

Registered No 00936569

CHC Scotia Limited

Report and Financial Statements

30 April 2012

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COMPANIES HOUSE

CHC Scotia Limited

Registered No 00936569

Directors

D Corbett
P Das
A Henriksen
N Mair
M Nicol
D Stewart
S Stewart

Secretary

A Henriksen

Auditors

Ernst & Young LLP
Blenheim House
Fountainhall Road
Aberdeen
AB15 4DT

Bankers

Bank of America
P O Box 407
5 Canada Square
London

Bank of Scotland
54/62 Sauchiehall Street
Glasgow
G2 3AH

Solicitors

Paull & Williamsons
Union Plaza
1 Union Wynd
Aberdeen
AB10 1DQ

Registered Office

North Denes Airfield
Caister Road
Caister on Sea
Great Yarmouth
NR30 5TF

Directors' report

The directors present their report and the audited financial statements for the year to 30 April 2012

Results and Dividends

The profit for the year before taxation amounted to £10.9m (2011 - £3.8m loss) which after tax, as detailed in the profit and loss account on page 7, results in a profit of £16.4m (2011 - £3.8m loss). In addition, a loss on pension scheme of £14.6m (gain £5.3m) was taken to reserves, resulting in a total increase in reserves of £1.8m (2011 - £1.4m). No dividend payment (2011 - nil) was paid to the parent company during the year.

Principal activity and review of business

The principal activity of the company is the provision of helicopter services to the oil and gas industry and providing search and rescue services for the Maritime Coastguard Agency.

The company contracted around 22 oil and gas helicopters from Aberdeen, Humberside and North Denes in the UK. In addition, CHC operates 7 search and rescue helicopters based in Stornoway, Sumburgh, Portland and Lee-on-Solent to support the Interim Search and Rescue Contract.

Turnover increased by 11% due to prevailing market conditions.

CHC continues to focus on, and invest in, its core markets of oil and gas and search and rescue and expects results to improve in the next fiscal year.

Going Concern

The Directors confirm that, after making enquiries in accordance with the guidance issued by the Financial Reporting Council, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Principal risks and uncertainties

Competitive Risks

During fiscal year 2012, the company derived a large percentage of its revenue from the provision of helicopter transportation services to customers in the offshore oil and gas industry. The company believes the future demand for these helicopter services and its competitive position will enable it to continue to be a major provider of helicopter transportation services to the oil and gas industry. However, a change in the demand for offshore oil and gas or the entry of significant new competitors could have a material impact on the company's revenues from its customers in the offshore oil and gas industry. The company operates in the UK Search and Rescue sector and will continue to pursue available contracts within this market.

Legislative Risks

Aviation industry regulations are governed by the Civil Aviation Authority and Health and Safety legislation in the relevant countries throughout Europe. These regulations are subject to continuous revision and any new directive may have a material impact on the ability of the company to operate at a profit. In addition, compliance imposes costs and failure to comply with the regulations could materially affect the company's ability to operate. The company takes proactive measures to ensure compliance and has been awarded BSI Accreditation for ISO 14001:2004 and OHSAS 18001:1999.

Directors' report

Principal risks and uncertainties (continued)

Foreign Currency

The company's overall approach to managing foreign currency exposures includes identifying and quantifying its exposures and putting in place the necessary financial instruments to manage the exposure. The company operates under a corporate policy that restricts it from using any financial instruments for speculative or trading purposes.

The company has developed a risk management plan to mitigate potential risks with respect to foreign currencies. The strategy is to match cash inflows and outflows by currency, thereby minimising net currency exposures to the extent possible. This is accomplished by ensuring that customer contracts, major expenditures and debt are denominated in the appropriate currencies.

Trade Credit Risk

Trade receivables consist primarily of amounts due from multinational companies operating in the oil and gas industry. Ongoing credit control procedures are in place to continually monitor the receivables; the company has not incurred any bad debt write off during the year (2011 nil).

Future developments

Current market conditions are positive and the company is well positioned to pursue major oil and gas opportunities as they become available. The company continues to focus on maximising revenue, earnings and operating performance through a variety of profit improvement initiatives that form part of the overall business strategy.

