

Bristow Aviation Holdings Limited

Annual report and financial statements

Registered number 03234500

31 March 2021

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Strategic report

Vision, Mission and Values

Bristow Aviation Holdings Limited consolidated group of companies are committed to the Bristow Group Inc.'s new vision, mission and values. Our new Vision, Mission and Values represent what we stand for – it is how we think, act and operate. It is how we show up every day. We call it our Brand Promise because it represents what we are known for within our industry and the reputation we have built as we deliver on our promises.

Our core values: -

- Safety – We each own safety, every day.
- Integrity – We demonstrate integrity in our actions, fostering trust in our relationships.
- Passion – We have passion for our work and the impact we make on people's lives.
- Teamwork – We prioritise teamwork, achieving our goals together.
- Progress – We pursue progress through continuous improvement and innovation.

Purpose

Elevate people to achieve a safer more productive world.

Vision

Lead the world in innovative vertical flight solutions.

Mission

Make every flight personal and assure safe, efficient and reliable solutions to deliver superior outcomes for all stakeholders.

Strategic report (*continued*)

Business Review

Market outlook

We primarily provide aviation services to a broad base of major integrated, national and independent offshore energy companies. We also provide commercial search and rescue (“SAR”) services in multiple countries and public sector SAR services in the United Kingdom (“UK”) on behalf of the Maritime & Coastguard Agency (“MCA”). Additionally, we offer other ad hoc helicopter and fixed wing transportation services. Our customers charter our helicopters primarily to transport personnel between onshore bases and offshore production platforms, drilling rigs and other installations. To a lesser extent, our customers also charter our helicopters to transport time-sensitive equipment to these offshore locations. Our core business of providing aviation services to leading global oil and gas companies and public and private sector SAR services, as well as fixed wing transportation and ad hoc services, provides us with geographic and customer diversity which helps mitigate risks associated with a single market or customer.

The COVID-19 pandemic and related economic repercussions have created significant volatility, uncertainty and turmoil in businesses globally, particularly in the oil and gas industry. These events have directly affected our business and have exacerbated the potential negative impact from many of the risks described, including those relating to our customers’ capital spending and trends in oil and natural gas prices. In addition, our ability to move aircraft has been impacted by the quarantine requirements in the jurisdictions in which we operate. While lower infection rates coupled with the availability of vaccines for COVID-19 has caused some economic activity to recover, the return to a normal business and economic environment, as well as the capital spending decisions of oil and gas producers, will ultimately depend on infections rates and the pace of deployment of the vaccine.

In the midst of the ongoing COVID-19 pandemic, in the first quarter of 2020, the Organization of Petroleum Exporting Countries and other oil producing countries (“OPEC+”) were initially unable to reach an agreement to continue to impose limits on the production of crude oil. Oil demand significantly deteriorated as a result of the preventative measures taken around the world to mitigate the spread of the virus. The convergence of these events created the unprecedented dual impact of a global oil demand decline. Although OPEC+ agreed in April 2020 to cut oil production and extended production cuts through March 2021, there is no assurance that the agreement will continue or be observed by its parties. Although oil and gas prices have recovered from their April 2020 lows, if OPEC+ is unable to agree on production limits in the future it could cause prices to decrease to pre-pandemic prices.

In addition to the effect on demand for our services discussed above, the pandemic affected the health of our workforce. International, national and local government interventions enacted to reduce the spread of COVID-19 limited our employees’ ability to work and travel in certain circumstances. As a result, we may continue to see our workforce productivity reduced or incur increased medical costs or insurance premiums as a result of these health risks, which could also significantly disrupt our ability to provide helicopter services and equipment to our customers. For instance, if an outbreak occurs among our pilots, technicians or other employees who must be present at operating bases, it is highly unlikely that we will be able to find replacements while the affected employees are quarantined. We are strongly encouraging our workforce to obtain a vaccine to the extent available in their respective jurisdiction. The duration and severity of the business disruption and related financial impact from the COVID-19 pandemic cannot be reasonably estimated at this time. While we believe we currently have sufficient liquidity to operate our business even if the impact of the COVID-19 pandemic continues for an extended period of time or worsens, we cannot provide assurance that any such event related to the pandemic would not have a material adverse effect on our business, financial condition and liquidity.

