

Humberside International Airport Limited

**Directors' report and financial
statements**

Registered number 02175309

31 March 2018

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Company information

Directors

Mr A Waltham
Mr R Lake
Mr J Howell-Richardson
Mr A Corbett

Secretary

Mr J Howell-Richardson

Company number

2175309

Registered office

Redhill Aerodrome
Kings Mill Lane
Redhill
RH1 5JZ

Auditors

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Business address

Humberside International Airport
Kirmington
DN39 6YH

Bankers

Santander UK plc
Santander Corporate Banking
44 Merrion Street
Leeds
LS2 8JQ

Directors' report

The directors present the audited financial statements for Humberside International Airport Limited for the year ended 31 March 2018.

Principal activity

The principal activity of the company during the year was the operation of Humberside International Airport. The company's revenues were derived primarily from aircraft and passenger handling charges, together with income from airport commercial and retail activities.

Result for the year

The loss before tax for the financial year ended 31 March 2018 was £230,000 (2017: profit before tax of £181,000).

Political and charitable contributions

No political or charitable contributions were made during the year (2017: £nil).

Dividends

No dividend payment has been made in the year to 31 March 2018 (2017: £nil).

Directors

The directors who held office during the year were as follows:

Ms E Redfern	(resigned 4 April 2017)
Mr R Lake	
Mr B Huxford	(resigned 31 January 2018)
Mr J Howell-Richardson	
Mr A Corbett	
Mr C Dixon	(resigned 10 July 2017)
Mr A Waltham	(appointed 4 April 2017)

Employees

The company's employment policies are regularly reviewed and updated by the Board.

The company is committed to providing equality of opportunity to all employees and potential employees. The company gives full and careful consideration to applications for employment from all people regardless of their sex, ethnic origin, nationality, sexuality, age, disability or religious beliefs, bearing in mind the respective aptitudes and abilities of the applicant concerned. This also applies to training and promotion within the Company.

In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

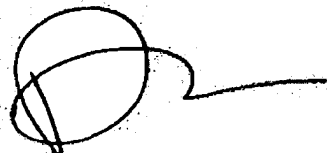
Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report *(continued)*

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.



Richard Lake

Director

Registered Office:

Redhill Aerodrome
Kings Mill Lane
Redhill
RH1 5JZ

Dated: 21/12/18

Strategic report

Business review

The results of the company for the year ended 31 March 2018 are as disclosed in the attached financial statements.

During the year offshore movements declined due to a reduction of activity in the oil and gas sector. This has been mitigated in part by a reduction in the underlying costs.

Movements are expected to pick up in 2019 with work on the offshore wind farms increasing.

Principal risks and uncertainties

The principal risks and uncertainties of Humberside International Airport are summarised below:-

Risks

Breach in security: There is ongoing investment in security technology. There is also an independent quality assurance programme, which employs both an internal and external process for independently checking performance standards with a view to identifying potential areas for improvement. Close co-operation is maintained with Government agencies and the police to ensure that the security regime is responsive to changes in external threats.

A major health and safety incident impacting our customers or colleagues: There is a group-wide structure in place to support management through the provision of staff training, auditing and specialist advice. The assessment of health and safety risks is inbuilt into daily management routines.

Increased environmental restrictions on noise and pollution potentially place limitations on future growth: The risk is addressed by the management team who monitor trends in air traffic and develop environmental impact assessments.

Threat of a downturn in demand due to adverse global economic factors: The risk is mitigated by the application of prudent financial controls, the gathering of business intelligence and contingency planning.

Political and regulatory: The management team ensures full compliance with formal regulatory requirements and monitor stakeholder and political reactions in order to react to emerging political and regulatory developments.

Recruitment, development and retention of staff: Talent is identified and nurtured through agreed development plans including succession planning for our key leadership positions.

Our reward schemes are constantly evaluated to drive and reward performance and ensure retention of key talent.