Events since the balance sheet date

Following the year end, the Company increased its investment in its subsidiary company by subscribing to an additional 4,000,000 ordinary shares of €1.269738 each at par.

Directors

The directors of the company who held office during the year are as follows:

J Bowes (resigned 31 July 2012)

D Corbett

P Das

A Henriksen

N Mair

M Nicol (appointed 31 July 2012)

S Stewart

D Stewart

Directors' qualifying third party indemnity provisions

The ultimate parent company has granted an indemnity to all directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Directors' report

Employees

Employees are kept informed in writing of matters of direct concern to them and affecting their contracts of employment and otherwise by management to whom they have ready access

There is regular consultation as necessary, with such consultation carried out in discussion with the employees concerned

The involvement of employees in the company's performance is aimed at encouraging employees to perform their own role in the most efficient way possible and at demonstrating that such efficiency enables the company to provide security of employment and improve remuneration

It is the policy of the company to offer employment to disabled persons on the same basis as for able-bodied persons, subject only to their suitability for the work. The policy as to training, career development and promotion is likewise the same as for able-bodied persons

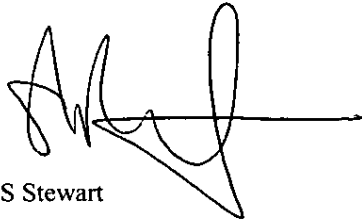
Disclosure of information to the auditors

The Directors believe that they have taken reasonable steps in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. Further, they believe that there is no relevant audit information of which the company's auditors are unaware

Auditors

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting

On behalf of the board

A handwritten signature in black ink, appearing to be 'S Stewart', with a long horizontal line extending to the right.

S Stewart

Director

10 January 2013

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 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.

Independent auditors' report

to the members of CHC Scotia Limited

We have audited the financial statements of CHC Scotia Limited for the year ended 30 April 2012 which are comprised of the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Ernst & Young LLP

Kevin Weston (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Aberdeen

10 January 2013

Profit and loss account

for the year ended 30 April 2012

	Notes	2012 £000	2011 £000
Turnover	2	164,174	147,497
Cost of sales		149,636	139,072
Gross Profit		14,538	8,425
Administrative expenses		12,224	10,563
Operating Profit / (Loss)	3	2,314	(2,137)
Loss on disposal of tangible fixed assets		-	155
Profit / (Loss) on ordinary activities before interest and taxation		2,314	(2,292)
Interest payable	7	(306)	(357)
Interest receivable	8	48	157
Other finance income / (expense)	18	8,830	(1,329)
Profit / (Loss) on ordinary activities before taxation		10,886	(3,821)
Tax credit on profit on ordinary activities	9	5,475	-
Profit / (Loss) for the financial year	16	16,361	(3,821)

The results above arose wholly from continuing operations

Statement of total recognised gains and losses

For the year ended 30 April 2012

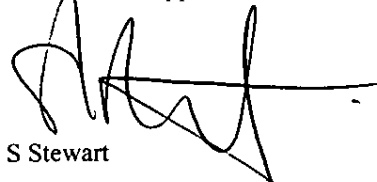
	Notes	2012 £000	2011 £000
Profit / (Loss) for the financial year		16,361	(3,821)
Actuarial (loss) / gain on retirement benefit liability	18	(14,603)	5,257
Tax thereon		-	-
Actuarial (loss) / gain on retirement benefit liability net of tax		(14,603)	5,257
Total recognised gain relating to the year		1,758	1,436