The largest share of our revenue relates to oil and gas production; however, our largest contract, the contract with the U.K. Department for Transport (the “DfT”) to provide public sector SAR services for all of the U.K. (the “U.K. SAR contract”), is not directly impacted by declining oil prices.

Strategic report (continued)

Business Review (continued)

General operations overview and key performance indicators

Key performance indicators

The key performance indicators for the Group are represented below:

| | 2021 £000 | 2020 £000 | Change % |
|--------------------------------|--------------|--------------|-------------|
| Turnover | 680,225 | 835,765 | (19)% |
| Gross profit/(loss) | 89,680 | (111,390) | 181% |
| Gross profit/(loss) % | 13% | (13)% | 26 |
| Administrative expenses | (74,037) | (107,049) | (31)% |
| Group operating profit/(loss) | 43,330 | (220,098) | 120% |
| Loss on disposal of operations | - | (27,739) | 100% |
| Loss before tax | (227,376) | (486,469) | 53% |

Turnover, excluding share of joint ventures' turnover, decreased by 19% on the previous year, reflecting reduced flying hours in all geographical operations, principally as a result of lower oil and gas activity during the COVID-19 pandemic.

Gross profit increased to £89.7m from a loss of £111.4m in 2020. The gross profit percentage increase from (13)% to 13%. The lower gross profit in 2020 was impacted by impairment of tangible fixed assets of £204.7m and inventory provisions of £16.4m.

Administrative expenses have decreased year on year, reflecting cost savings and efficiencies.

Group operating profit has consequently increased to £43.3m (2020: operating loss of £220.1m).

The loss on disposal of operations in 2020 of £27.7m mainly related to the disposal of Eastern Airways of £26.2m.

The group has a loss before tax of £227.4m (2020: £486.5m). The loss before tax includes interest payable and financing charges of £279.5m (2020: £250.0m).

Bristow continues to meet its pension obligations on an on-going basis; the overall net pension deficit increased to £32.1m at 31 March 2021 from £14.3m in 2020.

Capital expenditure in the year amounted to £18.5m (2020: £63.3m) which was mainly related to aircraft.

Strategic report *(continued)*

Business Review *(continued)*

European operations

We are one of the largest providers of aviation services in the North Sea, where there are harsh weather conditions and geographically concentrated offshore facilities. Our North Sea operations are subject to seasonality as drilling activity is lower during the winter months due to harsh weather and shorter days. Our oil and gas customers in this region are primarily international, independent and major integrated energy companies.

U.K. Markets: We provide offshore aviation services to a number of energy companies operating in the U.K. region of the North Sea. We also provide emergency response services through the U.K. SAR contract with the Department for Transport ("DfT") servicing the public sector SAR needs for all of the U.K. on behalf of the MCA. We also own a controlling stake in the Humberside Airport in Kirmington, United Kingdom (the "Humberside Airport") where we conduct certain of our SAR operations from a base location at the Humberside Airport.

Norway: We provide offshore aviation services to a number of energy companies operating in the Norwegian North Sea.

International operations

We are the largest provider of aviation services to the offshore energy industry in Nigeria where the market place for our services is predominantly concentrated in the oil rich shallow waters of the Niger Delta area and in support of deepwater exploration. We also provide fixed wing services in the Africa region offering end-to-end transportation services principally for oil and gas industry customers. Operations in Nigeria are subject to seasonality as the Harmattan, a dry and dusty trade wind, blows between the end of December and the middle of February. At times when the heavy amount of dust in the air severely limits visibility, our aircraft are unable to operate.