Key performance indicators ("KPIs")

The company's directors monitor passenger numbers, service revenues and business profitability as the main key performance indicators. The performance of the business during the year can be seen in the profit and loss account.

On behalf of the board

Richard Lake

Director

Registered Office:

Redhill Aerodrome
Kings Mill Lane
Redhill
RH1 5JZ

Dated: 21/12/18

Statement of directors' responsibilities in respect of the directors' report, the strategic report and the financial statements

The directors are responsible for preparing the Directors' Report, the Strategic 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.



Independent auditor's report to the members of Humberside International Airport Limited

Opinion

We have audited the financial statements of Humberside International Airport Limited ("the company") for the year ended 31 March 2018 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the 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 31 March 2018 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 group or the company or to cease their operations, and as they have concluded that the group and 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 their ability to continue as a going concern for at least a year from the date of approval of the financial statements.

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

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 Humberside International Airport Limited *(continued)*

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 5, 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 Financial Reporting Council'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.



Craig Parkin *(Senior Statutory Auditor)*

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham, NG1 6FQ

Dated: *21st December 2018*

Profit and loss account
for the year ended 31 March 2018

	<i>Note</i>	2018 £000	2017 £000
Turnover	2	8,101	8,445
Cost of Sales		(8,259)	(8,283)
Gross (loss)/profit		(158)	162
Other operating income		-	-
Operating (loss)/profit		(158)	162
Gain/(Loss) on disposal of tangible fixed assets		(97)	-
Interest receivable and similar income		25	19
(Loss)/Profit before taxation		(230)	181
Tax on (loss)/profit	6	(503)	327
(Loss)/Profit after taxation		(733)	508

In both the current and prior year, the company made no material acquisitions and had no discontinued operations.

There were no recognised gains or losses in either the current or prior year other than the result shown above. Accordingly, no statement of other comprehensive income is presented.

The attached notes form part of these financial statements.

Balance sheet
as at 31 March 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	7	13,377	13,634
Investment property	8	8,364	8,364
		<u>21,741</u>	<u>21,998</u>
Current assets			
Stocks	10	119	97
Debtors	11	1,966	2,007
Cash at bank and in hand		1,489	1,978
		<u>3,574</u>	<u>4,082</u>
Creditors: amounts falling due within one year	12	<u>(1,854)</u>	<u>(2,042)</u>
Net current assets		<u>1,720</u>	<u>2,040</u>
Total assets less net current liabilities		<u>23,461</u>	<u>24,038</u>
Creditors: amounts falling due after more than one year	13	<u>(2,756)</u>	<u>(2,955)</u>
		<u>20,705</u>	<u>21,083</u>
Provisions for liabilities and charges	14	<u>(1,157)</u>	<u>(802)</u>
Net assets		<u><u>19,548</u></u>	<u><u>20,281</u></u>
Capital and reserves			
Called up share capital	15	8,650	8,650
Share premium account		81	81
Revaluation reserve		6,424	6,418
Profit and loss account		4,393	5,132
Shareholders' funds		<u><u>19,548</u></u>	<u><u>20,281</u></u>

The attached notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 21/4/18 and were signed on its behalf by:


Richard Lake
Director

Registered number : 2175309

Statement of changes in equity

	Called up share capital £000	Share premium account £000	Fair value reserve £000	Profit and loss account £000	Total Equity £000
Balance at 1 April 2016	8,650	81	7,277	3,765	19,773
Total comprehensive income for the year					
Profit	-	-	-	508	508
Reclassification of deferred tax	-	-	(859)	859	-
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31 March 2017	8,650	81	6,418	5,132	20,281
	Called up share capital £000	Share premium account £000	Fair value reserve £000	Profit and loss account £000	Total Equity £000
Balance at 1 April 2017	8,650	81	6,418	5,132	20,281
Total comprehensive income for the year					
Loss	-	-	-	(733)	(733)
Reclassification of deferred tax	-	-	6	(6)	-
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31 March 2018	8,650	81	6,424	4,393	19,548

The attached notes form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Humberside International Airport Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 02175309 and the registered address is Redhill Aerodrome, Redhill, Surrey, RH1 5JZ.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2017 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, Bristow Aviation Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Bristow Aviation Holdings Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from the address given in note 19. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Bristow Aviation Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 20.

