
NHV HELICOPTERS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



NHV HELICOPTERS LTD

COMPANY INFORMATION

Directors	M Gislam J L John L Tielemans M Schutty
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

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 7
Independent auditor's report	8 - 11
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Notes to the financial statements	15 - 28

NHV HELICOPTERS LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The Company's 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

The Company operates from three sites, Aberdeen, Norwich and Blackpool.

During the year, the Company generated a turnover of £37.7m and had a net loss of £5.1m. The Company's gross profit margin during the year was 33%. At 31 December 2020, the Company was in a net liabilities position of £4.3m and had a cash balance of £1.5m.

The net loss for the year was expected by directors as the Company due to the effect of COVID19 on oil & gas activities across the UK which meant that flying hours at the different bases were reduced significantly. Turnover was at the lowest level in April driven by COVID19, picking up again as of May. Turnover in Aberdeen started to decrease again as of September coming back to levels before the Corona crisis. Norwich had two peak moments in September-October, but as of November performance had returned to pre-COVID levels. In December the Company opened a new base in Blackpool as a result of two significant contract wins. Throughout the year the Company continued to develop more customer relationships and introduce efficiencies to meaningfully increase profitability in the future.

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 oil and gas sector which is exposed to the fluctuations in oil prices. The declining oil price puts pressure on the margins of the Company.

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.

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. The main KPIs include turnover, gross profit margin, operating costs and flight hours.

NHV HELICOPTERS LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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

We adhere to the framework provided by our ISO 14001 approved environmental management systems.

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 2020**

This report was approved by the board on 27 September 2021 and signed on its behalf.



M Gislam
Director

NHV HELICOPTERS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

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;
- 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 £5,111,109 (2019 - profit £1,168,679).

Directors

The directors who served during the year were:

M Gislam
J L John
L Tielemans
M Schutty

Future developments

Due to the stabilization of oil prices, the Company is expecting to win new contracts from major oil and gas companies. The Company will focus on long term and as well as short term contracts with major oil companies. The Company's main selling point is a modern, safe and cost effective fleet of aircraft including the H175, AW139 and AW169 aircraft offering a reliable and flexible service across all major oil and gas producing areas of the North Sea.

NHV HELICOPTERS LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Financial instruments

Financial Risk Management Objectives and Policies

The Company is exposed through its operations to the following financial risks:

Credit risk

Market risk

Cash flow interest rate risk

Currency risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

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 Board members of the parent company have overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

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 cash flow interest rate risk from long-term borrowings at variable rate. The Company manages its cash-flow interest rate risk by using floating-to-fixed interest rate swaps.

NHV HELICOPTERS LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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 monitor the exposure of the Company.

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 (3,004 ton); data retrieved from the Flight Data Monitoring system.	3,004 ton fuel x 11.99 kWh/kg = 36,017,960 kWh	1	3,004 ton fuel x 3.15 g CO ₂ /kg fuel = 9,460 ton CO ₂ e
Petrol (burning oil / kerosine) used for heating - total amount used taken from the bills	17,949 l x 10.29 kWh/l = 184,699 kWh	1	17,949 l x 2.54014 kg CO ₂ /l = 44,898 kg CO ₂ e = 45 ton CO ₂ e
Gas used for heating - total amount used taken from the bills	19,417 kWh	1	19,417 kWh x 0.18316 = 3556 kg CO ₂ e = 3.6 ton CO ₂ e
Electricity - total amount of electricity used taken from the electricity bills	407,208 kWh	2	407,208 kWh x 0.23314 = 94,936 kg CO ₂ e = 95 ton CO ₂ e
Business travel - total amount of CO ₂ taken from air travel tickets	2,854 kg CO ₂ e / 3.15 g CO ₂ / kg fuel * 11.99 kWh / kg fuel = 10,863 kWh	3	2,854 kg CO ₂ e = 2.9 ton CO ₂

NHV HELICOPTERS LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Reported emissions (tCO₂)

Total gross emissions (Scope 1,2 and 3)	9,606
Total direct (scope 1) emissions	9,508
- Direct emissions (scope 1) stationary combustion	48
- Direct emissions(scope 1) mobile combustion	9,460
- Direct emissions (scope 1) from other sources	-
Total indirect emissions (scope 2)	95
Total indirect emissions (scope 3)	3

Energy Consumption (kWh)

Total energy consumption used to calculate emissions	36,640,147
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Intensity ratio (tCO₂e/£million)

Intensity ratio	255
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Energy efficiency action report

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

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

Other than those highlighted in strategic report 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 on 27 September 2021 and signed on its behalf.



