mortality within our industry segment and, where available, individual plan experience data. Changes in these and other assumptions used in the actuarial computations could impact our projected benefit obligations, pension liabilities, pension expense and other comprehensive income. We base our determination of pension expense on a fair value valuation of assets and an amortization approach for assessed gains and losses that reduces year-to-year volatility. This approach recognises investment and other actuarial gains or losses over the average remaining lifetime of the plan members. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return based on the market-related value of assets.

Contingent Liabilities

We establish reserves for estimated contingent liabilities when we believe a loss is probable and the amount of the loss can be reasonably estimated. Our contingent liability reserves relate primarily to potential tax assessments, litigation, personal injury claims and environmental liabilities. Income for each reporting period includes revisions to contingent liability reserves resulting from different facts or information which becomes known or circumstances which change and affect our previous assumptions with respect to the likelihood or amount of loss. Such revisions are based on information which becomes known or circumstances that change after the reporting date for the previous period through the reporting date of the current period. Reserves for contingent liabilities are based upon our assumptions and estimates regarding the probable outcome of the matter. Should the outcome differ from our assumptions and estimates or other events result in a material adjustment to the accrued estimated reserves, revisions to the estimated reserves for contingent liabilities would be required to be recognised.

32 Subsequent events

Subsequent to the year end, the global COVID-19 pandemic has continued. The operations of the group have been affected by the pandemic. Actions have been taken to continue safe flying operations and respond and adapt to customer requirements.

As set out in note 20, the Group, in March 2021, refinanced its term loan borrowing.

There have been no other significant events affecting the group since the year end.