

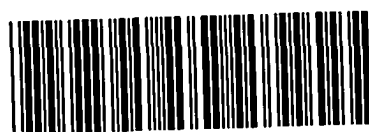
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NHV HELICOPTERS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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COMPANIES HOUSE

NHV HELICOPTERS LTD

COMPANY INFORMATION

Directors	M Gislam J L John L Verhelst (resigned 31 March 2023) T Hutsch
Company secretary	J H Kearton
Registered number	09900216
Registered office	Klyne Business Aviation Centre Buck Courtney Crescent Norwich Norfolk NR6 6JT
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

NHV HELICOPTERS LTD

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NHV HELICOPTERS LTD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Introduction

NHV Limited's (hereafter the "Company") principal activity is to provide business-to-business helicopter services, primarily transport of persons and goods, both offshore and onshore, by air without a timetable.

Business review

Principal risks and uncertainties

The Company faces a variety of risks in the operation of its business. These risks are actively monitored and managed by the board members of the parent Company.

Commercial risk

The Company faces competition in both pricing and market share. This is handled through management of contracts between the Company and its customers. The Company strives to continually enhance its reputation for quality and service.

The Company's customers mainly operate in the gas and oil sector which is exposed to the fluctuations in oil prices. A declining oil price puts continued pressure on the margins of the Company, while the recent increase does not necessarily translate instantly in improved margins.

Legal and regulatory risks

The nature of the Company's business expose it to health and safety risks. The risk is managed by having a mandatory employee safety training programme which includes general safe work practices as well as specific instruction on control of hazards unique to each employee's job assignment. This can involve classroom instructions to a group of employees or on-the-job training, in which a single or small number of employees receive personalized instruction from their supervisor. The importance of safety is also reflected in the Company's strategy of maintaining a young fleet of helicopters with the latest safety technologies.

The group in which the Company operates faces substantial debt maturities during 2023 that it is working on refinancing, through new financing lines, sale of idle aircraft and/or refinancing on the current asset-backed debt. The robustness of the assets on the balance sheet should allow to refinance the portion of the debt coming to maturity this year. The process of the refinancing is still ongoing; however, the Company believes in a positive outcome. Since the refinancing is important for the going concern and given the early stage of negotiations, it needs to be noted that this constitutes a temporary material uncertainty on group level in respect of the going concern.

Financial key performance indicators

The directors monitor the performance of the Company by reviewing detailed monthly management reports containing detailed monthly accounts and a number of key financial performance measures, ahead of and during a monthly performance meeting, including all relevant stakeholders. The main KPIs include turnover, gross profit margin, operating costs and flight hours. Action is triggered on each KPI that deviates from expected result.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Directors' statement of compliance with duty to promote the success of the Company

Directors' statement of compliance with duty to promote the success of the Company.

As required by Section 172 of the Companies Act, a director must act in a way he or she considers, in good faith, would likely promote the success of the Company for the benefit of the shareholders. In doing so the director must have regard, amongst other matters, to the following issues:

- the likely consequences of any decisions in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers / customers and others;
- the impact of the Company's operations on the community and environment;
- the Company's reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Company is ISO certified.

Each section is addressed below.

Likely consequences of any decisions in the long term

The Company has an historically proven strategy which forms the basis for its business model. Deviations from this strategy have not required large investment and are only pushed further forward once they have shown to be worthwhile.

Interest of Employees

All employees are able to directly contact the directors to discuss any concerns if necessary. The Company operates a formal Employee Policy manual provided upon commencement of employment which includes formal reporting procedures.

Need to foster the Company's business relationships with suppliers / customers and others

The success of the business depends on good relationships with our key external stakeholders. The Company manages these on a daily basis by:

- Dealing with any customer enquiries / issues quickly and efficiently.
- Making supplier payments promptly when due.
- Being open and transparent with all stakeholders.

Impact of the Company's operations on the community and environment

The group in which the Company operates is getting ISO 14001 certified.

The Company's reputation for high standards of business conduct

We maintain high standards of business conduct through our various IOS accreditations, internal and external policies, and reference to external advisors as necessary.

The need to act fairly between members of the Company

The directors ensure that all members of the Company are treated fairly.

NHV HELICOPTERS LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board and signed on its behalf.

M Gislam
Director



Date: 16/10/2023

NHV HELICOPTERS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors

The directors who served during the year were:

M Gislam
J L John
L Verhelst (resigned 31 March 2023)
T Hutsch

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £583,557 (2021 - loss £529,789).

Future developments

The commercial landscape evolves positively, the demand for helicopter services has increased, leading to a more balanced supply and demand in helicopters and with it the ability to increase prices to a more sustainable level. This has led to multiple commercial opportunities for the Company.