Balance sheet

at 30 April 2012

	Notes	2012 £000	2011 £000
Fixed assets			
Tangible assets	10	1,529	1,724
Investments	11	5,835	3,675
		<u>7,364</u>	<u>5,399</u>
Financial assets amounts receivable over more than one year			
Deferred tax asset	9	<u>5,475</u>	<u>-</u>
Current assets			
Stocks	12	40	40
Debtors	13	40,499	29,538
Cash at bank and in hand		3,416	15,936
		<u>43,955</u>	<u>45,514</u>
Creditors amounts falling due within one year	14	<u>50,339</u>	<u>45,989</u>
Net current liabilities		<u>(6,384)</u>	<u>(475)</u>
Total assets less current liabilities		<u>6,455</u>	<u>4,924</u>
Pension liability	18	<u>(28,591)</u>	<u>(28,818)</u>
Net liabilities		<u>(22,136)</u>	<u>(23,894)</u>
Capital and reserves			
Called up share capital	15	4,930	4,930
Capital redemption reserve	16	179	179
Profit and loss account	16	<u>(27,245)</u>	<u>(29,003)</u>
		<u>(22,136)</u>	<u>(23,894)</u>

The directors approved the financial statements and authorised them for issue on 10 January 2013



S Stewart

Director

10 January 2013

Notes to the financial statements

at 30 April 2012

1. Accounting policies

Basis of preparation

The financial statements of CHC Scotia Limited were approved for issue by the Board of Directors on 10 January 2013

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom

The financial statements have been prepared under the going concern basis. The directors believe this basis to be appropriate as they anticipate that the profitability will significantly improve in the future. It is also the case that the company has the support of its parent companies.

Consolidated Financial Statements

The company is not required to prepare consolidated financial statements by virtue of the exemption under section 400 of the Companies Act 2006. The results of the Company are included in the financial statements of EEA Helicopters Operations B V, a company registered in the Netherlands, which has prepared consolidated financial statements for the year to 30 April 2012. The financial statements therefore present information about the Company as an individual entity and not about its group.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

Repairs and maintenance

The cost of repairs and maintenance including overhaul of aircraft and components is taken to the profit and loss account as incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

• Leasehold property	Over the lease period
• Aircraft and equipment	10 - 25 years
• Plant, motors and computers	5 years

Fixed asset investments

Fixed asset investments are stated at cost less provisions for impairment.

Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Notes to the financial statements

at 30 April 2012

1. Accounting policies (continued)

Loan secured on trade receivables

Under a "receivables purchase" facility arranged by the company's immediate parent undertaking, the company can obtain financing secured on its trade receivables. The company continues to recognise the receivables and amounts received under the facility are treated as a loan payable within one year. Interest and fees are charged to the profit and loss account as incurred.

Cash Flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent undertaking publishes consolidated financial statements.

Revenue Recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for services performed. Revenue is based on usage at agreed rates per aircraft type and related recharges, excluding discounts, rebates and VAT.

Related parties transactions

The company is a wholly owned subsidiary of EEA Helicopters Operations BV, the consolidated accounts of which are publicly available.

Accordingly, the company has taken advantage of the exemption in Financial Reporting Standard No. 8 from disclosing transactions with members or investees of the EEA Helicopters Operations B V group.

Leasing and conditional sales commitments

Upon entering into a new aircraft leasing arrangement, management evaluates whether substantially all of the benefits and risks of ownership related to the aircraft have been transferred to the lessor in order to determine if the lease is classified and recorded as finance or operating.

One of the criteria in determining whether the benefits and risks have been transferred is whether the present value of the minimum lease payments is less than 90% of the fair value of the leased aircraft at the inception of the lease. Another criteria that is evaluated is whether there is a bargain purchase option at the end of the lease compared to the estimated fair market value at that time. At the time of entering into a new aircraft leasing arrangement the company obtains an independent appraisal from a helicopter valuation company of the estimated fair value of the aircraft at the beginning and end of the lease term. These appraisals involve the use of estimates on current and future condition of, and demand for, the particular aircraft type. Different valuation companies may calculate different appraisal values for the same aircraft based on different assumptions used. The use of different estimates of fair market value based on the appraisals could result in a different lease classification.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and Conditional Sales Contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under leases and Conditional Sales Contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and Conditional Sales Contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Modifications to aircraft on operating leases are capitalised and depreciated over the remaining term of the lease.