M Gisiam
Director

NHV HELICOPTERS LTD

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 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity 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 2020 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 Company had net current liabilities of £11.7m at 31 December 2020 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 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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

NHV HELICOPTERS LTD

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.

NHV HELICOPTERS LTD

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: 27 September 2021

NHV HELICOPTERS LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	3	37,717,481	32,655,638
Cost of sales		(25,179,664)	(19,111,917)
Gross profit		12,537,817	13,543,721
Administrative expenses		(17,507,434)	(12,049,678)
Other income		58,103	-
Operating (loss)/profit	4	(4,911,514)	1,494,043
Interest payable and expenses	8	(199,595)	(325,364)
(Loss)/profit before tax		(5,111,109)	1,168,679
(Loss)/profit for the financial year		(5,111,109)	1,168,679

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 15 to 28 form part of these financial statements.

NHV HELICOPTERS LTD
REGISTERED NUMBER: 09900216

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	52,322	-
Tangible assets	11	9,234,315	9,711,316
		<u>9,286,637</u>	<u>9,711,316</u>
Current assets			
Stocks	12	788,782	-
Debtors: amounts falling due after more than one year	13	335,712	-
Debtors: amounts falling due within one year	13	7,718,898	5,494,204
Cash at bank and in hand	14	1,499,554	2,160,837
		<u>10,342,946</u>	<u>7,655,041</u>
Creditors: amounts falling due within one year	15	(22,032,242)	(14,179,367)
Net current liabilities		<u>(11,689,296)</u>	<u>(6,524,326)</u>
Total assets less current liabilities		<u>(2,402,659)</u>	<u>3,186,990</u>
Creditors: amounts falling due after more than one year	16	(1,944,592)	(2,423,132)
Net (liabilities)/assets		<u>(4,347,251)</u>	<u>763,858</u>
Capital and reserves			
Called up share capital	19	5,000,000	5,000,000
Profit and loss account		(9,347,251)	(4,236,142)
		<u>(4,347,251)</u>	<u>763,858</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2021.



M. Gislam
Director

The notes on pages 15 to 28 form part of these financial statements.

NHV HELICOPTERS LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	1	(5,404,821)	(5,404,820)
Comprehensive income for the year			
Profit for the year	-	1,168,679	1,168,679
Shares issued during the year	4,999,999	-	4,999,999
	<hr/>	<hr/>	<hr/>
At 1 January 2020	5,000,000	(4,238,142)	763,858
Comprehensive income for the year			
Loss for the year	-	(5,111,109)	(5,111,109)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(5,111,109)	(5,111,109)
	<hr/>	<hr/>	<hr/>
At 31 December 2020	5,000,000	(9,347,251)	(4,347,251)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 28 form part of these financial statements.

NHV HELICOPTERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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. The directors do not consider there to be any key sources of estimation and uncertainty when applying the accounting policies except for going concern (see note 2.2).

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its parent company, Noordzee 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 £11.7m at 31 December 2020.

The COVID-19 outbreak has developed rapidly in 2020. The company saw a significant decrease to expected revenue compared to the initial plan.

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 means 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 2020**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pounds sterling.

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 comprehensive income 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 Government grants

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

NHV HELICOPTERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 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.

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 profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 Statement of financial position 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 2020

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 2020

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 instruments 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 and loans to related parties.

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 comprehensive income.

3. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	34,756,322	30,975,844
Rest of Europe	2,961,159	1,679,794
	<u>37,717,481</u>	<u>32,655,638</u>

NHV HELICOPTERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of owned assets	662,102	657,840
Amortisation of intangibles	3,922	-
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	17,500	16,640
Exchange differences	(500,886)	(799,491)
Other operating lease rentals	10,329,358	6,671,103
Defined contribution pension cost	405,623	266,583

5. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	17,500	16,640

Fees payable to the Company's auditor in respect of:

All other services	4,400	4,700
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6. Employees

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

	2020 £	2019 £
Wages and salaries	8,381,299	5,763,754
Social security costs	881,810	613,595
Cost of defined contribution scheme	405,623	266,583
	9,668,732	6,643,932

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

	2020 No.	2019 No.
Employee	143	104

NHV HELICOPTERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	192,352	157,688
Social security costs	22,664	18,267
Cost of defined contribution scheme	8,960	7,829
	223,976	183,784

During the year retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

8. Interest payable

	2020	2019
	£	£
Bank loan interest payable	41,223	84,715
Loans from group undertakings	154,400	233,540
Other interest payable	3,972	7,109
	199,595	325,364

9. Taxation

	2020	2019
	£	£
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

NHV HELICOPTERS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(5,111,109)</u>	<u>1,168,679</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(971,111)	222,049
Effects of:		
Expenses not deductible for tax purposes	114,492	113,086
Unrelieved tax losses carried forward	856,619	(335,135)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no tax charges in the period. There are tax losses available to carry forward amounting to approximately £7.2m (2019: £2.6m). A deferred tax asset on losses is not recognised in the accounts due to the uncertainty of future profits against which they will be utilised.

