Registered No: 00936569

CHC Scotia Limited

Report and Financial Statements

30 April 2021

CHC Scotia Limited

Registered No: 00936569

Directors

M Abbey
D Corbett (resigned 20 May 2022)
R Middleton (appointed 20 May 2022)
K Standring (appointed 20 May 2022)

Auditor

KPMG LLP
1 Marischal Square
Broad Street
Aberdeen
AB10 1DD

Banker

Bank of America
P.O. Box 407
5 Canada Square
London

Solicitor

Burness Paull LLP
Union Plaza
1 Union Wynd
Aberdeen
AB10 1DQ

Registered office

CMS Cameron McKenna LLP
78 Cannon Street
London
EC4N 6AF

Strategic Report

The directors present their Strategic Report for the year ended 30 April 2021.

Review of the business

The principal activity of the company is the provision of helicopter services to the oil and gas industry, providing Search and Rescue ("SAR") services and also providing offshore windfarm services.

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

	2021	2020	Change
	£000	£000	£000
Turnover	81,442	121,989	(40,547)
Operating loss	(11,738)	(18,591)	6,853
Loss after tax	(12,548)	(19,686)	7,138
Equity shareholders' deficit	(63,948)	(43,377)	(20,571)

The loss for the year before taxation amounted to £12.5m (2020 – loss £19.7m) which after tax, as detailed in the Income Statement on page 13, results in a loss of £12.5m (2020 – loss £19.7m). A loss on the pension scheme of £8.0m (2020 – loss of £0.6m) was recognised through other comprehensive loss. No dividend (2020 - nil) was paid during the year.

The company operated 14 helicopters serving the energy industry in Aberdeen, Sumburgh, Humberside and Norwich in the UK.

Market conditions remain challenging. The main reason for the reduction in revenue was that contract retention losses initiated in January and the new contract wins were started in July 2021. In addition, there was a reduction of flying activity on various contracts following the oil price drop. This was offset by the cost reduction exercises currently in place as reflected in the results. We continue to invest in our core activities and remain focused on improving efficiency and increasing market share.

Principal risks and uncertainties

Competitive Risks

During fiscal year 2021, 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 considers that it has demonstrated significant resilience in the current market and its competitive position as a major provider of helicopter transportation services to the oil and gas industry will be further enhanced by the substantial improvements throughout CHC Group. There is a risk that our competitors bid below market rates in order to increase their market share. The company also operates in the UK Search and Rescue and offshore windfarm sectors and will continue to pursue available contracts within this market.

Legislative Risks

The Civil Aviation Authority and Health and Safety legislation in the relevant countries throughout Europe govern aviation industry regulations. 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.

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. We are at risk of movements in the exchange rate, which we continue to monitor and can modify our external contracts accordingly.

Strategic Report (continued)

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 (2020: nil). Our customers are, in the main, large oil operators which results in the bad debt risk being minimal.

Financial Instruments Risk

The company has established a risk and financial management framework whose primary objectives are to protect the company 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.

Energy use and Greenhouse gas emissions

Our greenhouse gas emissions arise from production, manufacturing and office facilities used in providing products and services to its customers. UK energy use includes purchased electricity, gas and fuel for company transport.

The Companies Act 2006 requires us to report on the following greenhouse gases:

Gas:	Abbreviation:	Emitted by (company):
Carbon Dioxide	CO2	Yes
Methane	CH4	No
Nitros Oxide	N20	No
Hydroflurocarbons	HFC's	No
Perflurocarbons	PFC's	No
Sulphur Hexafluoride	SF6	No

The company only emits Carbon Dioxide and this is considered in this report. The company greenhouse gas emissions are reported in metric tons (Mt) carbon dioxide equivalents (''CO2e''). Calculations are performed using the emission factors and global warming potential of CO2, in accordance with the current guidance from the UK Department for Environment, Food and Rural affairs, UK Department for Business, Energy and Industrial Strategy and the WRI / WBCSD Greenhouse Gas protocol.

The company has developed intensity ratios that is the most relevant to the company and will provide the most useful information to readers on a comparative yearly basis: Tonnes of CO2e per total £m sales revenue. This can be adjusted over time to take account of the effect of inflation and price changes.

- **Energy Efficiency action taken**

Information about energy efficiency action taken in the company's financial year:

a. Ongoing compliance to ISO14001:2015
b. ESOS2 Phase 2 compliance
c. Emissions Trading Scheme (ETS) compliance
d. 59% of waste produced is diverted from landfill
e. Zero environmental incidents reported in FY21
f. Ongoing initiatives including:
    i. Developing flight data software to optimise flight planning and minimise fuel burn.
    ii. Sourced sustainable aviation fuels for utilisation for when clients agree to the additional costs.
    iii. Reduce non-essential travel and encourage video conference alternatives e.g. skype.
    iv. Support cycle to work schemes.