Notes to the financial statements

at 30 April 2012

1. Accounting policies (continued)

Corporation Tax

UK corporation tax payable is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluations (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pension costs

The company operates a defined contribution pension scheme and a defined benefit scheme. For the defined contribution pension scheme, contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

For the defined benefit scheme the pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Pension scheme assets are measured using market values at the balance sheet date.

The pension scheme deficit is recognised in full on the balance sheet, and any pension scheme surplus is recognised to the extent that it can be recovered. The deferred tax relating to the defined benefit liability or asset is offset against the defined benefit liability or asset and not included with other deferred tax amounts.

Increases in the present value of the scheme liabilities expected to arise from employee service in the period are charged to operating profit. The expected return on scheme assets less the increase in the present value of scheme liabilities arising from the passage of time are included in other finance income/expense. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

2. Turnover

Turnover, which is stated net of value added tax represents the value of goods and services supplied and is attributable to one continuing activity, the provision of helicopter services.

Geographical analysis of turnover is given below

	2012 £000	2011 £000
UK	127,836	114,418
Europe	35,705	32,326
North America	633	753
	<u>164,174</u>	<u>147,497</u>

Notes to the financial statements

at 30 April 2012

3. Operating Profit / (Loss)

This is stated after charging / (crediting)

	2012 £000	2011 £000
Auditors' remuneration (note 4)	108	110
Depreciation of owned fixed assets	581	647
Operating lease rentals - aircraft, plant and machinery	38,308	30,570
- land and buildings	1,499	1,564
Gain on foreign exchange	(216)	(680)
	<u> </u>	<u> </u>

4. Auditors' remuneration

The remuneration of the auditors is further analysed as follows

	2012 £000	2011 £000
Audit of the financial statements	108	110
Other fees to auditors – audit of the group pension scheme	-	-
	<u>108</u>	<u>110</u>

5. Staff costs

	2012 £000	2011 £000
Wages and salaries	34,464	35,899
Social security costs	3,486	3,711
Other pension costs	2,039	2,562
	<u>39,989</u>	<u>42,172</u>

The average monthly number of employees during the year was as follows

	No	No
Administration and marketing	121	142
Operations	358	393
	<u>479</u>	<u>535</u>

The above figures include costs and headcount for temporary and contract personnel

Notes to the financial statements

at 30 April 2012

6. Directors' emoluments

	2012 £000	2011 £000
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The remuneration of the directors was as follows

Emoluments	<u>736</u>	<u>765</u>
Company contributions paid to pension schemes	<u>31</u>	<u>19</u>
Compensation for loss of office	<u>-</u>	<u>698</u>

	2012 No	2011 No
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The number of directors who were members of pension schemes was as follows

Money purchase schemes	3	4
Defined benefit schemes	<u>-</u>	<u>-</u>

	2012 £000	2011 £000
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The amounts in respect of the highest paid director are as follows

Emoluments	<u>160</u>	<u>269</u>
Compensation for loss of office	<u>28</u>	<u>461</u>
Company contributions paid to pension scheme	<u>-</u>	<u>-</u>

The above relates to directors remunerated by the company. Some directors of the company are also directors of the ultimate parent company or fellow subsidiaries and receive remuneration directly from these companies. The directors do not believe that it is practicable to apportion their remuneration between their services as directors of the company and their services as directors of the holding and fellow companies.

7. Interest payable

	2012 £000	2011 £000
Bank overdrafts	4	84
Loans from group companies	-	-
Loan secured on trade receivables	<u>302</u>	<u>273</u>
	<u>306</u>	<u>357</u>

Notes to the financial statements

at 30 April 2012

8. Interest receivable

	2012 £000	2011 £000
Bank interest	48	157
	<u>48</u>	<u>157</u>

9. Tax

(a) Tax on profit / loss on ordinary activities

The tax credit / charge is made up as follows

	2012 £000	2011 £000
<i>Current tax</i>		
UK Corporation tax	-	-
Adjustment in respect of previous periods	<u>-</u>	<u>-</u>
Total current tax (note 9(b))	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Recognition of deferred tax asset (note 9(d))	5,475	-
	<u>5,475</u>	<u>-</u>
Total deferred tax credit	<u>5,475</u>	<u>-</u>
Tax credit on loss on ordinary activities	<u>5,475</u>	<u>-</u>

