Registered No: 00936569

CHC Scotia Limited

Report and Financial Statements

30 April 2015

Registered No: 00936569

Directors
M Abbey
D Corbett
M Nicol
S Stewart
C Greig-Bonnier

Secretary
C Greig-Bonnier

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

Bankers
Bank of America
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Bank of Scotland
54/62 Sauchiehall Street
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Solicitors
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Aberdeen
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Registered Office
CMS Cameron McKenna LLP
78 Cannon Street
London
EC4N 6AF

Registered No: 00936569

Strategic Report

The directors present their Strategic Report for the year ended 30 April 2015.

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.

There are no KPIs monitored at the level of this entity other than balance sheet and profit and loss financial measures.

	2015	2014	Change
	£000	£000	£000
Turnover	171,710	179,817	(8,107)
Operating profit	4,058	2,727	1,331
Profit/ (loss) after tax	6,715	(1,448)	8,163
Equity shareholders' surplus/ (deficit)	4,898	(35,234)	40,132

The profit for the year before taxation amounted to £6.7m (2014 - £3.3m) which after tax, as detailed in the profit and loss account on page 8, results in a profit of £6.7m (2014 loss - £1.4m). A loss on the pension scheme of £17.4m (2014 - £1.9m) was recognised through the Statement of total recognised gains and losses. In addition, there was a capital contribution from the parent company of £50.5m, resulting in a total increase in reserves of £40.1m (2014: £2.9m decrease). No dividend payment (2014- nil) was paid to the parent company during the year.

Due to operational reasons the North Denes base was closed in March 2015 and operations commenced in Norwich.

The company operated 29 oil and gas helicopters from Aberdeen, Humberside and North Denes in the UK. In addition, the company operated 3 Search and Rescue helicopters based in Portland and Lee-on-Solent.

The underlying performance of the business continues to improve through contract wins and renewals as well as enhancements in efficiency.

CHC continues to focus on, and invest in, its core markets of oil and gas and Search and Rescue and anticipates further operational improvement in the next fiscal year.

Principal risks and uncertainties

Competitive Risks

During fiscal year 2015, 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. Despite challenging industry conditions the company believes it has demonstrated significant resilience in the current market and its improving competitive position will enable it to continue to be a major provider of helicopter transportation services to the oil and gas industry. The company also 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 9001:2008, 14001:2004 and OHSAS 18001:2007.

Strategic Report (continued)

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 (2014: nil).

Financial Instruments Risk

The company has established a risk and financial management framework whose primary objectives are to protect the group from events that hinder the achievement of the company's performance objectives. The objectives aim to limit our risk by dealing only with counterparties that possess investment grade credit ratings and monitor our concentration risk with counterparties on an ongoing basis.

On behalf of the board

D Corbett

Director

16 December 2015

Registered No: 00936569

Directors' Report

The directors present their report for the year ended 30 April 2015.

Future developments

Despite the recent drop in oil price, the company is well positioned to pursue major oil and gas opportunities. Recent major contract wins and retentions provide a solid platform for future growth. The company continues to focus on maximising revenue, earnings and operating performance through a variety of profit improvement initiatives, whilst strengthening the balance sheet and improving capital efficiency. These measures underpin planned long term expansion in line with the overall business strategy, while maintaining the highest levels of safety, compliance and customer satisfaction.

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. It is also the case that the company has the support of its parent companies.

Events since the balance sheet date

There have been no material post balance sheet events.

Directors

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

M Abbey

D Corbett

M Nicol

S Stewart

C Greig-Bonnier (appointed 31 August 2015)

P Das (resigned 31 August 2015)

A Joyce (resigned 15 October 2015)

Financial Instruments

Details of financial instruments are provided in the Strategic Report on page 3.

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 (continued)

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.

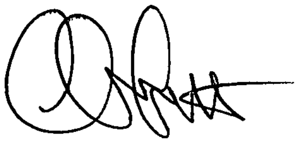
Disclosure of information to the auditors

So far as each person who is a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

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



D Corbett

Director

16 December 2015

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 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 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; and
- 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 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 21. 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 6, 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 Strategic Report and 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

Kenneth MacLeod Hall (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Aberdeen
17 December 2015

Profit and loss account

for the year ended 30 April 2015

	Notes	2015 £000	2014 £000
Turnover	2	171,710	179,817
Cost of sales		(160,474)	(167,960)
Gross Profit		11,236	11,857
Administrative expenses		(7,178)	(9,130)
Operating Profit	3	4,058	2,727
(Loss) / Gain on disposal of tangible fixed assets		(41)	40
Profit on ordinary activities before interest and taxation		4,017	2,767
Interest receivable	6	949	-
Interest payable	7	(266)	(1,764)
Other finance income	18	2,002	2,259
Profit on ordinary activities before taxation		6,702	3,262
Tax credit / (charge) on profit on ordinary activities	8	13	(4,710)
Profit / (Loss) for the financial year	15	6,715	(1,448)

The results above arose wholly from continuing operations.