Strategic Report (continued)

Energy use and Greenhouse gas emissions (continued)

Assessment parameters

Base Year:	2020-2021
Consolidation approach	Operational Control
Boundary Summary	All branches in the UK were included
Assessment methodology	Actual Gas and Electricity consumption data and meter readings are gathered regularly throughout the year so no estimated data is used in these calculations. The data is stored on energy management software. The same data set is used for ESOS compliance, invoice validation and in-house energy monitoring and reporting.

Mileage records for company vehicles and fuel spend was included as recorded in the company's financial system.

The reporting followed the guidance in the document *Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance.*

The conversion factors used to calculate the emissions are those published in *UK Government GHG Conversion Factors for Company Reporting Standard Set Version 1.0* for the year 2021.

The following table details the emissions by category for the current and preceding year:

Greenhouse Gas Emissions	Unit	2019-2020	2020-2021
Energy consumption used to calculate emissions – electricity	kWh	1,855,312	1,481,413
Energy consumption used to calculate emissions – gas	kWh	4,422,470	4,980,991
Energy consumption used to calculate emissions – transport (helicopters)	kgs	10,609,314	7,425,837
Emissions from electricity	tCO2e	470	521
Emissions from gas	tCO2e	813	917
Emissions from transport (helicopters)	tCO2e	35,060	23,317
Total gross tCO2e based on above	tCO2e	36,343	24,755
Intensity Ratio	tCO2e / £m Turnover	297.92	303.96

On behalf of the board

DocuSigned by:

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M Abbey

Director

6 September 2022

Directors' Report

The directors present their Report and Financial Statements for the year ended 30 April 2021.

Directors

The directors of the company who held office during the year, and to the date of this report are as follows:

M Abbey

D Corbett (resigned 20 May 2022)

R Middleton (appointed 20 May 2022)

K Standring (appointed 20 May 2022)

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.

COVID-19

The impact of COVID-19 on the company as a whole has largely diminished over the financial year. The company has largely returned to normality with regards the working environment, whilst also ensuring social distancing occurs along with hand sanitizing. The company continues to monitor the situation closely and consider possible events and conditions for the purpose of identifying whether these events and conditions affect, or may affect the future performance of the company.

Future developments

The company is well positioned to pursue major oil and gas opportunities along with offshore windfarm services. Recent contract wins and retentions provide a solid platform for future stability. 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. There is also a focus on cost reduction initiatives which can assist in further enhancing the long term outlook for the company. 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.

Employee matters

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.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Engagement with suppliers, customers and others

Relationships with stakeholders are of strategic importance to the company and these matters are therefore dealt with in section responsibilities under S172.

Environmental matters

The company seeks to minimise adverse impacts to the environment from its activities, whilst continuing to address health, safety and economic issues.

Directors' Report *(continued)*

Going Concern

The financial statements for the Company have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The loss for the year to 30 April 2021 was £12.5m (2020: loss of £19.7m) and the Company had net liabilities of £63.9m (2020: £43.4m). At the year end, the company had cash at bank of £3.7m and at July 2022 held cash of £0.6m. The Company is financed through a combination of intercompany loans and intercompany trading balances, all currently repayable on demand.

The directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these financial statements which indicates the Company will have sufficient cash to meet its liabilities as they fall due during that period. These forecasts indicates that the Company will rely on the continuation of existing financial support from CHC Group LLC, and will require additional funding in the form of higher levels of trading intercompany balances, during the forecasted period.

The Company's cash flow forecasts are therefore dependent on CHC Group LLC providing additional financial support during that period and not seeking repayment of amounts currently owed by the Company to group companies, which at 30 April 2021 totalled £112.8m. The Company may require further additional funding if the cash flow forecasts are not achieved. CHC Group LLC has indicated its intention to continue to make available such funds as are needed by the Company and not to seek repayment of amounts due by the Company over the period covered by the forecasts. In assessing the ability of CHC Group LLC to provide such support, the directors have considered the consolidated forecasts for the same period and have determined the pipeline of contract renegotiation and bid opportunities within that timeframe. They have also assessed the overall liquidity of the Group, including the amount of undrawn facilities available, and the headroom on covenants over external financing. Based on their assessment they are satisfied that CHC Group LLC has the intent, ability and economic rationale to support the Company.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although they have no reason to conclude that this would not be the case.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

Financial Instruments

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

Post balance sheet events

There has been no substantial events of note since the close of financial year 2021.