Notes to the financial statements

at 30 April 2012

9. Tax (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 26% (2011 – 28%) The differences are reconciled below

	2012 £000	2011 £000
Profit / (Loss) on ordinary activities before tax	10,886	(3,821)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011– 28%)	2,830	(1,070)
Decelerated capital allowances	68	93
Other timing differences	(2,898)	978
Disallowable expenses	-	(1)
Total current tax (note 9(a))	-	-

(c) Factors that may affect future tax charges

From 1 April the corporation tax rate was reduced from 26% to 24% There will be a further 1% reduction each year until 2014, giving a rate of 21% from 1 April 2014 At present the effect of the rate changes has not been quantified

(d) Deferred tax

The deferred tax included in the balance sheet is as follows

	2012 £000	2011 £000
Financial assets amounts receivable over more than one year	5,475	-
		£000
At 1 May 2011		-
Deferred tax credit in profit and loss account		5,475
At 30 April 2012		5,475

A deferred tax asset amounting to £5,475,000 as a result of losses carried forward has been recognised at the balance sheet date In view of the improving results and projections of future profitability, the directors consider that the appropriate accounting treatment is to recognise the asset As a result, a credit of £5,475,000 has been recorded in the results for the year

At 2011, a deferred tax asset amounting to £4,914,000 as a result of losses carried forward was not recognised in the financial statements

A deferred tax asset amounting to £6,862,000 (2011 £7,493,000) relating to the company's defined benefit pension scheme has not been provided for in the financial statements

Notes to the financial statements

at 30 April 2012

10. Tangible fixed assets

	<i>Short leasehold property £000</i>	<i>Aircraft and equipment £000</i>	<i>Plant motors and computers £000</i>	<i>Total £000</i>
Cost				
At 1 May 2011	231	134	10,432	10,797
Additions	-	256	130	386
Disposals	-	3	-	3
At 30 April 2012	231	387	10,562	11,180
Depreciation				
At 1 May 2011	152	65	8,856	9,073
Charge for the year	7	26	548	581
Disposals	-	3	-	3
At 30 April 2012	159	88	9,404	9,651
Net book value				
At 30 April 2012	72	299	1,158	1,529
At 30 April 2011	79	69	1,576	1,724

11. Investments

	<i>Subsidiary undertakings £000</i>
Cost	
At 1 May 2011	3,675
Shares subscribed for and fully paid	2,160
At 30 April 2012	5,835

On the 14th of October 2011, the company subscribed for 1,968,911 ordinary shares of €1 269738 in its subsidiary company CHC Ireland Limited. The shares were allotted at a total par value of €2,500,000.

At 30 April 2012, the company held more than 20% of the equity of the following subsidiary undertakings

<i>Name</i>	<i>Country of registration</i>	<i>Description of holding</i>	<i>Proportion held</i>	<i>Principal activity</i>
CHC Ireland Limited	Ireland	Ord shares	100%	Aviation Operations

Notes to the financial statements

at 30 April 2012

12. Stocks

	2012 £000	2011 £000
Fuel	40	40

13. Debtors

	2012 £000	2011 £000
Trade debtors	17,721	13,325
Amounts owed by fellow group undertakings	5,411	9,778
Amounts owed by related parties	11,813	2,487
Amounts owed by subsidiary undertaking	2,650	1,198
Amounts owed by parent undertaking	279	223
Other debtors	1,586	1,159
Prepayments and accrued income	1,039	1,368
	40,499	29,538

14. Creditors: amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	2,184	7,256
Loan on secured on trade receivables	6,297	3,925
Amounts owed to fellow group undertakings	7,602	9,665
Amounts owed to related parties	27,228	18,444
Other taxes and social security costs	1,183	1,385
Accruals	3,897	3,265
Advance billing	1,948	2,049
	50,339	45,989

Notes to the financial statements

at 30 April 2012

15. Share capital

	<i>Authorised</i>	
	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	5,500	5,500
	<i>Allotted, called up and fully paid</i>	
	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	4,930	4,930

16. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Capital redemption reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 30 April 2010	4,930	179	(30,439)	(25,330)
Loss for the year	-	-	(3,821)	(3,821)
Actuarial gain on defined benefit pension scheme	-	-	5,257	5,257
At 30 April 2011	4,930	179	(29,003)	(23,894)
Profit for the year	-	-	16,361	16,361
Actuarial loss on defined benefit pension scheme	-	-	(14,603)	(14,603)
At 30 April 2012	4,930	179	(27,245)	(22,136)

17. Operating lease commitments

At 30 April 2012, the company had annual commitments under cancellable and non-cancellable* operating leases which expire as follows

	<i>2012</i>		<i>2011</i>	
	<i>Land and buildings</i>	<i>Aircraft plant and machinery</i>	<i>Land and buildings</i>	<i>Aircraft plant and machinery</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases which expire				
Within one year	353	37,679	838	31,485
In two to five years	936	-	262	-
In over five years	1,071	-	1,050	-
	2,360	37,679	2,150	31,485

* The contractual terms of aircraft lease agreements with related parties, included in the above, allow for termination on three months notice

Notes to the financial statements

at 30 April 2012

18. Pension schemes

The company operated a pension scheme in the UK during the year, the CHC Scotia Pension Scheme

The Company operates a Defined Benefit Pension Plan providing benefits based on final pensionable pay. The plan is contracted out of the State Second Pension (S2P). The assets of this plan are held separately from those of the Company and are currently invested with SEI Investments (Europe) Limited, Standard Life and Legal and General. Contributions to the plan are charged to the Profit and Loss Account so as to spread the cost of pensions over employees' working lives with the Company. The most recent formal valuation was carried out by the Scheme Actuary as at 1 July 2009. These results were updated to 31 January 2012 when agreeing contributions to be paid to the scheme.

A valuation for the purposes of FRS17 has also been carried out by the Company Actuary as at 30 April 2012. The FRS17 calculations are based on the membership data at the valuation date of 1 July 2009 with an approximate adjustment made for the changes in the membership and benefit accrual over the period from 1 July 2009 to 30 April 2012.

The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in pensions. It was assumed that the pre retirement investment return was 6.3% per annum and the post retirement investment return was 5.55% per annum. Pensions that increase at the rate of 5% per annum or the increase in the Retail Price Index, if less, were assumed to increase at 3.75% per annum. Pensions from 1 July 2006 that increase at the rate of 2.5% per annum or the increase in the Retail Price Index, if less, were assumed to increase at 2.5% per annum.

The formal actuarial valuation showed that the market value of the assets of the plan as at 1 July 2009 was £86,255,000, which represented 60% of the value of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The company agreed to pay at least £1,500,000 per quarter in respect of the deficit reduction contributions. The current contribution strategy leads to an approximate 75% probability that the deficit within the scheme will be eliminated within 10 years of the valuation date.

The amount credited to the Profit & Loss account for the year was £8,645,000 (2011 - £ nil). The unpaid contributions outstanding at the year end, included in "Accruals" are £ nil (2011- £ nil).

The assets of the Money Purchase section of the plan are also held separately from those of the company. The contributions to the Plan are at fixed rates, and the amounts charged to the Profit and Loss account are the contributions payable in the year. Each year the individual members are given a statement of their investment to date.

Notes to the financial statements

at 30 April 2012

18. Pension schemes (continued)

The company's Money Purchase contributions charged in the Profit and Loss account for the year totalled £1,627,000 (2011-£2,357,000). The unpaid contributions outstanding at the year end, included in "Accruals" are £166,000 (2011-£129,000).