Statement of Total Recognised Gains and Losses

for the year ended 30 April 2015

	Notes	2015 £000	2014 £000
Profit / (Loss) for the financial year		6,715	(1,448)
Actuarial loss on retirement benefit liability	18	(17,365)	(1,857)
Total recognised loss relating to the year		(10,650)	(3,305)

Balance sheet

at 30 April 2015

	Notes	*2015* *£000*	*2014* *£000*
Fixed assets			
Tangible assets	9	613	821
Investments	10	9,953	9,953
		10,566	10,774
Current assets			
Stocks	11	40	40
Debtors	12	28,069	39,321
Cash at bank and in hand		43,330	3,537
		71,439	42,898
Creditors: amounts falling due within one year	13	(33,947)	(55,109)
Net current assets / (liabilities)		37,492	(12,211)
Total assets less current liabilities		48,058	(1,437)
Pension liability	18	(43,160)	(33,797)
Net assets / (liabilities)		4,898	(35,234)
Capital and reserves			
Called up share capital	14	4,930	4,930
Capital redemption reserve	15	179	179
Capital contribution	15	51,140	358
Profit and loss account	15	(51,351)	(40,701)
Equity Shareholders' Funds / (Deficit)		4,898	(35,234)

The directors approved the financial statements and authorised them for issue on 16 December 2015.

D Corbett

Director

16 December 2015

Notes to the financial statements

at 30 April 2015

1. Accounting policies

Basis of preparation

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 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. 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 2015. 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 2015

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.

Leases

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.

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.

Notes to the financial statements

at 30 April 2015

1. Accounting policies (continued)

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.

Share based payments

Share based payments are measured at the grant date based on the estimated fair value of the awards granted. The related expense is recognised net of an estimated forfeiture rate. For performance based awards the expense is recognised only for those options where it is probable that performance criteria will be met in the future. For awards which only have service conditions, the expense is recognised on a straight-line basis over the requisite service period for the entire award.

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:

	2015	*2014*
	£000	*£000*
UK	168,753	174,108
Europe	2,551	4,781
North America	198	429
Asia	208	360
Africa	-	76
Australia	-	63
	171,710	179,817

3. Operating Profit

This is stated after charging / (crediting) :

			2015	*2014*
			£000	*£000*
Auditors' remuneration - audit services			107	108
Depreciation of owned fixed assets			92	411
Operating lease rentals	-	aircraft, plant and machinery	53,497	51,203
	-	land and buildings	2,636	1,658
Gain on foreign exchange			(1,055)	(792)

Notes to the financial statements
at 30 April 2015

4. Staff costs

	2015	*2014*
	£000	*£000*
Wages and salaries	38,760	37,606
Social security costs	3,570	3,611
Other pension costs	2,932	2,569
Share based payments	276	358
	45,538	44,144

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

	No.	No.
Administration and marketing	124	122
Operations	344	351
	468	473

At the year-end, the company had 429 employees in total.

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

5. Directors' remuneration

	2015	*2014*
	£000	*£000*
The remuneration of the directors was as follows:		
Emoluments	566	816
Company contributions paid to pension schemes	36	30
Compensation for loss of office	391	-

	2015	*2014*
	No.	*No.*
The number of directors who were members of pension schemes was as follows:		
Money purchase schemes	3	5
Defined benefit schemes	1	1

	2015	*2014*
	£000	*£000*
The amounts in respect of the highest paid director are as follows:		
Emoluments	216	241
Company contributions paid to pension scheme	13	11

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.

