

# Bristow Aviation Holdings Limited

Financial statements 31 March 2000

together with directors' and auditors' reports

Registered number: 3234500



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## Directors' report

For the year ended 31 March 2000

The directors present their annual report and the audited financial statements for the year ended 31 March 2000.

### Principal activities and business review

The principal activity of the Group continues to be that of helicopter contractor and provider of related aviation services in both the United Kingdom and overseas markets. The Group continues to explore new areas in which to expand although it intends to continue to concentrate its resources on its core business of worldwide helicopter support and related aviation services.

### Annual results

The Group loss for the period after taxation was £25,890,000 (1999 - £14,214,000). The directors do not recommend the payment of a dividend (1999 - £nil).

### Directors and directors' interests

The directors of the Company during the year were as follows:

S.W. Palframan	(resigned 21 May 1999)
K. Chanter	(appointed 21 May 1999)
P.N. Buckley	
J.H. Cartwright	
H. Schmidt-Reps	
H. Wolf	
A. Ugland	
L. Crane	

No director had any material interest during the year in any contract of significance with the Company or its subsidiaries.

None of the directors were granted options or exercised any right to subscribe for shares in any Group company during the year.

### Employees

The Group is committed to involve all employees in the performance and development of the Group.

It is the Group's policy to give full and fair consideration to applications for employment from disabled persons, subject only to their suitability for the work.

## Directors' report (continued)

### Health and safety

The Group is committed to its policy on Safety, Health and the Environment and actively promotes this policy, in particular making every practicable effort to ensure the health and safety of everybody working for the Group or associated with Group activities.

### Supplier payment policy

The Group's policy is to agree the terms of payment for each transaction and to ensure that these terms of payment are complied with.

### Charitable donations

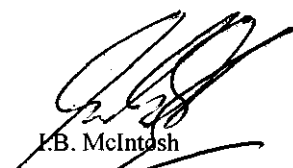
The Group made charitable donations during the year amounting to £1,638 (1999 - £9,396).

### Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Redhill Aerodrome  
Redhill  
Surrey  
RH1 5JZ

By order of the Board,



I.B. McIntosh  
Secretary

20 December 2000

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Auditors' report

## To the Shareholders of Bristow Aviation Holdings Limited:

We have audited the financial statements on pages 5 to 26 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 12.

### Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2000 and of the Group's loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**  
**Chartered Accountants and Registered Auditors**

1 Surrey Street  
London  
WC2R 2PS

20 December 2000

# Consolidated profit and loss account

For the year ended 31 March 2000

	Notes	31 March 2000 £'000	31 March 1999 £'000
Turnover	2	154,853	174,037
Net operating expenses		(156,271)	(164,360)
Operating (loss)/profit		(1,418)	9,677
(Loss)/profit on disposal of fixed assets		(917)	55
(Loss)/Profit on ordinary activities before interest and investment returns		(2,335)	9,732
Income from interests in associated undertakings		2,854	1,745
Amounts written back to investments		571	318
Other interest receivable and similar income		436	466
Interest payable and similar charges	6	(24,236)	(22,778)
Loss on ordinary activities before taxation	3	(22,710)	(10,517)
Tax on loss on ordinary activities	7	(3,180)	(3,697)
Loss on ordinary activities after taxation		(25,890)	(14,214)
Minority interests	19	(26)	(34)
Loss for the financial year		(25,916)	(14,248)
Dividends		-	-
Accumulated loss for the year	18	(25,916)	(14,248)

The turnover and profit for the year and the preceding year were derived from continuing operations.

The accompanying notes are an integral part of this consolidated profit and loss account.