Directors' Report *(continued)*

Statement relating to the Directors' responsibilities under Section 172 of the Companies Act

The directors recognise their duty to act in a way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole in accordance with section 172 of the UK Companies Act 2006. The Directors' section 172 duties are part of Board discussions. The directors continue to have regard to the interest of the company's key stakeholders and, throughout the year, the Board and management engage with key stakeholders on items relevant to them. We set out below our key stakeholder groups, their material issues and how the company engages with and considers the interest of each stakeholder group.

- **Investors and lenders**

Financial performance and strategy	Monthly SLT board meeting, Investor board meetings reviewing financial performance, business strategy, HSEQ and Environmental, social and governance.
Corporate governance	Directors are responsible for ensuring compliance with Policy and Procedures, adherence to all relevant laws and regulations, and prevention of fraud.

- **Employees**

Engagement and work culture	The company holds employee team briefings to communicate company performance, policy and initiatives. This provides an opportunity for staff engagement and to create a culture that fosters open honest and direct communications.
Training & development	Continuous professional and personal development is actively promoted through the company's communications processes and Performance Management System to enable employees to reach their full potential. Accredited Training and Competency Management System Formal on-the-job training program that provides employees the opportunity to demonstrate in current roles and operational tasks while helping to prepare them for future promotions.

- **Customers**

Safety, Responsiveness, Quality, Service and Reliability	The company operates to the highest standards within all areas of HSEQ and is accredited to ISO 9001:2015 Quality Management Standard, OHSAS 18001:2007 Occupational Health & Safety Management Standard, and ISO 14001:2015 Environmental Management Standard. CHC UK has an Air Operators Certificate, issued by the UK CAA, to perform commercial air transport operations in accordance with our operations manuals (including the CHC Safety Management Manual) and Annex V to Regulation (EU) 2018/1139 and its delegated and implementing acts.
Overall performance, satisfaction and value for money	The company closely monitors customer satisfaction, perception and feedback regarding our overall performance. This is done in accordance with the "First Point Assessment Limited" (FPAL) system, which is widely recognised and operated within the Oil and Gas industry. In addition, the company holds regular meetings with customers to discuss service delivery and overall performance.

Directors' Report *(continued)*

- **Suppliers**

Expertise and collaborative approach	Established relationships with suppliers enabling us to supply high quality, reliable services.
Credibility/trust and reputation	We carefully select our business partners through the application of rigorous due diligence processes of business partners that share our values and our commitment to safety, integrity and quality.
Overall performance	Supplier Performance is evaluated through regular reporting, which is discussed with suppliers
Business conduct	Our Code of Business Conduct includes provisions addressing conflicts of interest, corporate opportunities, compliance with our policies and with laws, rules and regulations, including laws addressing insider trading, antitrust and anti-bribery. We expect our business partners, including suppliers and vendors, to act consistently with our Code.

- **Other stakeholders including local communities and CSR**

Local communities	The company strives to create long-term, sustainable economic improvements in the communities in which we operate. We understand the importance of local economic growth and the benefits that training and skills development bring locally. To this end, we are committed to: a. Providing local employment opportunities. b. Providing training and development opportunities. c. Using local suppliers. d. Supporting local charitable causes.
Environmental and sustainability responsibilities	The company are certified to ISO14001:2015 Environmental Management System and work in accordance with the widely recognised International Environmental Management Standard focused on minimising how our operations negatively affect the environment and our impact on the local communities in which we operate. The company operate and maintain a modern aircraft fleet that meet the requirements of current regulation. The company is also registered on the Emissions Trading Scheme (ETS) programme to capture and reduce the CO2 emissions in aviation. CHC Scotia Aircraft Operator Reference Number: 1808.

Directors' Statement as to disclosure of information to auditor

The directors who were members of the board at the time of approving the Directors' Report are listed on page 1. Having made enquiries of fellow directors and of the company's auditor, each of those directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the company's auditor in connection with preparing their report) of which the company's auditor are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor are aware of that information.