Moreover, the shortage of helicopters in the market allows the Company to significantly increase its prices with its main customers. However, 2023 so far was impacted by fleet availability and parts supplies (related to global supply chain issues in the market) resulting in a delayed positive impact of this evolution in the Company's financials.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

Trade receivables
Cash and cash equivalents
Trade and other payables
Bank loan

The directors of the Company are responsible for the determination of the Company's risk management and policies. The directors are supported by the group in which the Company operates. The Company has installed proper processes and procedures to follow the policies and to meet their objectives. On a monthly basis, group management reports to the directors the key performance indicators. Where needed directors take measurements.

The overall objective of the directors is to reduce risk, for specific risks, the Company has taken the following measurements.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. It is the Company's policy to assess the credit risk of new customers before entering contracts.

The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The credit risk on cash is limited as cash is placed with substantial financial institutions.

Market risk

Market risk arises from the Company's use of interest bearing and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) and foreign exchange rates (currency risk).

Cash flow interest rate risk

The Company is exposed to the cash flow interest rate risk from long-term borrowings at variable rate. As the Company does not consider this as a high risk, no measurements are taken.

Currency risk

Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than its functional currency. The Company is predominantly exposed to currency risk on purchases made from its parent Company based in Belgium. The risk is mitigated to a certain extent, in that foreign currency bank accounts are maintained and, where possible, a natural hedge will result from buying and selling in the same currency. The Board continually monitors the exposure of the Company and engages when needed in FX hedging activities.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Streamlined energy and carbon reporting (SECR)

Scope 1 - direct GHG emissions

Includes emissions from activities owned or controlled by the company that release emissions into the atmosphere. Examples include emissions from combustion in owned or controlled boilers, heaters, vehicles.

Scope 2 - energy indirect emissions:

Includes emissions from own consumption of purchased electricity, heat, steam and cooling. These are a consequence of the company's activities but are from sources not owned/controlled.

Scope 3 - other indirect emissions:

Emissions that are as a consequence of the company's actions but the source is not owned or controlled, and which are not classed as scope 2 emissions. For example business travel.

Source	Energy Consumption	Scope	Emission calculations
Transport helicopters - total amount of fuel (JET A1) used for the helicopters operations (4,608 ton); data retrieved from the Flight Data Monitoring system.	4,608 ton fuel x 11.99 kWh/kg = 55,249,920 kWh	1	4,608 ton fuel x 3.15 g CO ₂ /kg fuel = 14,515 ton CO ₂ e
Petrol (burning oil / kerosine) used for heating - total amount used taken from the bills	10,503 l x 10.29 kWh/l = 108,076 kWh	1	10,503 l x 2.54014 kg CO ₂ /l = 26,679 kg CO ₂ e = 27 ton CO ₂ e
Gas used for heating - total amount used taken from the bills	532,518 kWh	1	532,518 kWh x 0.18316 = 97,536 kg CO ₂ e = 98 ton CO ₂ e
Electricity - total amount of electricity used taken from the electricity bills	781,142 kWh	2	781,142 kWh x 0.23314 = 182,115 kg CO ₂ e = 182 ton CO ₂ e

Reported emissions (tCO₂)

Total gross emissions (Scope 1,2 and 3)	14,822
Total direct (scope 1) emissions	14,639
- Direct emissions (scope 1) stationary combustion	125
- Direct emissions(scope 1) mobile combustion	14,515
- Direct emissions (scope 1) from other sources	-
Total indirect emissions (scope 2)	182
Total indirect emissions (scope 3)	-

Energy Consumption (kWh)

Total energy consumption used to calculate emissions	56,671,656
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Intensity ratio (tCO₂e/£million)

Intensity ratio 2022	248.81
Intensity ratio 2021	220.21

Energy efficiency action report

There are no energy efficiency actions to report for this period.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

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

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

M Gislam
Director



Date: 16/10/2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NHV HELICOPTERS LTD

Opinion

We have audited the financial statements of NHV Helicopters Ltd (the 'Company') for the year ended 31 December 2022, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the Company had net current liabilities of £12.9m at 31 December 2022 and is reliant on support from its parent undertaking to meet its financial obligations as and when they fall due including not recalling amounts owed within 12 months of the financial statements being signed if the Company does not have the ability to repay the liability. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

NHV HELICOPTERS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NHV HELICOPTERS LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NHV HELICOPTERS LTD (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and Industry in which the Company operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006 and Tax legislation.