Notes to the financial statements
at 30 April 2015

6. Interest receivable

	2015 £000	2014 £000
Bank overdrafts	11	-
From fellow group companies	938	-
	949	-

7. Interest payable

	2015 £000	2014 £000
Bank overdrafts	-	86
To fellow group companies	-	1,397
Loan secured on trade receivables	266	281
	266	1,764

8. Tax

(a) Tax credit on profit on ordinary activities

The tax credit is made up as follows:

	2015 £000	2014 £000
Current tax:		
UK Corporation tax	-	-
Foreign withholding tax	13	-
Adjustment in respect of previous periods	(26)	-
Total current tax credit (note 8(b))	(13)	-
Deferred tax:		
De-recognition of deferred tax asset (note 8(d))	-	4,710
Origination and reversal of timing differences (note 8(d))	-	-
Total deferred tax charge	-	4,710
Tax (credit)/charge on ordinary activities	(13)	4,710

Notes to the financial statements

at 30 April 2015

8. Tax (continued)

(b) Factors affecting current tax credit

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 20% (2014 – 21%). The differences are reconciled below:

	2015 *£000*	*2014* *£000*
Profit on ordinary activities before tax	6,702	3,262
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014– 21%)	1,340	685
Permanent differences	114	-
(Accelerated) capital allowances	(27)	37
Other timing differences	(1,427)	(722)
Foreign withholding tax	13	-
Adjustment in respect of previous periods	(26)	-
Total current tax credit (note 8(a))	(13)	-

(c) Factors that may affect future tax charges
There are no changes anticipated to affect future tax charges.

(d) Deferred tax
The company has unrecognised deferred tax assets of £4,847,000 in relation to losses carried forward and £8,632,000 (2014: £7,097,000) relating to the company's defined benefit pension.

9. Tangible fixed assets

	Short leasehold property *£000*	*Aircraft and equipment* *£000*	*Plant motors and computers* *£000*	*Total* *£000*
Cost:				
At 1 May 2014	412	317	10,648	11,377
Additions	-	-	118	118
Disposals	(181)	(76)	(11)	(268)
At 30 April 2015	231	241	10,755	11,227
Depreciation:				
At 1 May 2014	173	186	10,197	10,556
Charge for the year	8	44	40	92
Disposals	-	(25)	(9)	(34)
At 30 April 2015	181	205	10,228	10,614
Net book value:				
At 30 April 2015	50	36	527	613
At 1 May 2014	239	131	451	821

Notes to the financial statements
at 30 April 2015

10. Investments

	Subsidiary undertakings £000
Cost:	
At 1 May 2014 and 30 April 2015	9,953

At 30 April 2015, the company held more than 20% of the equity of the following subsidiary undertaking.

Name	*Country of registration*	*Description of holding*	*Proportion held*	*Principal activity*
CHC Ireland Limited	Ireland	Ord. shares	100%	Aviation Operations

11. Stocks

	2015 £000	*2014 £000*
Fuel	40	40

12. Debtors

	2015 £000	*2014 £000*
Trade debtors	13,261	18,373
Amounts owed by fellow group undertakings	6,500	14,353
Amounts owed by related parties	3,417	1,276
Amounts owed by parent undertaking	611	495
Other debtors	2,193	3,246
Prepayments and accrued income	2,087	1,578
	28,069	39,321

13. Creditors: amounts falling due within one year

	2015 £000	*2014 £000*
Trade creditors	4,751	5,387
Loan secured on trade receivables	3,398	6,920
Amounts owed to fellow group undertakings	36	12,666
Amounts owed to related parties	11,391	15,990
Amounts owed to subsidiary undertaking	8,078	6,976
Other taxes and social security costs	1,748	1,684
Accruals	3,212	4,029
Advance billing	1,333	1,457
	33,947	55,109

Notes to the financial statements
at 30 April 2015

14. Share capital

	Allotted, called up and fully paid	
	2015	*2014*
	£000	*£000*
Ordinary shares of £1 each	4,930	4,930

15. Reconciliation of shareholders' funds and movement on reserves

	Share capital	*Capital redemption reserve*	*Capital Contribution*	*Profit and loss account*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
At 1 May 2013	4,930	179	-	(37,396)	(32,287)
Loss for the year	-	-	-	(1,448)	(1,448)
Actuarial loss on defined benefit pension scheme				(1,857)	(1,857)
Share based payment	-	-	358	-	358
At 1 May 2014	4,930	179	358	(40,701)	(35,234)
Profit for the year	-	-	-	6,715	6,715
Share based payment			276	-	276
Capital contribution			50,506		50,506
Actuarial loss on defined benefit pension scheme	-	-	-	(17,365)	(17,365)
At 30 April 2015	4,930	179	51,140	(51,351)	4,898

In April 2015 there was a capital contribution of £50,506,000 from the immediate parent company.