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts on the grounds that it is itself included within the consolidated accounts of a parent undertaking established under the laws of an EEA state (Bristow Aviation Holdings Ltd). These financial statements present information about the company as an individual undertaking and not about its group.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis except that investment property is stated at fair value.

1.2. Going concern

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

The directors have prepared cash flow forecasts for a 12 month period from the date of approval of these financial statements and such forecasts indicate that sufficient funds should be available to enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

On this basis the directors are of the opinion that the company has adequate resources to trade in an orderly fashion for the foreseeable future and accordingly adopt the going concern basis in preparing these financial statements.

Notes (continued)

1.3. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.4. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Freehold and long leasehold property	-	10 - 50 years
Runways, taxiways and aprons	-	10 - 75 years
Main services	-	7 - 50 years
Plant and machinery	-	5 - 25 years
Motor vehicles	-	3 - 7 years
Fixtures, fittings, tools and equipment	-	5 - 10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5. Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

Notes (continued)

1 Accounting policies (continued)

1.6. Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

1.7. Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

1.8. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1.10. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes (continued)

1 Accounting policies (continued)

1.10. Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property, except when the investment property has a limited useful life and the objective of the company's business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.11. Impairment excluding stocks

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (continued)

1 Accounting policies (continued)

1.12. Turnover

Turnover, which excludes value added tax, represents amounts received and receivable by the company for services provided in the normal course of business, rent receivable and income from commercial concessions. The following revenue recognition criteria apply to the company's main income streams:

- Various passenger charges for handling and security based upon the number of departing passengers, recognised at point of departure;
- Aircraft departure charges levied according to weight, recognised at point of departure;
- Aircraft parking charges based upon a combination of weight and time parked, recognised at time of parking;
- Baggage handling, recognised at point of departure;
- Car parking income recognised at the point of parking for Short and Long Stay parking. Contract parking recognised over the period to which it relates on a straight-line basis;
- Concession income from retail and commercial concessionaires is recognised in the period to which it relates on an accruals basis;
- Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term; and
- Fuel income recognised when the fuel is provided to the customer.

2 Analysis of turnover

The total turnover of the company for the year has been derived from its principal activity, that of an international airport operator, wholly undertaken in the UK.

3 Auditor's remuneration

	2018 £000	2017 £000
Amounts receivable by the auditors and their associates in respect of:		
Audit of these financial statements	18	20

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Bristow Aviation Holdings Limited.

4 Remuneration of directors

The directors of the company are also directors or officers of a number of the companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 March 2018 or 31 March 2017.

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2018	2017
Operational	135	135
Management and administrative	6	9
	<u>141</u>	<u>144</u>

Notes (continued)

5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2018 £000	2017 £000
Wages and salaries	3,164	3,273
Social security costs	279	275
Other pension costs	154	118
	<u>3,597</u>	<u>3,666</u>

6 Taxation

Total tax expense/(credit) recognised in the profit and loss account

	2018 £000	2017 £000
<i>Current tax</i>		
Current tax on income for the year	106	64
Adjustments in respect of prior periods	42	27
Total current tax	<u>148</u>	<u>91</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	338	(132)
Adjustments in respect of prior periods	8	(302)
Changes to tax rates	9	16
Total deferred tax	<u>355</u>	<u>(418)</u>
Total tax	<u>503</u>	<u>(327)</u>