Directors' Report *(continued)*

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Re-appointment of auditor

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

By order of the board

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M Abbey

Director

6 September 2022

Independent auditor's report

to the members of CHC Scotia Limited

Opinion

We have audited the financial statements of CHC Scotia Limited ("the company") for the year ended 30 April 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue recognized close to the year end is overstated and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, journal entries posted to unrelated accounts, journals containing key words which may indicate high risk.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, and certain aspects of aviation legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report

to the members of CHC Scotia Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

Paula Holland (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Marischal Square
Broad Street
Aberdeen
AB10 1DD
6 September 2022

Income Statement

for the year ended 30 April 2021

	Notes	*2021* *£000*	*2020* *£000*
Turnover	2	81,442	121,989
Cost of sales		(87,893)	(134,658)
Gross loss		(6,451)	(12,669)
Administrative expenses		(5,287)	(5,922)
Loss on ordinary activities before interest and taxation	3	(11,738)	(18,591)
Interest income	5	—	19
Other finance cost	18	(809)	(1,114)
Loss on ordinary activities before taxation		(12,547)	(19,686)
Tax on loss on ordinary activities	8	(1)	—
Loss for the financial year		(12,548)	(19,686)

Statement of Comprehensive Income

for the year ended 30 April 2021

	Notes	*2021* *£000*	*2020* *£000*
Loss for the financial year		(12,548)	(19,686)
Other comprehensive loss			
Actuarial loss on retirement benefit liability	18	(8,023)	(647)
Total comprehensive loss for the year		(20,571)	(20,333)

The notes on pages 16 to 32 form part of these financial statements.

Statement of Financial Position

at 30 April 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Tangible assets	9	955	1,375
		955	1,375
Current assets			
Stocks	10	—	—
Debtors (amounts expected to be recovered within one year)	11	79,416	69,819
Debtors (amounts expected to be recovered after one year)	12	28,221	28,229
Cash at bank and in hand		3,652	4,826
		111,289	102,874
Creditors: amounts falling due within one year	13	(119,591)	(99,498)
Net current (liabilities) / assets		(8,302)	3,376
Total assets less current liabilities		(7,347)	4,751
Pension liability	18	(56,601)	(48,128)
Net liabilities		(63,948)	(43,377)
Capital and reserves			
Called up share capital	14	4,930	4,930
Capital redemption reserve	15	179	179
Capital contribution	15	81,357	81,357
Profit and loss account		(150,414)	(129,843)
		(63,948)	(43,377)

The notes on pages 16 to 32 form part of these financial statements.

The financial statements of CHC Scotia Limited were approved for issue by the Board of Directors on 6 September 2022.

On behalf of the board,

DocuSigned by:
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M Abbey
Director
6 September 2022

Statement of Changes in Equity

at 30 April 2021

	Share capital	*Capital redemption reserve*	*Capital contribution*	*Profit and loss account*	*Total equity*
	£000	*£000*	*£000*	*£000*	*£000*
At 1 May 2019	4,930	179	81,357	(109,510)	(23,044)
Loss for the year	—	—	—	(19,686)	(19,686)
Other comprehensive loss	—	—	—	(647)	(647)
Total comprehensive loss for the year	—	—	—	(20,333)	(20,333)
At 30 April 2020	4,930	179	81,357	(129,843)	(43,377)

	Share capital	*Capital redemption reserve*	*Capital contribution*	*Profit and loss account*	*Total equity*
	£000	*£000*	*£000*	*£000*	*£000*
Loss for the year	—	—	—	(12,548)	(12,548)
Other comprehensive loss	—	—	—	(8,023)	(8,023)
Total comprehensive loss for the year	—	—	—	(20,571)	(20,571)
At 30 April 2021	4,930	179	81,357	(150,414)	(63,948)

The notes on pages 16 to 32 form part of these financial statements.

Notes to the financial statements

at 30 April 2021

1. Accounting policies

Statement of compliance

CHC Scotia Limited is a private company limited by shares and incorporated in England. The Registered Office is c/o CMS Cameron McKenna LLP, 78 Cannon Street, London, EC4N 6AF. The address of main business is Howe Moss Drive, Kirkhill Industrial Estate, Dyce, Aberdeen, AB21 0GL.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 30 April 2021.

Basis of preparation

The financial statements of CHC Scotia Limited were authorised for issue by the Board of Directors on 6 September 2022. The financial statements have been prepared in accordance with applicable accounting standards FRS102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The financial statements are prepared in the pound sterling which is the functional currency of the company, and have been rounded to the nearest £'000.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

Further details are given in note 18.

Operating lease commitments

The company has entered into commercial leases and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Deferred tax

The decision as to whether to recognise a deferred tax asset depends on an assessment of the future recoverability. This assessment requires the use of the forecasted information on performance and cash-flows that is subject to significant uncertainty.

Further details are given in note 8.

Notes to the financial statements

at 30 April 2021

1. Accounting policies *(continued)*

Principal accounting policies

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- Section 7 Statement of Cash Flows;
- Section 3 Financial Statement Presentation paragraph 3.17(d);
- Section 11 Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47 and 11.48;
- Section 12 Other Financial Instruments paragraphs 12.26, 12.27,12.29(a), 12.29(b), 12.29A and 12.30;
- Section 33 Disclosure of key management personnel remuneration paragraph 33.7A;
- Section 33 Disclosure of Transactions with companies wholly owned by the group paragraph 33.1A.