# Consolidated balance sheet

31 March 2000

	Notes	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Goodwill	8	1,934	2,096
Tangible assets	9	172,092	188,273
Investments	10	2,354	(197)
		<u>176,380</u>	<u>190,172</u>
<b>Current assets</b>			
Stocks	11	6,086	7,184
Debtors: amounts falling due within one year	12	47,691	41,112
Debtors: amounts falling due after more than one year	12	410	377
Cash at bank and in hand		11,434	8,062
		<u>65,621</u>	<u>56,735</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(50,229)</u>	<u>(39,852)</u>
<b>Net current assets</b>		<u>15,392</u>	<u>16,883</u>
<b>Total assets less current liabilities</b>		<u>191,772</u>	<u>207,055</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(204,561)</u>	<u>(193,205)</u>
<b>Provisions for liabilities and charges</b>	16	<u>(9,836)</u>	<u>(10,498)</u>
<b>Net (liabilities)/assets</b>		<u>(22,625)</u>	<u>3,352</u>
<b>Capital and reserves</b>			
Called up share capital	17	10,000	10,000
Profit and loss account	18	<u>(32,705)</u>	<u>(6,773)</u>
<b>Shareholders' funds</b>		<u>(22,705)</u>	<u>3,227</u>
Minority interests	19	80	125
<b>Total capital and reserves</b>		<u>(22,625)</u>	<u>3,352</u>

These financial statements were approved by the board of directors on 20 December 2000 and were signed on its behalf by:

K Chanter



Director

The accompanying notes are an integral part of this consolidated balance sheet.



# Company balance sheet

31 March 2000

	Notes	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Investments	10	<u>101,000</u>	<u>101,000</u>
<b>Current assets</b>			
Debtors	12	<u>19</u>	<u>216</u>
		19	216
Creditors: amounts falling due within one year	13	<u>(4,308)</u>	<u>(3,460)</u>
<b>Net current liabilities</b>		<u>(4,289)</u>	<u>(3,244)</u>
<b>Total assets less current liabilities</b>		96,711	97,756
Creditors: amounts falling due after more than one year	14	<u>(139,840)</u>	<u>(122,715)</u>
<b>Net liabilities</b>		<u>(43,129)</u>	<u>(24,959)</u>
<b>Capital and reserves</b>			
Called up share capital	17	10,000	10,000
Profit and loss account	18	<u>(53,129)</u>	<u>(34,959)</u>
<b>Shareholders' funds</b>		<u>(43,129)</u>	<u>(24,959)</u>

These financial statements were approved by the board of directors on 20 December 2000 and were signed on its behalf by:

K Chanter



Director

The accompanying notes are an integral part of this balance sheet.

## Reconciliation of movements in shareholders' funds

For the year ended 31 March 2000

	Group		Company	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Loss for the financial period	(25,916)	(14,248)	(18,170)	(16,616)
Goodwill written off on acquisition of subsidiary undertakings	(32)	-	-	-
Goodwill taken to profit and loss account on disposal of subsidiary	-	530	-	-
Exchange adjustment	16	136	-	-
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(25,932)</b>	<b>(13,582)</b>	<b>(18,170)</b>	<b>(16,616)</b>
Opening shareholders' funds	3,227	16,809	(24,959)	(8,343)
<b>Closing shareholders' funds</b>	<b>(22,705)</b>	<b>3,227</b>	<b>(43,129)</b>	<b>(24,959)</b>

## Statement of total recognised gains and losses

For the year ended 31 March 2000

	Group		Company	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Accumulated loss for the year	(25,916)	(14,248)	(18,170)	(16,616)
Exchange adjustment	(187)	111	-	-
<b>Total losses for the year</b>	<b>(26,103)</b>	<b>(14,137)</b>	<b>(18,170)</b>	<b>(16,616)</b>

The accompanying notes are an integral part of this consolidated statement of total recognised gains and losses.

# Consolidated cash flow statement

For the year ended 31 March 2000

	Notes	2000		1999	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	20		12,966		22,147
<b>Return on investments and servicing of finance</b>					
Interest received		374		420	
Interest paid		(6,849)		(8,086)	
Interest element of finance lease rental payments		(206)		(291)	
Dividends paid to minority shareholders in subsidiary undertaking		(27)		-	
<b>Net cash outflow from return on investments and servicing of finance</b>			(6,708)		(7,957)
<b>Taxation</b>			(3,162)		(2,203)
<b>Capital expenditure</b>					
Purchase of tangible fixed assets		(6,529)		(7,466)	
Sale of tangible fixed assets		6,317		2,898	
<b>Net cash outflow from capital expenditure</b>			(212)		(4,568)
<b>Acquisitions and disposals</b>					
Purchase of subsidiary undertakings		(76)		-	
Purchase of other unlisted investments		(16)		-	
Purchase of associated undertakings		-		(1,729)	
Disposal of subsidiary undertakings – prior year		-		340	
<b>Net cash inflow/(outflow) from acquisitions and disposals</b>			(92)		(1,389)
			2,792		6,030
<b>Financing</b>					
Loan from associated undertaking		4,000		-	
Repayment of bank loans		(3,000)		(2,000)	
Repayment of loan notes and loan stock		-		(1,254)	
Capital element of finance lease rentals		(420)		(392)	
<b>Net cash inflow/(outflow) from financing</b>			580		(3,646)
<b>Increase in cash</b>	21		3,372		2,384