NHV HELICOPTERS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Intangible assets

	Computer software £
Cost	
Additions	56,244
At 31 December 2020	56,244
Amortisation	
Charge for the year on owned assets	3,922
At 31 December 2020	3,922
Net book value	
At 31 December 2020	52,322
At 31 December 2019	-

NHV HELICOPTERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 January 2020	12,558,254	161,367	25,533	41,629	12,786,783
Additions	123,512	25,547	-	36,042	185,101
At 31 December 2020	<u>12,681,766</u>	<u>186,914</u>	<u>25,533</u>	<u>77,671</u>	<u>12,971,884</u>
Depreciation					
At 1 January 2020	2,888,734	147,667	11,489	27,577	3,075,467
Charge for the year on owned assets	642,629	5,519	4,562	9,392	662,102
At 31 December 2020	<u>3,531,363</u>	<u>153,186</u>	<u>16,051</u>	<u>36,969</u>	<u>3,737,569</u>
Net book value					
At 31 December 2020	<u>9,150,403</u>	<u>33,728</u>	<u>9,482</u>	<u>40,702</u>	<u>9,234,315</u>
At 31 December 2019	<u>9,669,520</u>	<u>13,700</u>	<u>14,044</u>	<u>14,052</u>	<u>9,711,316</u>

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

	2020 £	2019 £
Freehold	9,150,403	9,669,520
	<u>9,150,403</u>	<u>9,669,520</u>

12. Stocks

	2020 £	2019 £
Raw materials and consumables	788,782	-
	<u>788,782</u>	<u>-</u>

NHV HELICOPTERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	335,712	-
	<u>335,712</u>	<u>-</u>
	2020 £	2019 £
Due within one year		
Trade debtors	4,275,540	3,986,338
Amounts owed by group undertakings	2,502,372	826,828
Other debtors	433,316	382,528
Prepayments and accrued income	507,670	298,510
	<u>7,718,898</u>	<u>5,494,204</u>

14. Cash and cash equivalents

	2020 £	2019 £
Cash at bank	1,499,554	2,160,837
	<u>1,499,554</u>	<u>2,160,837</u>

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	335,256	335,256
Trade creditors	1,741,059	1,089,225
Amounts owed to group undertakings	18,339,579	11,927,039
Other taxation and social security	354,046	189,511
Other creditors	357,307	318,264
Accruals and deferred income	904,995	320,072
	<u>22,032,242</u>	<u>14,179,367</u>

NHV HELICOPTERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	2020 £	2019 £
Bank loan	1,089,584	1,257,212
Amounts owed to group undertakings	855,008	1,165,920
	<u>1,944,592</u>	<u>2,423,132</u>

17. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loan	335,256	335,256
	<u>335,256</u>	<u>335,256</u>
Amounts falling due 2-5 years		
Bank loan	1,089,584	1,257,212
	<u>1,089,584</u>	<u>1,257,212</u>
	<u>1,424,840</u>	<u>1,592,468</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 2020**

18. Financial instruments

	2020 £	2019 £
Financial assets		
Cash and cash equivalents	1,499,554	2,160,837
Financial assets that are debt instruments measured at amortised cost	7,210,443	4,936,352
	<u>8,709,997</u>	<u>7,097,189</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(23,622,788)</u>	<u>(16,602,498)</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.

19. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
5,000,000 (2019 - Ordinary shares of £1.00 each)	<u>5,000,000</u>	<u>5,000,000</u>

20. Pension commitments

The Company operates a defined contribution 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 amounts to £405,623 (2019: £266,583). Contributions totalling £nil (2019 - £nil) were payable to the fund at the reporting date and are included in creditors.

NHV HELICOPTERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	279,644	320,182
Later than 1 year and not later than 5 years	1,246,570	682,399
Later than 5 years	5,110,916	5,152,508
Land and buildings	6,637,130	6,155,089

In respect of the above operating lease, Aberdeen International Airport Limited held a charge over the freehold property of the Company during the period to 31 December 2020.

	2020 £	2019 £
Not later than 1 year	11,697,760	7,480,212
Later than 1 year and not later than 5 years	25,014,768	24,424,622
Helicopters	36,712,528	31,904,834

22. 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.

23. Ultimate parent undertaking and Controlling party

The director regards 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 the National Bank of Belgium, Boulevard de Berlaimont 14, 1000 Brussels.

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