This information is included in the consolidated financial statements of EEA Helicopters Operations B.V. as at 30 April 2021 and these financial statements are publicly available.

Going Concern

The financial statements for the Company have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The loss for the year to 30 April 2021 was £12.5m (2020: loss of £19.7m) and the Company had net liabilities of £63.9m (2020: £43.4m). At the year end, the company had cash at bank of £3.7m and at July 2022 held cash of £0.6m. The Company is financed through a combination of intercompany loans and intercompany trading balances, all currently repayable on demand.

The directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these financial statements which indicates the Company will have sufficient cash to meet its liabilities as they fall due during that period. These forecasts indicates that the Company will rely on the continuation of existing financial support from CHC Group LLC, and will require additional funding in the form of higher levels of trading intercompany balances, during the forecasted period.

The Company's cash flow forecasts are therefore dependent on CHC Group LLC providing additional financial support during that period and not seeking repayment of amounts currently owed by the Company to group companies, which at 30 April 2021 totalled £112.8m. The Company may require further additional funding if the cash flow forecasts are not achieved. CHC Group LLC has indicated its intention to continue to make available such funds as are needed by the Company and not to seek repayment of amounts due by the Company over the period covered by the forecasts. In assessing the ability of CHC Group LLC to provide such support, the directors have considered the consolidated forecasts for the same period and have determined the pipeline of contract renegotiation and bid opportunities within that timeframe. They have also assessed the overall liquidity of the Group, including the amount of undrawn facilities available, and the headroom on covenants over external financing. Based on their assessment they are satisfied that CHC Group LLC has the intent, ability and economic rationale to support the Company.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although they have no reason to conclude that this would not be the case.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

Notes to the financial statements

at 30 April 2021

1. Accounting policies *(continued)*

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from a contract to provide services is recognized in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract.

Mobilization revenue does not qualify as a separate unit of accounting; accordingly, it is deferred and recognised as flying services are provided under the contract. Related direct and incremental mobilization costs are deferred and amortized over the term of the contract.

Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the Income Statement.

Leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Stock

Stock is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Debtors

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

Cash and cash equivalents

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

Notes to the financial statements

at 30 April 2021

1. Accounting policies *(continued)*

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtor and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Statement of Financial Position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Creditors

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

Foreign currency translation

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement and the Statement of Comprehensive Loss within 'administrative expenses'.

Notes to the financial statements

at 30 April 2021

1. Accounting policies *(continued)*

Pension and other post-retirement benefits

The company operates a defined benefit pension scheme, which require contributions to be made to separately administered funds. The scheme was closed to new members in 2009 from which time membership of a defined contribution plan is available.

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occur the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the Income Statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in the Income Statement as other finance cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the Income Statement in subsequent periods.

The defined net benefit pension asset or liability in the Statement of Financial Position comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Contributions to defined contribution schemes are recognised in the Income Statement in the period in which they become payable.

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 which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax (liability) / asset shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 2021

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 transportation services.

Geographical analysis of turnover is given below:

	2021 *£000*	*2020* *£000*
UK	79,221	114,540
Europe	2,221	7,449
	81,442	121,989

3. Operating loss

This is stated after charging / (crediting)

	2021 *£000*	*2020* *£000*
Depreciation of owned fixed assets	420	340
Operating lease rentals:		
- aircraft, plant and machinery	23,128	36,785
- land and buildings	2,339	2,749
Loss on foreign exchange	1,760	1,757

4. Auditor's remuneration

	2021 *£000*	*2020* *£000*
Audit of the financial statements	101	84
Other tax advisory services	51	4
	152	88

5. Interest income & expense

	2021 *£000*	*2020* *£000*
Interest income:		
Bank	—	19

Notes to the financial statements

at 30 April 2021

6. Staff costs

	2021	*2020*
	£000	*£000*
Wages and salaries	21,998	25,915
Social security costs	2,101	2,465
Other pension costs	2,564	2,579
	26,663	30,959

	No.	*No.*
Administration and marketing	88	95
Operations	181	230
	269	325

At the year end, the company had 256 employees in total.