The accompanying notes are an integral part of this consolidated cash flow statement.

## Notes to financial statements

For the year ended 31 March 2000

### 1 Accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the year and the preceding year, is set out below.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *a) Going Concern*

The Group has net liabilities of £22,625,000 and the Company has net liabilities of £43,129,000. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

#### *b) Basis of consolidation*

The Group financial statements consolidate the financial statements of Bristow Aviation Holdings Limited and its subsidiary undertakings (see note 26). The Group's share of the profits less losses of associated undertakings is included in the consolidated profit and loss account and its interest in the net assets, other than goodwill, is included in investments in the consolidated balance sheet.

The consolidated financial statements are based on financial statements of subsidiary undertakings which are coterminous with those of the Company and on financial statements of associated undertakings which are coterminous with or end no more than three months before those of the Company.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary and associated undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. All goodwill is capitalised and amortised over its estimated useful life. The Company has taken advantage of the exemptions available not to apply Financial Reporting Standard No. 10 retrospectively. Accordingly, goodwill arising in respect of acquisitions before 1 April 1998 has been credited or debited to reserves.

The cumulative amount credited to reserves is £16,221,000. On subsequent disposal or termination of a previously acquired business, the profit or loss on disposal or termination is calculated after crediting the gross amount of any related goodwill previously taken to reserves.

In the Company's accounts, investments in subsidiary and associated undertakings are stated at cost less impairments in value. Dividends received and receivable are credited to the Company's profit and loss account to the extent that they represent a realised profit for the Company.

In accordance with Section 230(4) of the Companies Act 1985 Bristow Aviation Holdings Limited is exempt from the requirement to present its own profit and loss account.

The amount of the loss for the Company for the financial year is disclosed in note 18.

## Notes to financial statements (continued)

### 1 Accounting policies (continued)

#### c) *Foreign currencies*

The trading results of overseas subsidiary and associated undertakings are translated into sterling using the average exchange rates for the year.

The assets and liabilities of overseas subsidiary and associated undertakings are translated into sterling using the rates ruling at the balance sheet date. Exchange differences arising from the translation of the results of overseas subsidiary and associated undertakings at average rates, and the re-translation of the opening net investments in overseas subsidiary and associated undertakings, are taken to Group reserves.

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and gains or losses on translation are included in the profit and loss account.

#### d) *Depreciation of tangible fixed assets*

Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets over their estimated remaining useful lives as follows:

Freehold buildings	- 15 – 40 years
Freehold land	- Nil
Long leasehold property	- over lease period
Short leasehold property	- over lease period
Plant and equipment	- 3 – 10 years
Vehicles	- 3 – 5 years
Aircraft and capital spares	- 8 – 15 years
Aircraft components	- 3 – 6 years

#### e) *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes. Full provision is made in view of the difficulties inherent in forecasting future levels of eligible capital expenditure which materially affect timing differences.

#### f) *Component overhauls*

Component overhauls are charged to the profit and loss account as incurred.

## Notes to financial statements (continued)

### 1 Accounting policies (continued)

#### *g) Research and development expenditure*

Expenditure on research and development is charged to the profit and loss account during the period in which it is incurred.

#### *h) Leased assets*

Assets held under finance leases are treated as tangible fixed assets. Depreciation is provided over the life of the lease or the estimated useful life of the asset, whichever is shorter. The deemed capital element of future rentals is included under creditors. Deemed interest, calculated on a reducing balance basis, is charged as interest payable over the period of the lease.

Rental costs arising from operating leases are charged to the profit and loss account as they are incurred.