Bristow Helicopters Australia Pty Ltd provides aviation services to the offshore energy industry in Australia. These operations are managed from our Asia Pacific region's head office facility in Perth, Western Australia. Our clients in Australia are primarily major integrated offshore energy companies. We provide search and rescue and medical evacuation services to the oil and gas industry in Australia and engineering support to the Republic of Singapore Air Force's (the "RSAF") fleet of helicopters at their base in Oakey, Queensland. Operations in the Asia Pacific region during the months of November through April may be impacted by cyclones that may reduce activity as we are unable to operate in the area of the storm.

Bristow Helicopters Australia Pty Ltd owns a 100% interest in Airnorth, a regional fixed wing operator based in Darwin, Northern Territory, Australia. Airnorth operations focus on providing both charter and scheduled services targeting the energy and mining industries in Northern and Western Australia as well as international services to Dili, Timor-Leste.

Competition

The aviation services industry is highly competitive throughout the world. Customers tend to rely heavily on existing relationships and seek operators with established safety records and knowledge of the operating environment. In most instances, customers charter aircraft on the basis of competitive bidding, and typically an operator must have an acceptable safety record, demonstrated reliability and suitable equipment to bid for work. Upon bidders meeting these criteria, customers typically make their final choice based on operational experience, helicopter preference, aircraft availability, the quality and location of operating bases, customer service, professional reputation and price. Incumbent operators typically have a competitive advantage in the bidding process based on their relationship with the client, knowledge of the site characteristics and existing facilities to support the operations. In addition, while not the predominant practice, customers may also fulfill their needs by establishing their own flight departments or by facilitating the entry of a new operator in the regions where we operate. Globally, our primary competitors are Babcock Mission Critical Services Offshore, CHC Group LLC, NHV Group and PHI, Inc. ("PHI"). We may also face competition from a number of smaller operators which vary by region.

Strategic report (continued)

Safety

Our well-established global safety programme called "Target Zero" focuses on improved safety performance. Our safety vision is to have zero accidents, zero harm to people, and zero harm to the environment. The key components to achieving this are to improve safety culture and individual behaviour, increase the level of safety reporting by the frontline employees, increase accountability for addressing identified hazards by the operational managers and provide for independent oversight of the operational safety programmes.

Principal risks and uncertainties

- Our future growth depends on the level of international oil and gas activity.
- Our failure to attract and retain qualified personnel could have an adverse effect on us.
- We face substantial competition in the industrial aviation services.
- Foreign exchange risks and controls may affect our financial position and results of operations.
- Our dependence on a small number of helicopter manufacturers poses a significant risk to our business and prospects.
- A shortfall in availability of aircraft components and parts required for maintenance and repairs of our aircraft and supplier cost increases could adversely affect us.
- A major helicopter safety incident, within Bristow or beyond, which could lead our customers to use alternative means of transportation.
- The group has a significant defined benefit pension obligation to fund.
- The COVID-19 pandemic and related economic repercussions have resulted, and may continue to result, in a decrease in the price of and demand for oil, which has caused, and may continue to cause, a decrease in the demand for our services.

Going concern

The financial statements have been prepared on a going concern basis.

After incurring an operating profit of £43.3m and with consolidated net liabilities of £1,680.8m, the Group and Company is dependent on BGI Group Inc.'s financial support to provide additional funds which may be required to meet current and future cash flow requirements and to not seek repayment of amounts owed to the parent company and its subsidiaries. Bristow Group Inc. has indicated its intention to continue to make available such financial support for at least 12 months from the date of these financial statements.

Further disclosure in respect of going concern is included in note 1 to the financial statements.

Directors' statement of compliance with duty to promote the success of the group

The Directors must act in a way that they consider, in good faith, would most likely promote the success of the group for the benefit of its members as a whole in accordance with section 172 of the UK Companies Act 2006. In doing so, have regard to matters such as, but not limited to: -

- a) The likely consequences of long term decisions

The Directors continue to take a long term view on the business, continuously analysing market conditions and seeking diversification opportunities when and where they arise in order to strengthen the business portfolio.