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

7. Directors' remuneration

	2021	*2020*
	£000	*£000*
The remuneration of the directors was as follows:		
Remuneration	426	804
Company contributions paid to pension schemes	30	41

	2021	*2020*
	No.	*No.*
The number of directors who were members of pension schemes was as follows:		
Money purchase schemes	2	4

	2021	*2020*
	£000	*£000*
The amounts in respect of the highest paid director are as follows:		
Remuneration	322	316
Company contributions paid to pension scheme	23	20

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. 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 2021

8. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2021	*2020*
	£000	*£000*
Current tax:		
UK corporation tax		
Adjustments in respect of previous periods	1	—
Total current tax	1	—

	2021	*2020*
	£000	*£000*
Deferred tax:		
Origination and reversal of timing differences	(3,623)	(3,615)
Adjustments in respect of prior periods	(17)	538
Unrecognised deferred tax	3,640	6,183
Change in tax rate	—	(3,106)
Total deferred tax charge	—	—
Total tax expense	1	—

(b) Factors affecting total 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 19% (2020 – 19%). The differences are reconciled below:

	2021	*2020*
	£000	*£000*
Loss on ordinary activities before tax	(12,547)	(19,686)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020– 19%)	(2,384)	(3,740)
Expenses not deductible for tax purposes	(1,239)	125
Adjustment in respect of prior periods	(16)	538
Unrecognised deferred tax	3,640	6,183
Change in tax rate	—	(3,106)
Total tax expense	1	—

Notes to the financial statements

at 30 April 2021

8. Tax *(continued)*

(c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The UK deferred tax asset at 30 April 2021 was calculated based at 19%. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly and increase the unrecognised deferred tax in relation to losses carried forward by £8,044,000 and £3,396,000 in relation to the Company's defined benefit pension.

(d) Deferred tax

The company has unrecognised deferred tax assets of £25,474,000 (2020: £23,444,000) in relation to losses carried forward and £10,754,000 (2020: £9,144,000) relating to the company's defined benefit pension.

9. Tangible fixed assets

	Leasehold property	*Aircraft and equipment*	*Plant motors and computers*	*Total*
	£000	*£000*	*£000*	*£000*
Cost:				
At 1 May 2020	728	234	6,047	7,009
Disposals	(59)	(234)	(730)	(1,023)
At 30 April 2021	669	—	5,317	5,986
Depreciation:				
At 1 May 2020	332	234	5,068	5,634
Charge for the year	110	—	310	420
Disposals	(59)	(234)	(730)	(1,023)
At 30 April 2021	383	—	4,648	5,031
Net book value:				
At 30 April 2021	286	—	669	955
At 1 May 2020	396	—	979	1,375

10. Stocks

	2021	*2020*
	£000	*£000*
Fuel	—	—

Fuel recognised as cost of sales in the period amounted to £3,617,000 (2020: £7,685,000).

Notes to the financial statements

at 30 April 2021

11. Debtors: amounts expected to be recovered within one year

	2021	*2020*
	£000	*£000*
Trade debtors	6,022	9,874
Amounts owed by fellow group undertakings	41,346	22,779
Amounts owed by related parties (note 19)	27,906	32,883
Amounts owed by parent undertaking	3,093	2,852
Other debtors	242	465
Prepayments and accrued income	807	966
	79,416	69,819

12. Debtors: amounts expected to be recovered after one year

	2021	*2020*
	£000	*£000*
Amounts owed by parent undertaking	28,221	28,229
Deferred mobilisation expenses	—	—
	28,221	28,229

Amounts owed by the parent undertaking are repayable on demand and interest free.

13. Creditors: amounts falling due within one year

	2021	*2020*
	£000	*£000*
Trade creditors	2,721	2,097
Amounts owed to fellow group undertakings	116	21,818
Amounts owed to related parties (note 19)	112,679	69,714
Other taxes and social security costs	1,101	1,881
Accruals	2,385	2,956
Deferred income	589	1,032
	119,591	99,498

Inter-company trade creditors are due within 30 days, inter-company loan agreements are payable on demand and are interest free.

Notes to the financial statements

at 30 April 2021

14. Share capital

	Allotted, called up and fully paid	
	2021	*2020*
	£000	*£000*
4,929,780 Ordinary shares of £1 each	4,930	4,930

15. Reserves

Capital redemption reserve:

This reserve records the nominal value of shares repurchased by the company.

Capital contribution:

This reserve records the nominal value of share compensation expenses. This also includes a capital injection of £50,506,000 in financial year 2015 and capital injection of £29,495,000 in financial year 2018, which were part of an equity cure.

16. Financial instruments

	2021	*2020*
	£000	*£000*
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	6,022	9,874
Other debtors	100,808	87,208
Financial liabilities measured at amortised cost		
Trade creditors	2,721	2,097

17. Obligations under leases

At 30 April 2021, the company had future minimum lease payments under cancellable and non-cancellable* operating leases as follows:

	2021		*2020*	
	Land and buildings	*Aircraft plant and machinery*	*Land and buildings*	*Aircraft plant and machinery*
	£000	*£000*	*£000*	*£000*
Operating leases which expire:				
Within one year	1,442	18,695	1,776	22,148
In two to five years	4,242	19,252	5,152	36,046
In over five years	10,885	—	11,797	—
	16,569	37,947	18,725	58,194

* 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 2021

18. Pension schemes

Defined Benefit plans

The company operates a Defined Benefit Pension Plan, the CHC Scotia Pension Scheme, providing benefits based on final pensionable pay. The plan was 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 income statement so as to spread the cost of pensions over employees' working lives with the company.