#### *i) Loan stock and term loans*

Loan stock and term loans are stated in the balance sheet at cost plus accrued interest to date. Interest is allocated to the profit and loss account at a constant rate over the term of the loan.

#### *j) Stocks*

Consumable spares and minor rotatable stocks are stated at the lower of cost and net realisable value.

Work in progress and stocks for resale are valued at the lower of cost, inclusive of appropriate overheads, and net realisable value.

#### *k) Pensions and other post retirement benefits*

The Group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Group.

The Group also contributes to a money purchase scheme. The amounts charged to the profit and loss account in respect of pension costs and other post retirement benefits equate to the contributions payable in the period.

### 2 Turnover

Turnover represents total revenue receivable for the period exclusive of VAT and intra-group transactions.

No segmental reporting as required by Statement of Standard Accounting Practice No.25 or analysis of turnover by activity or geographical location as required by the Companies Act 1985 is given as, in the opinion of the directors, this would be seriously prejudicial to the commercial interests of the Group.

## Notes to financial statements (continued)

### 3 Loss on ordinary activities before taxation

	2000 £'000	1999 £'000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation	14,421	15,156
Rentals paid under operating leases		
- aircraft hire	6,996	6,469
- rental of properties	1,047	996
- hire of plant and machinery	129	116
Remuneration of auditors		
- audit fees	115	115
- other	14	88
Amortisation of goodwill	162	135

### 4 Staff numbers and costs

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

	2000 Number	1999 Number
Operating staff	1,411	1,483
Management and administration	271	253
	<u>1,682</u>	<u>1,736</u>

The aggregate payroll costs of these persons were as follows:

	2000 £'000	1999 £'000
Wages and salaries	49,654	53,042
Social security costs	3,850	3,787
Other pensions costs (see note 24)	5,127	5,534
	<u>58,631</u>	<u>62,363</u>

## Notes to financial statements (continued)

### 5 Directors' remuneration

#### *Remuneration*

	2000 £'000	1999 £'000
Emoluments	217	338
Fees paid to third parties in respect of directors' services	69	69

In addition to the emoluments shown above:

Compensation of £318,420 was paid in respect of loss of office to a former director. The accrued pension entitlement relating to this former director, under the Group's defined benefit scheme, was enhanced on his resignation date from £46,071 to £52,500 per annum. The lump sum entitlement under this scheme was £nil.

#### *Pensions*

The number of directors who were members of pension schemes was as follows:

	2000 Number	1999 Number
Money purchase schemes	1	1
Defined benefit schemes	-	1
	1	2

#### *Highest paid director*

The above amounts include the following in respect of the highest paid director:

	2000 £'000	1999 £'000
Emoluments	178	221

The amount paid into money purchase schemes in respect of the highest paid director at 31 March 2000 was £16,625 (1999 - £12,587).



## Notes to financial statements (continued)

### 6 Interest payable and similar charges

	2000 £'000	1999 £'000
On bank loans and overdrafts	1,926	2,013
On other loans	22,004	20,352
Finance lease charges	206	291
Other interest and similar charges	100	122
	<u>24,236</u>	<u>22,778</u>

### 7 Taxation

	2000 £'000	1999 £'000
UK corporation tax at 30% (1999 – 31%) on loss for the year		
UK Corporation tax		
- current year	2,625	1,985
- prior year	34	(387)
Associated undertakings	841	1,649
Double taxation relief	(2,374)	(2,004)
	<u>1,126</u>	<u>1,243</u>
Foreign taxation	<u>2,716</u>	<u>2,085</u>
	<u>3,842</u>	<u>3,328</u>
Deferred taxation	(662)	369
	<u>3,180</u>	<u>3,697</u>

### 8 Intangible fixed assets - goodwill

Group	Positive Goodwill £'000
<b>Cost</b>	
At 31 March 1999	2,231
Additions	-
At 31 March 2000	<u>2,231</u>
<b>Depreciation</b>	
At 1 April 1999	135
Charge for year	162
At 31 March 2000	<u>297</u>

## Notes to financial statements (continued)

### 8 Intangible fixed assets – goodwill (continued)

Group	Positive Goodwill £'000
Net book value	
At 31 March 2000	1,934
At 31 March 1999	2,096