- b) The interests of the group's employees

The group prides itself on having a highly skilled, motivated workforce working in an industry where safety is paramount. Employees are subject to annual reviews where employees have the opportunity to give feedback as well as to receive feedback.

Strategic report (continued)

The group operates a Defined Contribution Pension Scheme and also has a Defined Benefit Pension Scheme which has been closed to new members since 2004. The group continues to fund a pension scheme deficit.

c) Business relationships with suppliers, customers and others

The group's relationships with OEM's, clients and other suppliers are significant in maintaining the Bristow brand with regards quality and safety. The directors also consider the views and interests of other stakeholders relating to the group's business, including the UK CAA and other government agencies and regulators, European and other international organisations like EASA.

d) Impact of the group's operations on the community and the environment

The Directors have available information and data relating to all aspects of the business, to enable it to understand the group's operations and the interests and views of the key stakeholders, including the local community and environment.

The group has undertaken various energy efficiency measures to contribute to emission reduction initiatives.

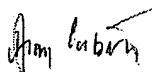
e) Desirability of the group's maintaining a reputation for high standards of business conduct

The Director's continue to review quality and safety in the workplace and ensure compliance under the Bristow Group Inc.'s Code of Business Integrity.

f) The need to act fairly between members of the group

The board of directors participate in board meetings frequently (at least once a quarter) during which operational matters, strategy, business risks and legal and regulatory matters are discussed. These meetings enable the directors to keep abreast of the group's operations and ongoing engagement with their stakeholders. Directors will engage (either individually or together) directly with some of the stakeholders on certain issues. Other times, engagement will be at an operational level, but always under the direction and supervision of the board of directors.

By order of the board,



A Corbett
Director

Redhill Aerodrome
Kings Mill Lane
Redhill
Surrey
RH1 5JZ

20 December 2021

Directors' report

The directors present their report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the Group (also referred to as 'Bristow' or 'company') is to provide industrial aviation services.

Our principal service continues to be that of providing customers with helicopters and crew to transport personnel and time-sensitive equipment from onshore bases to offshore drilling rigs, platforms and other installations, both in the United Kingdom (U.K.) and overseas. We have operations in many of the major offshore oil and gas producing regions of the world, including Australia, Nigeria, Norway and Trinidad. Search and Rescue helicopter services are provided in addition to supporting the oil and gas sector. Engineering and maintenance activities are also performed on aircraft working in both markets. In addition, we also provide fixed wing services in both Europe and Australia.

Results and dividends

The audited financial statements for the year ended 31 March 2021 are set out on pages 17 to 67. The Group loss for the financial year after taxation was £232.4m (2020: £496.9m). Loss for the year attributable to shareholders of the parent company was £36.0m (2020: £325.4m).

The directors do not recommend the payment of a dividend (2020: *£nil*).

Pensions

The Group is showing a net pension deficit of £32.1m as at 31 March 2021 (2020: £14.3m). Movements in the valuation of the pension schemes are fully disclosed in the notes to the financial statements.

Further information is outlined in note 27.

Disclosure of information to 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 he 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.

Company information

The company's registered office is at; Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JZ and registration number is 03234500.

Directors' report *(continued)*

Directors

The company directors who held office during the year and up to the date of signing the financial statements were as follows:

| | |
|---------------------|-----------------------------|
| A Corbett | |
| I A Godden | |
| C Bradshaw | (appointed 11 June 2020) |
| C MacFarlane | (appointed 31 October 2020) |
| J Howell-Richardson | (resigned 31 October 2020) |
| L D Miller | (resigned 11 June 2020) |

The directors benefit from third party indemnity provisions in place during the financial year and at the date of this report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The Group values the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and of the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and through the posting of company notices. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Political contributions

No political contributions were made by the Group during the year (2020: £nil).