The Trustees have appointed two fiduciary managers to manage 93% of the investment portfolio. The remaining 7% is invested in a units linked insurance policy. The plan has moved to a highly de-risked investment strategy with the fiduciary managers having an investment objective of 1.5% per annum above the investment return currently assumed when determining the value of the plan's liabilities. The Trustees have also made a separate allocation to a fixed income fund with each fiduciary manager, and use liability hedging funds to provide the plan with hedge ratios of 95% of interest rate risk and 100% of inflation risk. The allocation to the fixed income funds is expected to cover the plan's benefit outgoings over the next five years and monies will be drawn down from these funds as and when they are needed.

The most recent formal valuation was carried out by the scheme actuary as at 1 July 2018. The formal actuarial valuation showed that the market value of the assets of the entire plan as at 1 July 2018, as advised by Aon, was £171,000,000 which represented 69.9% of the value of the benefits that had accrued to members.

The company actuary as at 30 April 2021 has carried out a valuation for the purposes of FRS102. The FRS102 calculations are based on the membership data at the valuation date of 1 July 2018 with an approximate adjustment made for the changes in the membership and benefit accrual over the period from 1 July 2018 to 30 April 2021.

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 in the 2018 valuation that the pre and post retirement investment returns were in line with the Bank of England Gilt Curve plus 1.25% p.a.

The amount charged to the income statement for the year was £1,550,000 (2020 - £ 1,619,000). The unpaid contributions outstanding at the year-end, included in "Accruals" are £ nil (2020 - £ nil). A plan amendment of £334,000 was recorded to the defined benefit plan at 30 April 2021 as an allowance for the potential cost of equalizing historic statutory transfer values paid out of the scheme before 2018. The allowance is included in past service costs.

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 income statement 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 income statement for the year totalled £1,468,000 (2020 - £2,171,000). The unpaid contributions outstanding at the year-end, included in "Accruals" are £270,000 (2020 - £304,000).

The assets and liabilities of the scheme at 30 April are:

Scheme assets at fair value	*2021* *£000*	*2020* *£000*
Units linked insurance policy	11,114	11,125
Delegated funds and cash	155,156	167,886
Fair value of scheme assets	166,270	179,011
Present value of scheme liabilities	(222,871)	(227,139)
Net pension scheme deficit	(56,601)	(48,128)

Notes to the financial statements

at 30 April 2021

18. Pension schemes *(continued)*

	2021 *£000*	*2020* *£000*
Recognised in the Income Statement		
Current service cost	(407)	(505)
Past service cost (including curtailments)	(334)	—
Net interest on the net defined liability	(809)	(1,114)
Total recognised in Income Statement	(1,550)	(1,619)

	2021 *£000*	*2020* *£000*
Recognised in Other Comprehensive Loss:		
Actuarial (loss) / return on scheme assets	(8,027)	20,080
Actuarial gain / (loss) on scheme liabilities	4	(20,727)
Re-measurement losses recognised in Other Comprehensive Loss	(8,023)	(647)

	2021	*2020*
Rate of increase in salaries	N/A	N/A
Rate of increase of pensions in payment, capped at 5%	2.50%	1.90%
Rate of increase of pensions in payment, capped at 2.5%	1.90%	1.80%
Rate of increase in deferred pensions:		
Former CHC Scotia (1975) Scheme members	5.00%	5.00%
CHC Scotia Pension Scheme members	2.50% CPI/ 3.00%RPI	1.90% CPI/ 2.60%RPI
Discount rate	2.00%	1.70%
Inflation assumption	2.50% CPI/ 3.00%RPI	1.90% CPI/ 2.60%RPI

Post retirement mortality: (units in years)		
Current pensioners at 65 – male	22.60	22.60
Current pensioners at 65 – female	24.70	24.70
Future pensioners at 65 – male currently aged 45	23.90	23.90
Future pensioners at 65 – female currently aged 45	26.20	26.10
Future pensioners at 65 – male currently aged 40	24.30	24.30
Future pensioners at 65 – female currently aged 40	26.60	26.50

Notes to the financial statements

at 30 April 2021

18. Pension schemes *(continued)*

The Company has proposed that RPI inflation continues to be set in line with market break even expectations less an inflation risk premium (IRP). The IRP has been set at 0.5%, compared with 0.2% in the prior year. The impact of the change in the IRP applied when setting the RPI assumption is expected to be a £4.9m reduction in the defined benefit obligation.