Notes to the financial statements

at 30 April 2015

16. Share based payments

New awards

Certain of the company's employees are eligible to receive stock options, restricted share units ("RSUs") and performance based restricted share units ("PBRSUs") compensation awards from our ultimate parent's, CHC Group Limited, equity compensation plan ("2013 Incentive Plan"). The plan was adopted by CHC Group Limited's Board of Directors on December 16, 2013. Share based payments can be granted to certain eligible directors, officers, employees, consultants or advisors of CHC Group Limited and its affiliates.

The following table summarizes the 2013 Incentive Plan stock options:

	Outstanding number of instruments	Weighted average exercise price	Weighted remaining contractual life	Weighted average grant date fair value
Outstanding, beginning of year	125,373	$10.00	-	-
Forfeited	(20,377)	-	-	-
Outstanding, end of year	104,996	$10.00	8.7 years	$4.13
Exercisable, end of year	34,999	$10.00	8.7 years	$4.13

The following table summarizes the 2013 Incentive Plan RSUs:

	Outstanding number of instruments	Weighted average exercise price	Weighted remaining contractual life	Weighted average grant date fair value
Outstanding, beginning of year	57,115	-	-	-
Exercised	(17,372)	-	-	-
Forfeited	(9,000)	-	-	-
Outstanding, end of year	30,743	-	1.7 years	$10.00
Exercisable, end of year	-	-	-	-

The following table summarizes the 2013 Incentive Plan PBRSUs:

	Outstanding number of instruments	Weighted average exercise price	Weighted remaining contractual life	Weighted average grant date fair value
Outstanding, beginning of year	15,000	-	-	-
Forfeited	(5,000)	-	-	-
Outstanding, end of year	10,000	-	1.7 years	$12.60
Exercisable, end of year	-	-	-	-

Notes to the financial statements

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16. Share based payments (continued)

Exchanged awards

In connection with the IPO, members of the 2011 Management Equity Plan ("2011 Plan") exchanged their performance options under the 2011 Plan for share price performance options under the 2013 Incentive Plan and their time and performance options under the 2011 plan for service vesting stock options under the 2013 Incentive Plan.

The following table summarizes the 2013 Incentive Plan service vesting stock options received in exchange for performance options under the 2011 Plan:

	Outstanding number of instruments	Weighted average exercise price	Weighted remaining contractual life	Weighted average grant date fair value
Outstanding, beginning of year	8,128	$0.0001	-	-
Exercised	(8,128)	$0.0001	-	-
Outstanding, end of year	-	-	-	-
Exercisable, end of year	-	-	-	-

The following table summarizes the 2013 Incentive Plan share price performance options:

	Outstanding number of instruments	Weighted average exercise price	Weighted remaining contractual life	Weighted average grant date fair value
Outstanding, beginning of year	37,121	$10.00	-	-
Forfeited	(37,121)	-	-	-
Outstanding, end of year	-	-	-	-
Exercisable, end of year	-	-	-	-

The exchange of the time and performance options changed the exercise price from $26.06 to $0.0001 for service vesting stock options which resulted in an incremental compensation cost. £43,000 ($68,454) of compensation expense has been recognised in relation to the incremental cost during the year ended April 30, 2015. The exchange of the performance options changed the exercise price from $26.06 to $10.00 for share price performance stock options which resulted in an incremental cost.

The weighted average fair value of the time and performance stock options on the date of the exchange is $0.26 per share. No compensation expense was recognised in relation to the time and performance options in prior years as the performance criteria was not met and it was not probable that the criteria would be met in the future. £10,000 ($15,857) and £27,000 ($45,093) of compensation expense has been recognised in relation to the time and performance options as on the completion of the IPO the performance criteria related to the Exit Event was achieved for the years ended April 30, 2015 and 2014, respectively.

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at 30 April 2015

16. Share based payments (continued)

The weighted average fair value of the performance options on the date of the exchange is $0.13 per share. No compensation expense was recognised in relation to the performance options in prior years as the performance criteria was not met and it was not probable that the criteria would be met in the future. £250,000 ($418,562) of compensation expense has been recognised in relation to the performance options during the year ended April 30, 2014 as on the completion of the IPO the performance criteria related to the Exit Event was achieved.

During the year ended April 30, 2015, share based payment expense of £264,000 (2014: £359,000) was recognised in the profit and loss account in administrative expenses and £12,000 (2014: £nil) was recognised in cost of sales.