The assets and liabilities of the scheme were

	2012 £000	2011 £000
Equities	63,299	66,776
Property	10,760	9,331
Bonds (including corporate bonds)	39,376	36,687
Cash	1,030	193
Total market value of assets	114,464	112,987
Actuarial value of liability	(143,055)	(141,805)
Deficit in the scheme	(28,591)	(28,818)
Related deferred tax asset	-	-
Net pension liability	(28,591)	(28,818)

An analysis of the amount charged to operating profit is as follows

	2012 £000	2011 £000
Service cost	-	-
Past service cost	-	-
Total operating charge	-	-

An analysis of the amount credited/(debited) to other financing income/(expense) is as follows

	2012 £000	2011 £000
Expected return on pension scheme assets	7,489	6,265
Interest on pension liabilities	(7,304)	(7,594)
Net return	185	(1,329)
Past service cost	8,645	-
Total included within other financing income / (expense)	8,830	(1,329)

An analysis of amounts recognised in statement of total recognised gains and losses (STRGL) is as follows

	2012 £000	2011 £000
Actual return on scheme assets	522	10,246
Less expected return on scheme assets	7,489	6,265
	(6,967)	3,981
Experience (losses) and gains on liabilities	(7,636)	1,279
Changes in assumptions	-	-
Actuarial (loss) / gain recognised in STRGL	(14,603)	5,260

Notes to the financial statements

at 30 April 2012

18. Pension schemes (continued)

The formal valuation at 1 July 2009 has been updated at 30 April 2012 by a qualified independent actuary
The major assumptions used by the actuary were

	2012	2011
Rate of increase in salaries	N/A	N/A
Rate of increase of pensions in payment	2 10%	3 40%
Rate of increase in deferred pensions		
Former CHC Scotia (1975) Scheme members	5 00%	5 00%
CHC Scotia Pension Scheme members	2 10% CPI / 3 10% RPI	3 40%
Discount rate	5 00%	5 50%
Expected rates of return on scheme assets		
Equities	8 50%	8 50%
Property	8 20%	8 20%
Bonds	4 50%	4 70%
Other	1 80%	1 50%
Inflation assumption	2 10% CPI / 3 10% RPI	3 40%
Post retirement mortality		
Current pensioners at 65 – male	20 42%	20 32%
Current pensioners at 65 – female	23 16%	23 06%
Future pensioners at 65 – male	22 69%	22 61%
Future pensioners at 65 – female	25 46%	25 37%

Changes in the present value of the defined benefit obligations are analysed as follows

	2012 £000	2011 £000
Scheme obligations at the beginning of the year	(141,805)	(140,655)
Movement in year		
Current service cost	-	-
Past service cost	8,645	-
Interest cost	(7,304)	(7,594)
Contributions	-	-
Actuarial (loss) / gain on scheme liabilities	(7,636)	1,279
Benefits paid	5,044	5,165
Curtailments and settlements	-	-
Scheme obligations at the end of the year	<u>(143,055)</u>	<u>(141,805)</u>

The obligations arise under a single funded scheme

Notes to the financial statements

at 30 April 2012

18. Pension schemes (continued)

Changes in the fair value of plan assets are analysed as follows

	2012 £000	2011 £000
Fair value of scheme assets at the beginning of the year	112,987	102,666
Movement in year		
Expected return on scheme assets	7,489	6,265
Employer contributions	6,000	5,240
Employee contributions	-	-
Benefits paid	(5,044)	(5,165)
Actuarial (loss) / gain on scheme assets	(6,967)	3,981
Fair value of scheme assets at the end of the year	114,464	112,987

Historic pension information

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Fair value of scheme assets	114,464	112,987	102,666	80,615	97,984
Present value of defined benefit obligation	(143,055)	(141,805)	(140,655)	(103,127)	(111,077)
Deficit in the scheme	(28,591)	(28,818)	(37,989)	(22,512)	(13,093)
Experience adjustments arising on plan liabilities	(7,636)	1,279	61	(44)	-
Experience adjustments arising on plan assets	(6,967)	3,981	15,658	(26,783)	(11,249)

The Company has agreed to pay significant extra contributions each year to further improve the funding position of the Scheme. These contributions are determined by the Trustees in consultation with the Actuary. The actuarial expected amount of the next annual employer contribution is £6,000,000.

Furthermore a legally binding agreement has been signed by CHC Helicopter Corporation that they will ensure that all contributions due to the plan, including the significant extra contributions, will be paid.