### 9 Tangible fixed assets

Group	Land and buildings £'000	Aircraft £'000	Plant and equipment £'000	Total £'000
<b>Cost</b>				
At 1 April 1999	12,527	189,340	69,340	271,207
Exchange adjustments	(103)	146	(234)	(191)
Additions	415	1,547	4,567	6,529
Disposals	(155)	(7,684)	(3,513)	(11,352)
At 31 March 2000	12,684	183,349	70,160	266,193
<b>Depreciation</b>				
At 1 April 1999	7,882	23,026	52,026	82,934
Exchange adjustments	(8)	926	(54)	864
Charge for year	273	10,213	3,935	14,421
Disposals	(115)	(1,482)	(2,521)	(4,118)
At 31 March 2000	8,032	32,683	53,386	94,101
<b>Net book value</b>				
At 31 March 2000	4,652	150,666	16,774	172,092
At 31 March 1999	4,645	166,314	17,314	188,273

The net book value of aircraft at 31 March 2000 includes £7,710,525 (1999 - £8,177,662) in respect of aircraft acquired under finance leases and hire purchase contracts. Aircraft depreciation for the year to 31 March 2000 includes £467,137 (1999 - £467,137) relating to these aircraft.

## Notes to financial statements (continued)

### 9 Tangible fixed assets (continued)

Further analysis of land and buildings:

Group	Freehold £'000	Long leasehold £'000	Short leasehold £'000	Total land & buildings £'000
<b>Cost</b>				
At 1 April 1999	2,448	1,331	8,748	12,527
Exchange adjustments	(83)	-	(20)	(103)
Additions	-	-	415	415
Disposals	(155)	-	-	(155)
At 31 March 2000	<u>2,210</u>	<u>1,331</u>	<u>9,143</u>	<u>12,684</u>
<b>Depreciation</b>				
At 1 April 1999	436	312	7,134	7,882
Exchange adjustments	(3)	-	(5)	(8)
Charge for year	10	13	250	273
Disposals	(115)	-	-	(115)
At 31 March 2000	<u>328</u>	<u>325</u>	<u>7,379</u>	<u>8,032</u>
<b>Net book value</b>				
At 31 March 2000	<u>1,882</u>	<u>1,006</u>	<u>1,764</u>	<u>4,652</u>
At 31 March 1999	<u>2,012</u>	<u>1,019</u>	<u>1,614</u>	<u>4,645</u>

## Notes to financial statements (continued)

### 10 Fixed asset investments

Group	Associated undertakings		Other	Total
	Shares £'000	Loans £'000	Unlisted Investments £'000	
<b>Cost</b>				
At 1 April 1999	(828)	1,067	966	1,205
Exchange adjustments	(52)	(59)	-	(111)
Additions	-	62	16	78
Share of current year profits	2,013	-	-	2,013
At 31 March 2000	1,133	1,070	982	3,185
<b>Provisions</b>				
At 1 April 1999	612	27	763	1,402
Provided/(released) in year	(612)	(27)	68	(571)
At 31 March 1999	-	-	831	831
<b>Net book value</b>				
At 31 March 2000	1,133	1,070	151	2,354
At 31 March 1999	(1,440)	1,040	206	(197)

Company	Shares in Subsidiary Undertakings £'000
<b>Cost</b>	
At 1 April 1999 and 31 March 2000	101,000

The principal subsidiary and associated undertakings at 31 March 2000 are shown in note 26.

## Notes to financial statements (continued)

### 11 Stocks

Group	2000 £'000	1999 £'000
Consumable spares, rotatable stocks and fuel	5,729	6,015
Work in progress	357	1,169
	<u>6,086</u>	<u>7,184</u>

### 12 Debtors

	2000		1999	
	Group £'000	Company £'000	Group £'000	Company £'000
<b>Amounts falling due within one year</b>				
Trade debtors	32,851	-	32,700	-
Amounts due from associated undertakings	11,095	-	2,619	-
Other debtors	1,895	19	2,244	216
Prepayments and accrued income	1,850	-	3,549	-
	<u>47,691</u>	<u>19</u>	<u>41,112</u>	<u>216</u>
<b>Amounts falling due after more than one year</b>				
Prepayments and accrued income	410	-	377	-
	<u>48,101</u>	<u>19</u>	<u>41,489</u>	<u>216</u>