Our procedures involved enquiries with management, review of the reporting to the directors with respect to compliance with laws and regulation, review of board meeting minutes and review of legal correspondence.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, revenue recognition and the judgement surrounding the carrying value of stock and recoverability of debtors. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases corroborating balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the relevant accounting standards and applicable law.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tested included by were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- testing of journal postings made during the year to identify potential management override of controls;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NHV HELICOPTERS LTD (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



John Glasby (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW
Date: 17 October 2023

NHV HELICOPTERS LTD

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover		60,384,866	55,525,156
Cost of sales		(35,596,031)	(35,260,715)
Gross profit		24,788,835	20,264,441
Administrative expenses		(25,139,118)	(20,641,631)
Operating loss	4	(350,283)	(377,190)
Interest receivable and similar income	8	5,697	3,089
Interest payable and similar expenses	9	(238,971)	(155,688)
Loss before tax		(583,557)	(529,789)
Tax	10	-	-
Loss after tax		(583,557)	(529,789)
Retained earnings at the beginning of the year		(9,877,040)	(9,347,251)
Loss for the year		(583,557)	(529,789)
Retained earnings at the end of the year		(10,460,597)	(9,877,040)

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.

The notes on pages 14 to 27 form part of these financial statements.

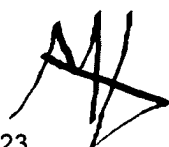
NHV HELICOPTERS LTD
REGISTERED NUMBER: 09900216

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	41,074	55,417
Tangible assets	12	8,021,020	8,646,507
		<u>8,062,094</u>	<u>8,701,924</u>
Current assets			
Stocks	13	1,156,282	674,263
Debtors: amounts falling due after more than one year	14	525,812	460,505
Debtors: amounts falling due within one year	14	29,170,060	28,320,967
Cash at bank and in hand	15	1,593,796	3,839,621
		<u>32,445,950</u>	<u>33,295,356</u>
Creditors: amounts falling due within one year	16	(45,316,386)	(45,575,897)
Net current liabilities		<u>(12,870,436)</u>	<u>(12,280,541)</u>
Total assets less current liabilities		<u>(4,808,342)</u>	<u>(3,578,617)</u>
Creditors: amounts falling due after more than one year	17	(652,255)	(1,298,423)
Net liabilities		<u><u>(5,460,597)</u></u>	<u><u>(4,877,040)</u></u>
Capital and reserves			
Called up share capital	20	5,000,000	5,000,000
Profit and loss account		(10,460,597)	(9,877,040)
		<u><u>(5,460,597)</u></u>	<u><u>(4,877,040)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M Gislam
Director



Date: 16/10/2023

The notes on pages 14 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

The Company is a private limited Company (limited by shares), which is incorporated and domiciled in England and Wales (registration number: 09900216). The Company was incorporated on 3 December 2015.

The address of the registered office is Klyne Business Aviation Centre, Buck Courtney Crescent, Norwich, Norfolk, United Kingdom, NR6 6JT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flow, on the basis that it is a qualifying entity and its parent Company, Noordze Helikopters Vlaanderen NV, includes the Company's cash flows in its own consolidated financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

The Company had net current liabilities of £12.9m at 31 December 2022.

Having made relevant and appropriate enquiries, including consideration of the Company's current resources and working capital forecasts, the Directors have a reasonable expectation that, at the time of approving the financial statements, the Company has adequate resources to continue in operational existence for at least the next twelve months.

The Company is reliant on support from its parent undertaking and that undertaking has confirmed that it will continue to support the Company to enable it to meet its financial obligations as and when they fall due, including not recalling amounts owed within 12 months of the financial statements being signed if the Company does not have the ability to repay the liability. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.3 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.6 Government grants**

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Taxation

Tax is recognised in the statement of income and retained earnings.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NHV HELICOPTERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	10 years
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2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	5% straight line
Plant & machinery	-	20% straight line
Motor vehicles	-	20% straight line
Fixtures & fittings	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NHV HELICOPTERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small Company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

3. Turnover

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	57,762,102	52,996,145
Rest of Europe	2,622,764	2,529,011
	<u>60,384,866</u>	<u>55,525,156</u>

NHV HELICOPTERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation of owned assets	686,641	671,530
Amortisation of intangible assets	5,623	5,625
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	20,000	20,000
Exchange differences	(941,645)	(1,094,693)
Other operating lease rentals	12,649,271	11,780,492
Defined contribution pension cost	660,300	530,648
	<u>686,641</u>	<u>671,530</u>

5. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	20,000	20,000
Fees payable to the Company's auditor and its associates in respect of:		
All other services	4,400	4,400
	<u>20,000</u>	<u>20,000</u>

NHV HELICOPTERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	12,328,420	11,092,074
Social security costs	1,475,028	1,232,817
Cost of defined contribution scheme	660,300	530,648
	<u>14,463,748</u>	<u>12,855,539</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Employee	<u>186</u>	<u>184</u>

7. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	339,941	196,639
Social security costs	41,729	23,351
Company contributions to defined contribution pension schemes	15,509	8,408
	<u>397,179</u>	<u>228,398</u>

8. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>5,697</u>	<u>3,089</u>

NHV HELICOPTERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Interest payable

	2022 £	2021 £
Bank loan interest payable	31,984	30,294
Loans from group undertakings	205,883	125,394
Other interest payable	1,104	-
	<u>238,971</u>	<u>155,688</u>

10. Taxation

	2022 £	2021 £
Total current tax	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(583,557)</u>	<u>(529,788)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(110,876)	(100,660)
Effects of:		
Expenses not deductible for tax purposes	110,876	125,660
Utilisation of tax losses	-	(25,000)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation (continued)

There were no factors that may affect future tax charges.