Financial instruments

Details of the Group's financial instruments and financial risk management are set out in note 23.

Engagement with employees

Relationships with employees are of strategic importance to the company and these matters are therefore dealt with in the strategic report (under section 172 obligations).

Engagement with suppliers, customers and others

Relationships with stakeholders are of strategic importance to the company and these matters are therefore dealt with in the strategic report (under section 172 obligations).

Energy use and Greenhouse gas emissions

The group's greenhouse gas emissions arise from the group's operations in the provision of industrial aviation services and associated business activities. UK energy use includes purchased electricity, gas and fuel for company transport but the single greatest contributor to the emissions total is from Aviation Fuel.

Directors' report *(continued)*

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 201320 introduced changes to require quoted companies to report their annual emissions and an intensity ratio in their Directors' Report. Subsequently, the 2018 Regulations introduced requirements for Large Unquoted Companies in the UK to disclose their annual energy use, greenhouse gas emissions, and related information.

During the financial year 1 April 2020 to 31 March 2021, the group's subsidiary, Bristow Helicopters Limited ('BHL') fulfilled the qualification criteria of a Large Unquoted Company and so the group is required to report on the following emissions. The table relates to BHL only and not the group:-

| Gas: | Abbreviation | Emitted by BHL | Reporting Requirement |
|---------------------------|--------------|----------------|-----------------------|
| Carbon Dioxide Equivalent | CO2e | Yes | Yes |
| Carbon Dioxide | CO2 | Yes | No |
| Methane | CH4 | Yes | No |
| Nitros Oxide | N2O | Yes | No |
| Hydrofluorocarbons | HFC's | No | No |
| Perfluorocarbons | PFC's | No | No |
| Sulphur Hexafluoride | SF6 | No | No |

BHL's 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.

BHL has established the intensity ratio that is the most relevant to the group and will provide the most useful information to readers on a comparative yearly basis:

- Tonnes of CO2e per hour flown.

This is a reliable metric that is unaffected by inflation and price changes over time.

Energy Efficiency action taken

During the financial year 2020-21 the group has undertaken the following energy efficiency measures.

Action 1

Installation of LED lights in the aircraft hangars and offices.

Action 2

Installation of hangar door sensors which automatically switch off the heating when the doors are opened.

Directors' report (continued)

Action 3

Installation of movement sensors on external lighting.

Action 4

Minimizing "ground runs" (engines started and run as part of a maintenance action), eliminating unnecessary periods of engine operation (such as idling engines while waiting for flight clearance).

Action 5

Each of the UK base managers has communicated to the employees the energy saving goals of the group, which included using daylight where possible and switching off lights when leaving rooms that do not have movement sensors and have no other occupants. These communications were well received, and the employees are proactive in their contributions towards these goals.

Assessment parameters

| | |
|------------------------|--|
| Base Year: | 1 April 2020 – 31 March 2021 |
| Consolidation approach | Operational Control |
| Boundary Summary | All branches in the UK for BHL were included. |
| Assessment methodology | <p>Actual Gas and Electricity consumption data and meter readings are gathered regularly throughout the year so no estimated data is used in these calculations.</p> <p>Mileage records for company vehicles and fuel spend was included as recorded in the company's financial system.</p> <p>The reporting followed the guidance in the document <i>Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance</i>.</p> <p>The conversion factors used to calculate the emissions are those published in <i>UK Government GHG Conversion Factors for Company Reporting Standard Set Version 1.0</i> for the year 2020.</p> |

The following table details the emissions by category for the current year and comparative year.