Reconciliation of effective tax rate

	2018 £000	2017 £000
(Loss)/Profit for the year	(733)	508
Total tax expense/(credit)	<u>503</u>	<u>(327)</u>
(Loss)/Profit excluding taxation	<u>(230)</u>	<u>181</u>
Tax using the UK corporation tax rate of 19% (2017: 20%)	(44)	36
Non-deductible expenses	110	108
Tax exempt revenues	(40)	(40)
Derecognition of previously recognised tax losses	424	395
Tax losses utilised	-	(116)
Fair value adjustment on investment property	(6)	(451)
Change in tax rate	9	16
Under provided in prior years	50	(275)
Total tax expense/(credit) included in profit	<u>503</u>	<u>(327)</u>

Notes (continued)

6 Taxation (continued)

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015, with an additional reduction to 17% (effective 1 April 2020) substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 March 2018 has been calculated based on these rates.

7 Tangible fixed assets

	Freehold land and property £000	Airport infrastructure £000	Plant, fixtures and equipment £000	Assets in the course of construction £000	Total £000
Cost					
At beginning of year	6,539	17,107	7,899	61	31,606
Additions	-	-	-	830	830
Disposals	-	-	(124)	-	(124)
Reclassification	-	682	206	(888)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	6,539	17,789	7,981	3	32,312
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated Depreciation					
At beginning of year	3,200	9,155	5,617	-	17,972
Charge for year	122	434	434	-	990
Disposals	-	-	(27)	-	(27)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	3,322	9,589	6,024	-	18,935
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2018	3,217	8,200	1,957	3	13,377
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	3,339	7,952	2,282	61	13,634
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

During the year £990,000 has been charged through the profit and loss account (2017: £982,000).

8 Investment properties

	2018 £000	2017 £000
<i>At existing use value:</i>		
At beginning of year	8,364	8,364
	<hr/>	<hr/>
Aggregate depreciation thereon	-	-
	<hr/>	<hr/>
Net book value	8,364	8,364
	<hr/>	<hr/>
Historical cost of revalued assets	1,338	1,338
Aggregate depreciation thereon	-	-
	<hr/>	<hr/>
Historical cost net book value	1,338	1,338
	<hr/>	<hr/>

Notes (continued)

8 Investments properties (continued)

The last full valuation was performed at 31 March 2016. The full valuations were performed by Clark Weightman, Chartered Surveyors. A directors valuation was performed at 31 March 2018.

The existing use value of land and buildings includes notional directly attributable acquisition costs. The open market value of land and buildings is determined before the deduction of expected selling costs. Other tangible fixed assets, including additions subsequent to the revaluation of land and buildings, are included at cost.

9 Fixed asset investments

	Subsidiary undertaking £
<i>Cost</i>	
At beginning and end of year	1
<i>Provisions</i>	
At beginning and end of year	-
<i>Net book value</i>	
At 31 March 2018 and 31 March 2017	1

At both 31 March 2018 and 31 March 2017, the company's investments in its subsidiary undertakings are stated at cost. The company directly owns the ordinary share capital of the following companies:

<i>Subsidiary undertakings</i>	Shareholding	Address of Registered Office	Nature of business
Steadycontrast Limited	100%	Redhill, England	Dormant

10 Stocks

	2018 £000	2017 £000
Consumables	119	97

11 Debtors

	2018 £000	2017 £000
Trade debtors	869	612
Amounts owed by group undertakings	762	790
Other debtors	43	95
Prepayments and accrued income	292	510
	1,966	2,007

Notes (continued)

12 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	556	539
Amounts owed to group undertakings	-	1
Taxation and social security	153	167
Capital based grants	198	198
Other creditors	147	186
Accruals and deferred income	732	856
Corporation tax	68	95
	<u>1,854</u>	<u>2,042</u>

13 Creditors: amounts falling due after more than one year

	2018 £000	2017 £000
Capital based grants	<u>2,756</u>	<u>2,955</u>

Amortisation of grant

During the year £199,000 has been amortised to the profit and loss account (2017: £199,000).