11. Intangible assets

	Assets under construction £	Computer software £	Total £
Cost			
At 1 January 2022	8,720	56,244	64,964
Disposals	(8,720)	-	(8,720)
At 31 December 2022	-	56,244	56,244
Amortisation			
At 1 January 2022	-	9,547	9,547
Charge for the year on owned assets	-	5,623	5,623
At 31 December 2022	-	15,170	15,170
Net book value			
At 31 December 2022	-	41,074	41,074
At 31 December 2021	8,720	46,697	55,417

NHV HELICOPTERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 January 2022	12,750,388	193,943	33,604	77,671	13,055,606
Additions	-	54,254	-	11,496	65,750
Disposals	(4,596)	-	-	-	(4,596)
At 31 December 2022	12,745,792	248,197	33,604	89,167	13,116,760
Depreciation					
At 1 January 2022	4,179,285	162,426	20,490	46,898	4,409,099
Charge for the year on owned assets	650,247	19,862	4,995	11,537	686,641
At 31 December 2022	4,829,532	182,288	25,485	58,435	5,095,740
Net book value					
At 31 December 2022	7,916,260	65,909	8,119	30,732	8,021,020
At 31 December 2021	8,571,103	31,517	13,114	30,773	8,646,507

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Freehold	7,916,260	8,571,103
	<u>7,916,260</u>	<u>8,571,103</u>

13. Stocks

	2022 £	2021 £
Raw materials and consumables	1,156,282	674,263
	<u>1,156,282</u>	<u>674,263</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Debtors

	2022 £	2021 £
Due after more than one year		
Other debtors	525,812	460,505
	<u>525,812</u>	<u>460,505</u>
Due within one year		
Trade debtors	9,504,312	7,613,973
Amounts owed by group undertakings	17,886,020	19,769,261
Other debtors	581,482	389,794
Prepayments and accrued income	1,198,246	547,939
	<u>29,170,060</u>	<u>28,320,967</u>

15. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,593,796	3,839,621
	<u>1,593,796</u>	<u>3,839,621</u>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	335,256	335,256
Trade creditors	4,260,795	2,433,939
Amounts owed to group undertakings	36,609,880	39,382,400
Other taxation and social security	396,189	330,795
Other creditors	57,258	277,756
Accruals and deferred income	3,657,008	2,815,751
	<u>45,316,386</u>	<u>45,575,897</u>

NHV HELICOPTERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	419,071	754,327
Amounts owed to group undertakings	233,184	544,096
	<u>652,255</u>	<u>1,298,423</u>

18. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	335,256	335,256
Amounts falling due 2-5 years		
Bank loans	419,071	754,327
	<u>754,327</u>	<u>1,089,583</u>

The bank loan is secured over land at Aberdeen International Airport, Dyce, Aberdeen.

NHV HELICOPTERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

19. Financial instruments

	2022 £	2021 £
Financial assets		
Cash and cash equivalents	1,593,796	3,839,621
Financial assets that are debt instruments measured at amortised cost	28,497,626	28,233,533
	<u>30,091,422</u>	<u>32,073,154</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(45,572,452)</u>	<u>(46,543,526)</u>

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors and other debtors excluding VAT repayment.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals, amounts owed to group companies and loans.

20. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
5,000,000 (2021 - 5,000,000) Ordinary shares of £1.00 each	<u>5,000,000</u>	<u>5,000,000</u>

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £660,300 (2021: £530,648). Contributions totalling £Nil (2021: £Nil) were payable to the fund at the reporting date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	275,592	279,740
Later than 1 year and not later than 5 years	915,703	1,055,703
Later than 5 years	4,949,120	5,084,712
	<u>6,140,415</u>	<u>6,420,155</u>

23. Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 102 Section 33.1A "Related Party Disclosures" not to disclose transactions with other members of the group on the grounds that it is a wholly owned subsidiary included within the consolidated financial statements prepared by the parent Company.

24. Ultimate parent undertaking and Controlling party

The directors regard Noordzee Helikopters Vlaanderen NV, a Company registered in Belgium, as the immediate parent Company. The Company's results are included within the consolidated accounts of Noordzee Helikopters Vlaanderen NV which is the largest and smallest Company into which the results are consolidated. Copies of the consolidated accounts can be obtained from www.nbb.be.

The ultimate controlling party is AXA LBO Fund V core FCPR, registered in France.