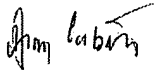
| Greenhouse Gas Emissions | Unit | Current Reporting Year 2020-2021 | Prior Reporting Year 2019-2020 | Variance | Variance (%) |
|--|--------------------------------------|-------------------------------------|-----------------------------------|-----------|--------------|
| Energy consumption used to calculate emissions – electricity | kWh | 5,088,502 | 5,526,546 | (438,044) | (7.9)% |
| Energy consumption used to calculate emissions – gas | kWh | 3,105,609 | 2,913,263 | 192,346 | 6.6% |
| Energy consumption used to calculate emissions – transport | litres | 48,069 | 37,007 | 11,062 | 29.9% |
| Emissions from electricity | tCO ₂ e | 1,186 | 1,413 | (227) | (16.1)% |
| Emissions from gas | tCO ₂ e | 573 | 536 | 37 | 6.9% |
| Emissions from transport | tCO ₂ e | 119 | 93 | 26 | 28.0% |
| Emissions from aircraft fuel | tCO ₂ e | 46,025 | 55,098 | (9,073) | (16.5)% |
| Total gross tCO ₂ e based on above | tCO ₂ e | 48,272 | 57,139 | (8,867) | (15.5)% |
| Intensity Ratio | tCO ₂ e/ hour flown | 1.83 | 1.79 | 0.04 | 2.2% |

Directors' report *(continued)*

Auditor

In accordance with Section 487 of the Companies Act 2006, KPMG LLP are deemed to be re-appointed as auditors to the company.

By order of the board,



A Corbett
Director

Redhill Aerodrome
Kings Mill Lane
Redhill
Surrey
RH1 5JZ

20 December 2021

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

The directors are responsible for preparing the Annual Report and the group and parent company 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 group and parent company 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 group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company 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 group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Bristow Aviation Holdings Limited

Opinion

We have audited the financial statements of Bristow Aviation Holdings Limited ("the company") for the year ended 31 March 2021 which comprise the Consolidated profit and loss account, Consolidated balance sheet, Company balance sheet, Consolidated cash flow statement, Consolidated statement of changes in equity, Company 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 group's and of the parent company's affairs as at 31 March 2021 and of the group's 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 group 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 ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and 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 group or 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 group or the company will continue in operation.

Independent auditor's report to the members of Bristow Aviation Holdings Limited (continued)

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 Group and Bristow Group Inc's high-level policies and procedures to prevent and detect fraud, including Bristow's channel for "whistleblowing", 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. This included communication from the group to component teams of relevant fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the non-complex and non-judgmental nature of the Group's revenue streams and revenue recognition policies, which are principally based on recorded flying activity.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test, based on risk criteria and comparing the identified entries to supporting documentation. These included those revenue entries made to unrelated accounts and cash journals posted to unusual or unexpected accounts.

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, through discussion with the directors and other management (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. This included communication from the group to component audit teams of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at group.

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

Firstly, the Group 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.

Independent auditor's report to the members of Bristow Aviation Holdings Limited (continued)

Secondly, the Group 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. We identified the following areas as those most likely to have such an effect: health and safety, bribery and employment law and certain aspects of company legislation, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management 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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Independent auditor's report to the members of Bristow Aviation Holdings Limited *(continued)*

Directors' responsibilities

As explained more fully in their statement set out on page 12, 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 group and parent 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 group or the parent 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.



David Derbyshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Marischal Square
Broad Street
Aberdeen
AB10 1DD