17. Operating lease commitments

At 30 April 2015, the company had annual commitments under cancellable and non-cancellable* operating leases which expire as follows:

	2015		*2014*	
	Land and buildings £000	*Aircraft plant and machinery £000*	*Land and buildings £000*	*Aircraft plant and machinery £000*
Operating leases which expire:				
Within one year	453	57,067	479	48,825
In two to five years	1,232	-	1,155	-
In over five years	951	-	1,000	-
	2,636	57,067	2,634	48,825

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

18. Pension schemes

The company operates a Defined Benefit Pension Plan, the CHC Scotia Pension Scheme, 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 Standard Life, P-Solve and Hewitt Risk Management Services Limited. 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 scheme actuary as at 1 July 2012. The formal actuarial valuation showed that the market value of the assets of the entire plan as at 1 July 2012 was £120,894,000 which represented 65% of the value of the benefits that had accrued to members.

A valuation for the purposes of FRS17 has also been carried out by the company actuary as at 30 April 2015. The FRS17 calculations are based on the membership data at the valuation date of 1 July 2012 with an approximate adjustment made for the changes in the membership and benefit accrual over the period from 1 July 2012 to 30 April 2015.

The assumptions that have the most significant effect on the results of the formal actuarial valuation by the scheme actuary are those relating to the rate of return on the investments and the rates of increase in pensions. It was assumed that the pre- and post- retirement investment returns were in line with the Bank of England Gilt Curve plus 1.25% p.a.

Retail Price Index (RPI) price inflation was assumed to be in line with the Bank of England Inflation Curve. Consumer Price Index (CPI) price inflation was taken to be 0.7% less than RPI. Pension increases were derived from the CPI price inflation assumption, subject to the relevant caps and an assumed volatility of 1.7%.

Notes to the financial statements

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18. Pension schemes (continued)

The company agreed to pay £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 and loss account for the year was £2,002,000 (2014 - £ 2,259,000). The unpaid contributions outstanding at the year end, included in "Accruals" are £ nil (2014 - £ 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.

The company's Money Purchase contributions charged in the profit and loss account for the year totalled £2,282,000 (2014 - £1,849,000). The unpaid contributions outstanding at the year end, included in "Accruals" are £162,000 (2014 - £177,000).

The assets and liabilities of the scheme were:

	2015	*2014*
Assets	*£000*	*£000*
Equities	-	-
Property	8,518	7,709
Bonds (including corporate bonds)	-	-
Delegated Funds and Cash	145,932	131,188
Total market value of assets	154,500	138,897
Actuarial value of liability	(197,610)	(172,694)
Deficit in the scheme	(43,160)	(33,797)
Related deferred tax asset	-	-
Net pension liability	(43,160)	(33,797)

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

	2015 *£000*	*2014* *£000*
Service cost	-	-
Past service cost	-	-
Total operating charge	-	-

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

	2015 *£000*	*2014* *£000*
Expected return on pension scheme assets	9,133	9,357
Interest on pension liabilities	(7,131)	(7,098)
Net return	2,002	2,259
Past service cost	-	-
Total included within other finance income	2,002	2,259

Notes to the financial statements

at 30 April 2015

18. Pension schemes (continued)

An analysis of amounts recognised in the Statement of Total Recognised Gains and Losses (STRGL) is as follows:

	2015	*2014*
	£000	*£000*
Actual return on scheme assets	15,382	6,939
Less: expected return on scheme assets	(9,133)	(9,358)
	6,249	(2,419)
Experience (loss) / gain on liabilities	(23,614)	562
Changes in assumptions	-	-
Actuarial loss recognised in STRGL	(17,365)	(1,857)

The formal valuation at 1 July 2012 has been updated at 30 April 2015 by a qualified independent actuary. The major assumptions used by the actuary were:

	2015	*2014*
Rate of increase in salaries	N/A	N/A
Rate of increase of pensions in payment	1.90%	2.00%
Rate of increase in deferred pensions:		
Former CHC Scotia (1975) Scheme members	5.00%	5.00%
CHC Scotia Pension Scheme members	1.90% CPI/ 3.00%RPI	2.00% CPI/ 3.00%RPI
Discount rate	3.40%	4.20%
Expected rates of return on scheme assets	5.90%	7.10%
Inflation assumption	1.90% CPI/ 3.00%RPI	2.00% CPI/ 3.00%RPI
Post retirement mortality		
Current pensioners at 65 – male	23.00%	23.00%
Current pensioners at 65 – female	25.60%	25.50%
Future pensioners at 65 – male	24.80%	24.80%
Future pensioners at 65 – female	27.50%	27.40%