### 13 Creditors: amounts falling due within one year

	2000		1999	
	Group £'000	Company £'000	Group £'000	Company £'000
Obligations under finance leases and Hire purchase contracts (see note 15)	452	-	420	-
Bank loan	4,000	-	3,000	-
Unsecured subordinated loan stock	2,572	-	1,330	-
Loan from associated undertaking	4,000	-	-	-
Trade creditors	9,651	-	15,362	-
Amounts owed to subsidiary undertakings	-	1,709	-	1,705
Corporation tax	3,727	-	3,729	-
Other taxes and social security	2,493	-	2,710	-
Other creditors	6,232	2,599	2,650	1,755
Accruals and deferred income	17,102	-	10,651	-
	<u>50,229</u>	<u>4,308</u>	<u>39,852</u>	<u>3,460</u>

## Notes to financial statements (continued)

### 14 Creditors: amounts falling due after more than one year

	2000		1999	
	Group £'000	Company £'000	Group £'000	Company £'000
Obligations under finance leases and Hire purchase contracts (see note 15)	2,467	-	2,919	-
Bank loan	11,000	-	15,000	-
Unsecured subordinated loan stock	1,254	-	2,571	-
Unsecured loan 8.335%	50,000	-	50,000	-
Unsecured subordinated loan stock 13.5%	139,840	139,840	122,715	122,715
	<u>204,561</u>	<u>139,840</u>	<u>193,205</u>	<u>122,715</u>

The bank loan is secured by a charge on the property of and guarantees from certain subsidiary undertakings.

The unsecured loan 8.335% is repayable in full on 15 January 2008. The unsecured subordinated loan stock 13.5% has no scheduled date for repayment.

### 15 Obligations under finance leases and hire purchase contracts

	2000		1999	
	Group £'000	Company £'000	Group £'000	Company £'000
Obligations under finance leases and hire purchase contracts fall due as follows:				
- within one year	452	-	420	-
- within two to five years	2,467	-	2,919	-
	<u>2,919</u>	<u>-</u>	<u>3,339</u>	<u>-</u>

### 16 Provisions for liabilities and charges

Group	Deferred taxation £'000
At 1 April 1999	10,498
Release for year	(662)
At 31 March 2000	<u>9,836</u>

## Notes to financial statements (continued)

### 16 Provisions for liabilities and charges (continued)

The amounts provided for deferred taxation and the amounts not provided are set out below:

	2000		1999	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Difference between accumulated depreciation and amortisation and capital allowances	9,192	-	9,703	-
Corporation tax on chargeable gain rolled over	1,119	-	1,156	-
Interest equalisation and other timing differences	(475)	-	(361)	-
	<u>9,836</u>	<u>-</u>	<u>10,498</u>	<u>-</u>

### 17 Called up share capital

	2000 £'000	1999 £'000
<i>Authorised, issued and fully paid</i>		
4,900,000 'A' Ordinary shares of £1 each	4,900	4,900
4,900,000 'B' Ordinary shares of £1 each	4,900	4,900
200,000 'C' Ordinary shares of £1 each	200	200
	<u>10,000</u>	<u>10,000</u>

### 18 Reserves

Group	Profit and loss account £'000
At 1 April 1999	(6,773)
Loss for year	(25,916)
Exchange adjustments	16
Goodwill written off on acquisition of subsidiary undertaking	(32)
At 31 March 2000	<u>(32,705)</u>
 Company	 Profit and loss account £'000
At 1 April 1999	(34,959)
Loss for year	(18,170)
At 31 March 2000	<u>(53,129)</u>
The Group profit and loss account for the year ended 31 March 2000 includes a credit for goodwill of £16,221,000 (1999 - £16,050,000).	