22 December 2021

Consolidated profit and loss account
for the year ended 31 March 2021

| | <i>Note</i> | 2021 £000 | 2020 £000 |
|---|-------------|----------------------------|----------------------------|
| Turnover | 2 | 680,225 | 835,765 |
| Cost of sales | | (590,545) | (947,155) |
| Gross profit/(loss) | | 89,680 | (111,390) |
| Administrative expenses | | (74,037) | (107,049) |
| Other operating expenses | 5 | (8,038) | (14,066) |
| Other operating income | 5 | 35,725 | 12,407 |
| Group operating profit/(loss) | | 43,330 | (220,098) |
| Loss on disposal of operations | | - | (27,739) |
| Loss on disposal of investment | 13 | (645) | |
| Share of operating profit in: Associates | 13 | - | 130 |
| Interest receivable and similar income | 6 | 9,440 | 11,279 |
| Interest payable and similar expenses | 7 | (279,501) | (250,041) |
| Loss before taxation | 8 | (227,376) | (486,469) |
| Tax on loss | 9 | (5,002) | (10,438) |
| Loss for the financial year | | (232,378) | (496,907) |
| Other comprehensive income | | | |
| Foreign exchange on translation of foreign operations | | (58,290) | 49,190 |
| Actuarial (loss)/gain on defined benefit pension scheme | 27 | (29,533) | (6,466) |
| Current tax attributable to actuarial loss | | 2,187 | 2,221 |
| | | (85,636) | 44,945 |
| Total comprehensive loss for the year | | (318,014) | (451,962) |
| <i>Loss for the year attributable to</i> | | | |
| Shareholders of the parent company | | (35,964) | (325,368) |
| Non-controlling interest | | (196,414) | (171,539) |
| Total loss | | (232,378) | (496,907) |
| <i>Total comprehensive loss attributable to</i> | | | |
| Shareholders of the parent company | | (77,313) | (313,478) |
| Non-controlling interest | | (240,701) | (138,484) |
| Total comprehensive loss | | (318,014) | (451,962) |

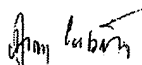
The notes on pages 23 to 67 form part of these financial statements.

Consolidated balance sheet
at 31 March 2021

| | Note | 2021 £000 | 2021 £000 | 2020 £000 | 2020 £000 |
|--|------|--------------------|----------------|--------------------|----------------|
| Fixed assets | | | | | |
| Goodwill | 10 | - | | - | |
| Intangible assets | 11 | - | | - | |
| Tangible fixed assets | 12 | 285,371 | | 333,982 | |
| Investment property | 12 | 8,520 | | 8,110 | |
| | | <u>293,891</u> | | <u>342,092</u> | |
| Investments | 13 | - | | 645 | |
| | | | 293,891 | | 342,737 |
| Current assets | | | | | |
| Stocks | 14 | 37,565 | | 42,553 | |
| Debtors - due within one year | 15 | 214,511 | | 163,723 | |
| Debtors - due over one year | 16 | 171,026 | | 425,627 | |
| | | <u>385,537</u> | | <u>589,350</u> | |
| Debtors - total | | | | | |
| Cash at bank and in hand | 17 | 130,116 | | 90,546 | |
| | | <u>553,218</u> | | <u>722,449</u> | |
| Creditors: amounts falling due within one year | 18 | (241,909) | | (262,350) | |
| | | | 311,309 | | 460,099 |
| Net current assets | | | | | |
| | | | 605,200 | | 802,836 |
| Total assets less current liabilities | | | | | |
| Creditors: amounts falling due after more than one year | 19 | (2,253,933) | | (2,151,314) | |
| Pension liabilities | 27 | (32,050) | | (14,291) | |
| Provisions | 21 | - | | - | |
| | | <u>(1,680,783)</u> | | <u>(1,362,769)</u> | |
| Net liabilities | | | | | |
| Capital and reserves | | | | | |
| Called up share capital | 22 | 10,000 | | 10,000 | |
| Revaluation reserve | 22 | 1,446 | | 1,609 | |
| Profit and loss account | 22 | (2,041,601) | | (1,964,451) | |
| | | <u>(2,030,155)</u> | | <u>(1,952,842)</u> | |
| Deficit attributable to parent's shareholders | | | | | |
| Non-controlling interest | | 349,372 | | 590,073 | |
| | | <u>(1,680,783)</u> | | <u>(1,362,769)</u> | |
| Deficit in shareholders' funds | | | | | |

The notes on pages 23 to 67 form part of these financial statements.

