

Eastern Airways Share Plan Limited

**Directors' report and financial
statements**

Registered number 06451578

31 March 2019

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Contents

| | |
|---|----|
| Company information | 1 |
| Directors' report | 2 |
| Strategic report | 4 |
| Statement of directors' responsibilities in respect of the directors' report, the strategic report and the financial statements | 5 |
| Independent auditor's report to the members of Eastern Airways Share Plan Limited | 6 |
| Profit and loss account | 8 |
| Balance sheet | 9 |
| Statement of changes in equity | 10 |
| Notes | 11 |

Company information

Directors

Mr R Lake
Mr M Blaze
Mr A Burgess
Mr C Spink

Secretary

Mr M Hutchinson

Company number

06451578

Registered office

C/O Bissell & Brown Ltd Charter House
56 High Street
Sutton Coldfield
West Midlands
B72 1UJ

Auditor

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Directors' report

The directors present the audited financial statements for Eastern Airways Share Plan Limited for the year ended 31 March 2019.

Cessation of Trade

On 1 April 2018 the directors took the decision to wind down operations and consequently the accounts are not prepared on the going concern basis. Hence whilst all results in the current and previous year are derived from continuing operations, these operations continue to be wound down.

Principal activity

The principal activity of the company is to act as an intermediate holding company. The company did not trade during either the current or preceding year.

Result for the year

The loss for the financial year ended 31 March 2019 was £nil (2018: £9,493,000, this included £9,493,000 of expenses which were considered exceptional in nature). Further detail can be found under notes to the financial statements.

Political and charitable contributions

No political or charitable contributions were made during the year (2018: £nil).

Dividends and capital

No dividend has been paid in the year (2018: £nil).

Directors

The directors who held office during the year were as follows:

Mr R Lake
Mr J Howell-Richardson (resigned 10 May 2019)
Mr A Corbett (resigned 10 May 2019)
Mr M Blaze (appointed 10 May 2019)
Mr A Burgess (appointed 10 May 2019)
Mr C Spink (appointed 10 May 2019)

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 company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Directors' report *(continued)*

Employee consultation

The company 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 company. 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.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

On behalf of the board



Anthony Burgess
Director

Registered Office:

C/O Bissell & Brown Ltd Charter House
56 High Street
Sutton Coldfield
West Midlands
B72 1JU

Dated: 20/12/19

Strategic report

Business review

The results of the company for the year ended 31 March 2019 are as disclosed in the attached financial statements.

As set out in the Directors' report and note 1 to the financial statements, the company has ceased trading and is therefore no longer a going concern, and the break up basis of accounting has been applied accordingly. As a result, the remaining assets and liabilities have been disclosed at values at which they are expected to be realised.

The cessation of trade has arisen due to a restructure of the Eastern Group in which the company no longer serves a purpose as intermediate holding for the group.

Principal risks and uncertainties

In light of the transfer of the business to other group entities, there will be no further ongoing business and accordingly there will be no material risks faced by the company going forward.

Key performance indicators ("KPIs")

The company's directors believe that an analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business.

On behalf of the board



Anthony Burgess
Director

Registered Office:

C/O Bissell & Brown Ltd Charter House
56 High Street
Sutton Coldfield
West Midlands
B72 1UJ

Dated: 20/2/19

Statement of directors' responsibilities in respect of the directors' report, the strategic report and the financial statements

The directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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 company or to cease operations, or have no realistic alternative but to do so. As explained in note 1.1, the Directors do not believe that it is appropriate to prepare the financial statements on a going concern basis as the Directors have taken the decision to progressively implement a phased wind down of the business towards a closure in due course.

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



Independent auditor's report to the members of Eastern Airways Share Plan Limited

Opinion

We have audited the financial statements of Eastern Airways Share Plan Limited ("the company") for the year ended 31 March 2019 which comprise the profit and loss account, the balance sheet, the statement 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 company's affairs as at 31 March 2019 and of its results 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 company 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.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note 1.1 to the financial statements which explains that the financial statements has not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

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.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.



Independent auditor's report to the members of Eastern Airways Share Plan Limited *(continued)*

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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 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 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 Financial Reporting Council'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.