The trustees have duly considered and acted to address the impact of the current downturn in the economy on the pension scheme funding and are closely monitoring the potential impact of current market conditions on pension fund values.

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses is a loss of £49,544,000 (2011: £34,941,000).

The scheme has not invested in the financial instruments, property or other assets of the company.

Notes to the financial statements

at 30 April 2012

19. Post balance sheet events

Following the year end, the Company increased its investment in its subsidiary company by subscribing to an additional 4,000,000 ordinary shares of €1 269738 each at par

20. Contingent liabilities

The company provides various guarantees to Custom and Excise totalling £90,000. In addition the company provides two performance bonds for USD 5 million and Euro 3 million

21. Ultimate parent company

The ultimate parent undertaking and the largest group of which the company is a member and for which group financial statements are prepared is 6922767 Holding S à r l. This company is incorporated in Luxembourg

The company's immediate parent undertaking is EEA Helicopter Operations B V, a company registered in the Netherlands. Copies of its consolidated financial statements can be obtained from its registered office, Luchthavenweg 18, 1786 PP Den Helder, The Netherlands

22. Other related party transactions

During the year, the Company entered into transactions, in the ordinary course of business with other related parties. With the exception of Helideck Certification Agency Limited, which is a joint venture, all related parties have a common ultimate parent undertaking, 6922767 Holding S à r l

Transactions entered into, and trading balances outstanding at 30 April 2012, are as follows

<i>Related party</i>	<i>Sales to related party</i>	<i>Purchases from related party</i>	<i>Amounts owed from related party</i>	<i>Amounts owed to related party</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Heli-One (Norway) AS				
2012	139	22,988	-	6,532
2011	328	21,677	-	5,601
Heli-One Canada Inc				
2012	479	4,488	395	-
2011	305	3,036	731	-
Heli-One Leasing (Norway) AS				
2012	-	1,676	-	154
2011	10	399	-	168
CHC Helicopters (Barbados) Limited				
2012	15	6,926	-	3,949
2011	-	4,847	-	487
CHC Leasing Barbados Limited				
2012	-	-	-	-
2011	-	67	-	-
Heli-One Leasing Inc				
2012	83	1,916	347	-
2011	50	8,244	-	660

Notes to the financial statements

at 30 April 2012

22. Other related party transactions (continued)

<i>Related party</i>	<i>Sales to related party £000</i>	<i>Purchases from related party £000</i>	<i>Amounts owed from related party £000</i>	<i>Amounts owed to related party £000</i>
North Denes Aerodrome Ltd				
2012	-	(101)	-	-
2011	1,365	1,426	1,116	-
Heli-One (UK) Limited				
2012	61	515	94	-
2011	15	1,527	-	91
CHC Holding UK Limited				
2012	16,839	400	10,515	-
2011	10,632	73	536	-
Heliworld Leasing Limited				
2012	357	6,841	-	185
2011	318	5,602	-	267
Lloyd Helicopter Limited				
2012	58	18	58	-
2011	6	5	-	5
CHC Mauritius				
2012	-	75	-	-
2011	-	-	-	-
CHC Helicopter S à r l				
2012	-	-	-	-
2011	-	-	-	45
CHC Ireland Leasing Limited				
2012	20	17,918	-	12,891
2011	50	10,548	-	10,350
CHC Hoofddorp BV				
2012	-	2,958	-	3001
2011	-	3,036	-	771

Notes to the financial statements

at 30 April 2012

22. Other related party transactions (continued)

<i>Related party</i>	<i>Sales to related party</i>	<i>Purchases from related party</i>	<i>Amounts owed from related party</i>	<i>Amounts owed to related party</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Capital Aviation Services BV				
2012	-	9	-	-
2011	84	5	53	-
CHC GO (Netherlands) BV				
2012	-	36	-	-
2011	-	-	-	-
CHC Global Operations (2008) Inc				
2012	11	287	18	-
2011	392	4	18	-
BHS Brazilro SA				
2012	34	-	34	-
2011	-	-	-	-