## Notes to financial statements (continued)

### 19 Minority interests

	Equity £'000
At 1 April 1999	125
Share of profit for year	26
Less: dividend paid	(27)
Less: group acquisition	(44)
	<hr/>
At 31 March 2000	80
	<hr/>

### 20 Reconciliation of operating profit to net cash inflow from operating activities

Group	2000 £'000	1999 £'000
Operating (loss)/profit	(1,418)	9,677
Depreciation charge	14,421	15,156
Decrease/(increase) in stocks	1,098	(1,328)
Increase in debtors	(6,612)	(4,983)
Increase in creditors	4,133	4,356
Decrease in provisions	-	(791)
Goodwill written off	162	135
Exchange movement	1,182	(75)
	<hr/>	<hr/>
Net cash inflow from operating activities	12,966	22,147
	<hr/>	<hr/>

### 21 Reconciliation of net cash flow to movement in net debt

Group	2000 £'000	1999 £'000
Increase in cash in the year	3,372	2,384
Cash (inflow)/outflow from financing	(580)	3,646
	<hr/>	<hr/>
Changes in net debt resulting from cash flows	2,792	6,030
Changes in interest accruals	(17,050)	(14,922)
	<hr/>	<hr/>
Movement in net debt in the year	(14,258)	(8,892)
Net debt at beginning of year	(189,893)	(181,001)
	<hr/>	<hr/>
Net debt at end of year	(204,151)	(189,893)
	<hr/>	<hr/>



## Notes to financial statements (continued)

### 22 Analysis of net debt

Group	At 1 April 1999 £'000	Cash flows £'000	Non-cash changes £'000	At 31 March 2000 £'000
Cash at bank and in hand	8,062	3,372	-	11,434
Debt falling due within one year	(4,330)	(1,000)	(5,242)	(10,572)
Debt falling due after more than one year	(190,286)	-	(11,808)	(202,094)
Finance leases	(3,339)	420	-	(2,919)
	(197,955)	(580)	(17,050)	(215,585)
Total net debt	(189,893)	2,792	(17,050)	(204,151)

### 23 Contingent liabilities

A subsidiary of the Company is party to an agreement dated 28 January 1998, guaranteeing the obligations of certain of its subsidiary undertakings, and charging its undertaking and property as security for such guarantees or obligations which have or may arise pursuant to the bank loans and overdrafts, revolving and guarantee facilities, provided to the Company and its subsidiary undertakings by National Westminster Bank plc and The Governor and Company of the Bank of Scotland.

On 31 March 2000 the amount outstanding under the revolving and guarantee facilities was £1.4m (1999 - £1.4m) and the overdrafts of the Company's subsidiary undertakings were £nil (1999 - £nil).

### 24 Pension scheme

The Group final salary pension schemes commenced on 31 January 1992. Prior to this date employees were members of pension schemes operated by The Bricom Group Limited. Independent actuaries have confirmed that the schemes were fully funded at the date of transfer from the Bricom Group Schemes to the Bristow Group Schemes and established the contribution rates to be adopted.

The main Group final salary pension scheme is that of Bristow Helicopters Ltd, which provides benefits based on final pensionable earnings. The assets of the scheme are held in separate trustee administered funds and contributions are invested independently of the Group's assets. The scheme is of the defined benefit type funded by contributions partly from employees and partly from Group companies at rates determined by independent actuaries on the basis of triennial valuations. The last completed actuarial assessment of the scheme was at 31 March 1998 which showed the market value of the schemes' assets was £134.65m. The past service surplus, being the actuarial value of assets expressed as a percentage of the benefits accrued to members, was 101% at 31 March 1998. The Minimum Funding Requirement valuation certificate was signed on 8 October 1998 and revealed a funding level of 102%. A Schedule of Contributions was signed on 5 November 1998 showing a minimum contribution rate of 17.4%. On the advice of the actuary, the Group increased its contributions from 12.9% to 17.4% from 1 October 1998 and to 18.4% from 1 April 1999. The valuation was made on a market-related basis.

The final salary schemes closed to new members on 31 December 1997 and a Group Personal Pension Plan became available to new employees from 1 July 1998.

The charge for providing pension benefits for the year to 31 March 2000 was £5,021,000 (1999 - £5,491,000) for the final salary schemes and £105,746 (1999 - £42,589) for the Group Personal Pension Plan.