Craig Parkin (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham NG1 6FQ

Dated: 20th December 2019

Profit and loss account
for the year ended 31 March 2019

| | Note | 2019 £000 | Before exceptional item 2018 £000 | Exceptional item 2018 £000 | Total 2018 £000 |
|---------------------------------------|------|--------------|---|-------------------------------------|-----------------------|
| Turnover | | - | - | - | - |
| Cost of sales | | - | - | - | - |
| Gross result | | - | - | - | - |
| Administrative expenses | | - | - | - | - |
| Impairment of investments | 5 | - | - | (9,493) | (9,493) |
| Operating result/(loss) | | - | - | (9,493) | (9,493) |
| Interest payable and similar expenses | | - | - | - | - |
| Result/(loss) before taxation | | - | - | (9,493) | (9,493) |
| Tax on result/(loss) | | - | - | - | - |
| Result/(loss) after taxation | | - | - | (9,493) | (9,493) |

On 1 April 2018 the directors took the decision to wind down operations and consequently the accounts are not prepared on the going concern basis. These operations continue to be wound down.

There were no recognised gains or losses in either the current or prior year other than the result shown above. Accordingly, no statement of other comprehensive income is presented.

The attached notes form part of these financial statements.

Balance sheet
as at 31 March 2019

| | Note | 2019 £000 | 2018 £000 |
|---|------|--------------|--------------|
| Fixed assets | | | |
| Investments | 5 | - | - |
| Creditors: amounts falling due within one year | 6 | (7,297) | (7,297) |
| Net current liabilities | | (7,297) | (7,297) |
| Total assets less current liabilities | | (7,297) | (7,297) |
| Net liabilities | | (7,297) | (7,297) |
| Capital and reserves | | | |
| Called up share capital | 7 | - | - |
| Share premium account | | 1,500 | 1,500 |
| Merger reserve | | 843 | 843 |
| Profit and loss account | | (9,640) | (9,640) |
| Shareholders' deficit | | (7,297) | (7,297) |

The attached notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 20/4/19 and were signed on its behalf by:


Anthony Burgess

Director

Company registered number : 06451578

Statement of changes in equity

| | Called up share capital £000 | Share premium account £000 | Merger reserve £000 | Profit and loss account £000 | Total equity £000 |
|---|---------------------------------------|-------------------------------------|---------------------------|---------------------------------------|-------------------------|
| Balance at 1 April 2017 | - | 1,500 | 843 | (147) | 2,196 |
| Total comprehensive income for the year | | | | | |
| Loss | - | - | - | (9,493) | (9,493) |
| Transactions with owners, recorded directly in equity | | | | | |
| Dividends | - | - | - | - | - |
| Total contributions by and distributions to owners | - | - | - | - | - |
| Balance at 31 March 2018 | - | 1,500 | 843 | (9,640) | (7,297) |

| | Called up share capital £000 | Share premium account £000 | Merger reserve £000 | Profit and loss account £000 | Total equity £000 |
|---|---------------------------------------|-------------------------------------|---------------------------|---------------------------------------|-------------------------|
| Balance at 1 April 2018 | - | 1,500 | 843 | (9,640) | (7,297) |
| Total comprehensive income for the year | | | | | |
| Loss | - | - | - | - | - |
| Transactions with owners, recorded directly in equity | | | | | |
| Dividends | - | - | - | - | - |
| Total contributions by and distributions to owners | - | - | - | - | - |
| Balance at 31 March 2019 | - | 1,500 | 843 | (9,640) | (7,297) |

The merger reserve relates to the acquisition of the entire issued share capital of Eastern Airways (Europe) Limited.

The attached notes form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Eastern Airways Share Plan Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 06451578 and the registered address is C/O Bissell & Brown Ltd Charter House, 56 High Street, Sutton Coldfield, West Midlands, B72 1UJ.

These 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") as issued in August 2014. The amendments to FRS 102 issued in July 2018 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, Bristow Aviation Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Bristow Aviation Holdings Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from the address given in note 9. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Key Management Personnel compensation.

As the consolidated financial statements of Bristow Aviation Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- 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 years 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 discussed in note 10.

~~The financial statements are prepared on the historical cost basis.~~

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts on the grounds that it is itself included within the consolidated accounts of a parent undertaking established under the laws of an EEA state (Bristow Aviation Holdings Ltd). These financial statements present information about the company as an individual undertaking and not about its group.