For CPI, the Company has proposed reducing the long term gap between RPI and CPI by 20 basis points (from 0.7% to 0.5%) compared with the prior year methodology to reflect increased clarity on the future of the RPI index. This reflects an RPI-CPI wedge of 80bps pre-2030 and 10bps post-2030. The impact of the change in the best estimate RPI-CPI wedge applied when setting the CPI assumption is expected to be a £3.2m increase in the defined benefit obligation.

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

	2021 *£000*	*2020* *£000*
At 1 May 2020	(227,139)	(209,529)
Movement in year:		
Interest cost	(3,790)	(4,932)
Actuarial gain / (loss) on scheme liabilities	4	(20,727)
Benefits paid	8,388	8,049
Past service cost	(334)	—
At 30 April 2021	(222,871)	(227,139)

The obligations arise under a single funded scheme.

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

	2021 *£000*	*2020* *£000*
At 1 May	179,011	162,567
Movement in year:		
Interest income on scheme assets	2,981	3,818
Employer contributions	1,100	1,100
Expenses	(407)	(505)
Benefits paid	(8,388)	(8,049)
Actuarial (loss) / gain on scheme assets	(8,027)	20,080
At 30 April	166,270	179,011

The return on assets for the year to 30 April 2021 was (£5,046,000).

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 £2,825,000. This entails expected contributions of £275,000 per quarter. This is due to increase to expected contributions of £850,000 per quarter from July 2021 onwards, followed by an annual increase based on the Retail Price Index (RPI) inflation.

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

Notes to the financial statements

at 30 April 2021

18. Pension schemes *(continued)*

Defined contribution plans

The Company operates a number of defined contribution plans. The total expense relating to these plans in the current year was £1,468,000 (2020: £2,171,000).

19. Other related party transactions

During the year, the company entered into transactions, in the ordinary course of business with other related parties. Related parties are members of the same group.

Transactions entered into, and trading balances outstanding at 30 April 2021, 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				
2021	—	20,496	—	4,808
2020	221	30,010	—	31,228
Heli-One Canada ULC				
2021	—	2,935	334	2,907
2020	—	8,598	16	2,082
CHC Helicopters (Barbados) SARL				
2021	—	159	1,785	—
2020	—	2,923	1,944	—
CHC Helicopters (Barbados) Limited				
2021	—	68	702	—
2020	—	3,199	720	—
CHC Holding UK Limited				
2021	23,057	137	13,057	—
2020	36,757	198	17,757	—
Heliworld Leasing Limited				
2021	197	937	2,682	—
2020	146	716	2,447	—
CHC Ireland Leasing Limited				
2021	—	360	3,428	—
2020	—	3,056	3,788	—
CHC Global Operations International Inc				
2021	—	—	223	23
2020	8	2	223	26

Notes to the financial statements

at 30 April 2021

19. 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*
Heli-One Poland				
2021	39	—	70	—
2020	—	—	27	—
CHC Helicopter Support Services				
2021	—	165	—	158
2020	—	295	—	300
CHC Helicopter Holding (Cayman)				
2021	—	2	19	—
2020	1	—	21	—
CHC Helicopter S.A.				
2021	—	23,550	4,341	994
2020	537	23,492	4,764	1,485
Cayman Investment				
2021	—	—	—	103,789
2020	—	—	—	34,593
Other Group companies				
2021	—	72	1,265	—
2020	552	(87)	1,126	—

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 60 days of invoice. The company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 30 April 2021, the company has not made any additional provisions for doubtful debts relating to amounts owed by related parties.

20. Post balance sheet events

There has been no substantial events of note since the close of financial year 2021.

Notes to the financial statements

at 30 April 2021

21. Ultimate parent company

The 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.

The minority shareholder of EEA Helicopter Operations B.V. is CHC Helicopter Holding SARL, a company registered in Luxembourg. The ultimate parent company of CHC Helicopter Holding SARL is CHC Group LLC, which is incorporated in the Cayman Islands. The consolidated financial statements for CHC Group LLC and its subsidiaries, being the largest group of which CHC Helicopter Holding SARL is a member, recognise the minority interest held by CHC Helicopter Holding SARL in EEA Helicopter Operations B.V. and its subsidiaries (including the company) as variable interest entities in accordance with both United States GAAP Rules and the Rules and Regulations for the Securities and Exchange Commission and Major Securities Laws, as amended from time to time.