14 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000
Accelerated capital allowances	-	-	317	388	317	388
Unused tax losses	-	(425)	-	-	-	(425)
Investment properties measured at fair value	-	-	840	839	840	839
	<u>-</u>	<u>(425)</u>	<u>1,157</u>	<u>1,227</u>	<u>1,157</u>	<u>802</u>
Net tax (assets) / liabilities	-	(425)	1,157	1,227	1,157	802

The Company has unrecognised gross tax losses of £4,374,000 (2017: £1,643,000).

Notes (continued)

15 Capital and reserves

Share capital

	2018 £000	2017 £000
<i>Allotted, called up and fully paid</i>		
4,325,000 Ordinary shares of £1 each	4,325	4,325
4,325,000 Deferred shares of £1 each	4,325	4,325
	<u>8,650</u>	<u>8,650</u>

The 4,325,000 deferred shares do not carry any voting rights, rights to receive a dividend nor rights of redemption. They carry a right to participate in a capital distribution but only after payments have been made to ordinary shareholders.

Revaluation reserve

Where investment property is measured at fair value, the cumulative increase in the fair value of the property in excess of any previous impairment losses is included in the revaluation reserve.

16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2018 £000	2017 £000
Less than one year	10	10
Between one and five years	13	23
More than five years	-	-
	<u>23</u>	<u>33</u>

Leases as lessor

The investment properties are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2018 £000	2017 £000
Less than one year	581	541
Between one and five years	1,983	1,776
More than five years	30,555	29,726
	<u>33,119</u>	<u>32,043</u>

During the year £11,000 was recognised as an expense in the profit and loss account in respect of operating leases (2017: £16,000).

During the year £720,000 was recognised as income in the profit and loss account in respect of operating leases (2017: £743,000).

Notes (continued)

17 Defined contribution pension scheme

During the year, the company operated a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £154,000 (2017: £118,000).

Contributions amounting to £nil (2017: £nil) were payable to the scheme and are included in creditors.

18 Related parties

Transactions with related parties are disclosed below:

Related party	Sales to related party		Purchases from related party		Balance due from/(to) related party	
	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000
Eastern Airways International Limited	-	-	-	-	(236)	(236)
Eastern Airways (UK) Limited	1,085	1,054	234	232	1,063	1,007
Bristow Helicopters Limited	263	462	-	-	52	20
North Lincolnshire Council	23	28	53	324	(32)	(322)

19 Ultimate parent company

The directors regard Bristow Aviation Holdings Limited, a company incorporated in the UK and registered in England and Wales, as the ultimate parent company and ultimate controlling party.

The parent undertaking of the largest group in which the results of the company are consolidated is that headed by Bristow Group Inc., incorporated in the United States of America. The parent undertaking of the smallest group in which they are consolidated is that headed by Bristow Aviation Holdings Limited. No other group financial statements include the results of the company.

Copies of the Bristow Aviation Holdings Limited consolidated financial statements are available from its registered address at Redhill Aerodrome, Redhill, Surrey, RH1 5JZ.

20 Accounting estimates and judgements

Key sources of estimation uncertainty

Valuation of investment property

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The Company engaged independent valuation specialists to determine fair value at 31 March 2016. The valuer used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the property. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate. The valuation of investment property is discussed in note 8.

Recoverability of amounts due from group and related undertakings

The Group and Company have significant amounts due from group undertakings of £762,000 (2017: £790,000). These balances are financial assets carried at amortised cost. They are assessed by the Directors at each reporting date to determine whether there is objective evidence that the asset is impaired, who consider the financial performance, position and prospects of the subsidiaries and related undertakings. If there are indicators of impairment, the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Critical accounting judgements in applying the Company's accounting policies

There are no critical accounting judgements (apart from those involving estimations included above) in applying the Company's accounting policies during the year.