The company did not trade during the year. Accordingly, no profit and loss account, statement of total recognised gains and losses or cash flow statement is presented as part of these financial statements.

1.1. Going concern – Break up basis

The Directors have decided to prepare the accounts on a basis other than going concern. As noted in the Director's Report, on 1 April 2018 the directors took the decision to wind down the business towards closure in due course. Consequently they have decided that the implementation of break up (i.e. a non-going concern) basis accounting is most appropriate. No provision has been made for future operating losses. Although the wind down has not occurred during the year the directors believe the break up method is still the most appropriate.

Notes (continued)

1 Accounting policies (continued)

1.2. Measurement convention

The financial statements are prepared on the historical cost basis.

1.3. 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.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

1.4. Impairment excluding stocks

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.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks, 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.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

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.

Notes (continued)

2 Remuneration of directors

The directors of the company are also directors or officers of a number of the companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 March 2019 or 31 March 2018.

The company had no employees during the year other than the directors.

3 Auditor's remuneration

Auditor's remuneration of £1,000 (2018: £1,000) is met by another group company.

4 Taxation

There has been no tax charge in the financial year. The company has £773,000 (2018: £773,000) of accumulated tax losses. No deferred tax asset has been recognised on the tax losses as the recovery is uncertain in the foreseeable future.

5 Investments

At both 31 March 2019 and 31 March 2018, the company's investments in its subsidiary undertakings are stated at cost less provision for impairment. During the prior year, the directors performed an assessment of recoverability of its investments, which resulted in an impairment of £9,493,000 being recognised. Given the one-off nature of this expense, it has been classified as exceptional in the profit and loss account.

The company owns the ordinary share capital of the following companies:

| Company | Shareholding | Address of registered office | Nature of business |
|--|--------------|------------------------------|------------------------|
| <i>Shares in subsidiary undertaking:</i> | | | |
| Eastern Airways Europe Limited | 100% | Redhill, England | Holding company |
| Air Kilroe Limited | 100% | Redhill, England | Civil airline operator |
| Eastern Airways (UK) Limited | 100% | Redhill, England | Civil airline operator |
| Eastern Airways IoM Limited (dissolved 24 July 2019) | 100% | Douglas, Isle of Man | Employment services |

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| At 1 April | - | 9,493 |
| Impairment of investment in Eastern Airways (Europe) Ltd | - | (9,493) |
| | <hr/> | <hr/> |
| At 31 March | - | - |
| | <hr/> | <hr/> |

6 Creditors: amounts falling due within one year

| | 2019 £000 | 2018 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | 7,297 | 7,297 |
| | <hr/> | <hr/> |

Notes (continued)

7 Capital and reserves

| | 2019 | 2018 |
|---|----------|----------|
| | £ | £ |
| <i>Allotted, called up and fully paid</i> | | |
| Ordinary shares of £1 each | 6 | 6 |
| | <u>6</u> | <u>6</u> |

8 Related parties

The company is exempt from disclosing transactions with other wholly owned group companies under Section 33.1A of FRS 102.

9 Ultimate parent company

The directors regard Bristow Aviation Holdings Limited, a company incorporated in the UK and registered in England and Wales, as the ultimate parent company and ultimate controlling party as at 31 March 2019.

The parent undertaking of the largest group in which the results of the company are consolidated is that headed by Bristow Group Inc., incorporated in the United States of America as at 31 March 2019. The parent undertaking of the smallest group in which they are consolidated is that headed by Bristow Aviation Holdings Limited. No other group financial statements include the results of the company.

Copies of the Bristow Aviation Holdings Limited consolidated financial statements are available from its registered address at Redhill Aerodrome, Redhill, Surrey, RH1 5JZ.

10 Accounting estimates and judgements

Key sources of estimation uncertainty

There were no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

Critical accounting judgements in applying the Company's accounting policies

There were no critical accounting judgements in applying the Company's accounting policies during the financial year.

11 Events after the reporting period

On 10 May 2019 the company was sold by the ultimate parent, Bristow Aviation Holdings Limited. The parent undertaking of the largest group, Eastern Airways International Limited, was then purchased by Orient Industrial Holdings Limited, a company incorporated in the UK and registered in England and Wales, also on 10 May 2019.