Notes to the financial statements

at 30 April 2015

18. Pension schemes (continued)

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

	2015 *£000*	*2014* *£000*
Scheme obligations at the beginning of the year	(172,694)	(171,839)
Movement in year:		
Current service cost	-	-
Past service cost	-	-
Interest cost	(7,131)	(7,098)
Contributions	-	-
Actuarial (loss) / gain on scheme liabilities	(23,614)	562
Benefits paid	5,829	5,681
Curtailments and settlements	-	-
Scheme obligations at the end of the year	(197,610)	(172,694)

The obligations arise under a single funded scheme.

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

	2015 *£000*	*2014* *£000*
Fair value of scheme assets at the beginning of the year	138,897	131,639
Movement in year:		
Expected return on scheme assets	9,133	9,357
Employer contributions	6,000	6,000
Employee contributions	-	-
Benefits paid	(5,829)	(5,681)
Actuarial gain / (loss) on scheme assets	6,249	(2,418)
Fair value of scheme assets at the end of the year	154,450	138,897

Notes to the financial statements
at 30 April 2015

18. Pension schemes (continued)

Historic pension information

	2015 *£000*	*2014* *£000*	*2013* *£000*	*2012* *£000*	*2011* *£000*
Fair value of scheme assets	154,450	138,897	131,639	114,464	112,987
Present value of defined benefit obligation	(197,610)	(172,694)	(171,839)	(143,055)	(141,805)
Deficit in the scheme	(43,160)	(33,797)	(40,200)	(28,591)	(28,818)
Experience adjustments arising on plan liabilities	(2,288)	(2,303)	1,980	(1,742)	1,279
Experience adjustments arising on plan assets	6,249	(2,418)	9,536	(6,967)	3,981

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 Scheme 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 £86,403,000 (2014: £69,038,000).

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

19. Post balance sheet events

There have been no material post balance sheet events.

Notes to the financial statements

at 30 April 2015

20. Other related party transactions

During the year, the Company entered into transactions, in the ordinary course of business with other related parties. Related parties have a common ultimate parent undertaking, CHC Group Limited.

Transactions entered into, and trading balances outstanding at 30 April 2015, are as follows:

Related party	*Sales to related party*	*Purchases from related party*	*Amounts owed by related party*	*Amounts owed to related party*
	£000	*£000*	*£000*	*£000*
Heli-One (Norway) AS				
2015	-	31,467	-	5,989
2014	27	32,758	-	7,772
Heli-One Canada Inc				
2015	-	2,575	344	763
2014	-	3,066	-	1,178
Heli-One Leasing (Norway) AS				
2015	-	1,848	-	-
2014	-	1,848	-	154
CHC Helicopters (Barbados) Limited				
2015	129	40,628	-	3,649
2014	131	28,464	-	6,363
Heli-One Leasing Inc				
2015	-	-	-	-
2014	270	107	-	-
CHC Holding UK Limited				
2015	42,614	218	2,371	-
2014	32,993	167	661	-
Heliworld Leasing Limited				
2015	225	7,219	-	613
2014	203	10,329	-	1,805

Notes to the financial statements
at 30 April 2015

20. Other related party transactions (continued)

Related party	*Sales to related party*	*Purchases from related party*	*Amounts owed by related party*	*Amounts owed to related party*
	£000	*£000*	*£000*	*£000*
CHC Mauritius				
2015	-	-	-	-
2014	-	-	5	-
CHC Ireland Leasing Limited				
2015	89	4,572	500	-
2014	74	10,019	-	514
CHC Hoofdorp BV				
2015	-	(191)	-	-
2014	-	73	2,053	-
CHC Global Operations International Inc				
2015	-	954	-	100
2014	161	1,512	377	-
Heli-One Poland				
2015	-	45	173	-
2014	-	-	56	-
CHC Helicopter Support Services				
2015	-	262	-	268
2014	-	-	-	-
Other Related Parties				
2015	171	371	29	9
2014	332	213	31	106

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 CHC Group Limited. This company is incorporated in The Cayman Islands.

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, Luchthavanweg 18, 1786 PP Den Helder, The Netherlands.