## Notes to financial statements (continued)

### 25 Capital commitments

Capital commitments at the end of the financial year for which no provision has been made are as follows:

Group	2000 £'000	1999 £'000
Contracted but not provided	1,303	740
Authorised but not contracted	628	408
	<u>1,931</u>	<u>1,148</u>

Annual commitments under non-cancellable operating leases are as follows:

	2000		1999	
	Land and buildings £'000	Plant and machinery £'000	Land and buildings £'000	Plant and machinery £'000
Operating leases which expire				
- within one year	-	-	13	276
- within two to five years	297	6,226	146	5,989
- over five years	689	509	707	-
	<u>986</u>	<u>6,735</u>	<u>866</u>	<u>6,265</u>

## Notes to financial statements (continued)

### 26 Principal subsidiary and associated undertakings

	Country of incorporation/ registration	Shares held	
		Class	% held
Subsidiary undertakings			
Bristow Aviation Limited *	England	Ordinary	100
Bristow Helicopter Group Limited	England	Ordinary	100
		Deferred	100
Bristow Helicopters Limited *	England	Ordinary	100
		5% non-cum preference	100
Bristow Helicopters (Eastern) Limited *	England	Ordinary	100
Bristow Helicopters (International) Limited *	England	Ordinary	100
		Preference	100
Bristow Helicopters Australia Pty Ltd *	Australia	Ordinary	49
Bristow Helicopters Inc. *	USA	Ordinary	100
		Non-voting	100
Bristow Helicopters Malaysia Sdn Bhd *	Malaysia	Ordinary	100
British Executive Air Services Limited *	England	Ordinary	100
British Island Airways (Guernsey) Limited *	Guernsey	Ordinary	-
Caledonian Helicopters Limited *	England	Ordinary	100
Helicopter Rentals Limited *	Bermuda	Ordinary	100
Bristow Helicopters Singapore Pte Ltd *	Singapore	Ordinary	100
United Helicopters Limited *	England	Ordinary	100
Perth Airport Limited *	England	Ordinary	100
Irish Helicopters (Shannon) Limited *	Ireland	Ordinary	100
Eligestione SpA *	Italy	Ordinary	33
Helitalia SpA *	Italy	Ordinary	33
Tecnologie Aeronautiche Servizi Supporto Srl *	Italy	Ordinary	33
Lindair (Europe) Limited *	England	Ordinary	80
Associated undertakings			
Bristow Helicopters (Nigeria) Limited *	Nigeria	Ordinary	40
Bristow Caribbean Limited *	Trinidad	Ordinary	40
Norsk Helikopter A.S. *	Norway	Ordinary	49
FBS Limited *	England	Ordinary	50

All companies in the Group provide services connected with air transport or associated activities. Bristow Helicopters Australia Pty Limited, British Island Airways (Guernsey) Limited, Eligestione SpA, Helitalia SpA and Tecnologie Aeronautiche Servizi Supporto Srl have been treated as subsidiary undertakings due to the dominant influence of the Group over their affairs.

\* Indicates entities held indirectly.

During the year the Group had investments in Bitsystem Limited and Oxford Heli-Services Limited, both of which were dissolved. The Group shareholding in Lindair (Europe) Limited, a subsidiary undertaking, was increased by the acquisition of a further 25% stake, taking the current holding to 80%.

## Notes to financial statements (continued)

### 27 Related party transactions

#### a) Transactions with associated undertakings

	2000 £'000	1999 £'000
Sales from associated undertakings in respect of aircraft rental and related services	16,243	9,252
Interest receivable by Group from associated undertakings on loans charged at Commercial rates	62	61
Expenditure charged to Group from associated undertakings relating to Management charges	4,758	3,908
Loan from associated undertaking	4,000	-
Interest payable by group to associated undertaking on loan charged at commercial rates	65	-
Loans outstanding to associated undertakings	1,070	1,067
Amounts provided against loans outstanding	-	27
Other amounts receivable from associated undertakings	11,095	2,619

#### b) Transactions with shareholders of the Group

	2000 £'000	1999 £'000
Interest payable to Offshore Logistics, Inc. on:		
- unsecured subordinated loan stock	634	857
- unsecured loan 8.335%	4,179	4,167
- unsecured subordinated loan stock 13.5%	17,125	15,028
Amounts due to Offshore Logistics, Inc.		
- management fees	2,598	1,755
- unsecured subordinated loan stock	3,762	3,762
- unsecured loan 8.335%	50,000	50,000
- unsecured subordinated loan stock 13.5%	139,840	122,715