These financial statements were approved by the board of directors on 20 December 2021 and were signed on its behalf by:



A Corbett
Director

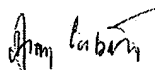
Company number: 03234500

Company balance sheet
at 31 March 2021

| | <i>Note</i> | 2021 £000 | 2021 £000 | 2020 £000 | 2020 £000 |
|--|-------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Fixed assets | | | | | |
| Investments | 13 | | 101,000 | | 101,000 |
| Current assets | | | | | |
| Debtors - due within one year | 15 | - | | - | |
| Debtors - due over one year | 16 | 9,003 | | 9,176 | |
| | | <u>9,003</u> | | <u>9,176</u> | |
| Debtors - total | | 9,003 | | 9,176 | |
| Creditors: amounts falling due within one year | 18 | <u>(5,246)</u> | | <u>(5,406)</u> | |
| Net current assets | | | 3,757 | | 3,770 |
| Total assets less current liabilities | | | 104,757 | | 104,770 |
| Creditors: amounts falling due after more than one year | 19 | | <u>(2,176,848)</u> | | <u>(1,910,289)</u> |
| Net liabilities | | | <u>(2,072,091)</u> | | <u>(1,805,519)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 22 | | 10,000 | | 10,000 |
| Profit and loss account | 22 | | <u>(2,082,091)</u> | | <u>(1,815,519)</u> |
| Deficit in shareholders' funds | | | <u>(2,072,091)</u> | | <u>(1,805,519)</u> |

The notes on pages 23 to 67 form part of these financial statements.

These financial statements were approved by the board of directors on 20 December 2021 and were signed on its behalf by:



A Corbett
Director

Company number: 03234500

Consolidated cash flow statement
for the year ended 31 March 2021

| | <i>Note</i> | 2021 £000 | 2020 £000 |
|--|-------------|----------------------------|----------------------------|
| Cash flow statement | | | |
| Cash flows from operating activities | | | |
| Loss for the year | | (232,378) | (496,907) |
| Adjustments for: | | | |
| Depreciation | 12 | 38,024 | 34,597 |
| Impairment charge of fixed assets | 12 | 5,526 | 204,699 |
| Goodwill and intangible amortisation | 10,11 | - | 4,160 |
| Impairment of investment | 13 | - | (69) |
| Loss on disposal of investment | 13 | 645 | - |
| Loss/(profit) on disposal of tangible fixed assets | 5 | 8,038 | (7,249) |
| Loss on disposal of subsidiaries | 5 | - | 27,739 |
| Share of operating profit in associates | 13 | - | (130) |
| Interest receivable and similar income | 6 | (9,440) | (11,279) |
| Interest payable and similar expenses | 7 | 279,501 | 250,041 |
| Taxation | 9 | 5,002 | 10,438 |
| Decrease in stocks | 14 | 4,988 | 19,088 |
| Decrease in debtors | | 28,960 | 34,863 |
| Decrease in creditors | | (23,469) | (514) |
| Decrease in provisions and employee benefits | | (11,866) | (12,343) |
| Tax Paid | | (5,190) | (9,112) |
| Net cash inflows from operating activities | | 88,341 | 48,022 |
| Cash flows from investing activities | | | |
| Acquisition of tangible fixed assets | | (18,520) | (63,346) |
| Proceeds from sale of tangible fixed assets | | 6,633 | 7,274 |
| Proceeds from sale of subsidiaries | | - | 3,394 |
| Cash disposed with subsidiaries | | - | (17,276) |
| Net cash from investing activities | | (11,887) | (69,954) |
| Cash flows from financing activities | | | |
| Proceeds from new external loans | | - | 13,317 |
| Receipts from settlement of long term group loans | | 125,004 | 53,772 |
| Interest paid | | (12,755) | (15,165) |
| Interest received | | 9,440 | 11,279 |
| Repayment of external borrowings | | (159,976) | (12,295) |
| Net cash from financing activities | | (38,287) | 50,908 |
| Increase in cash and cash equivalents | | 38,167 | 28,976 |
| Cash and cash equivalents at 1 April | 17 | 90,546 | 64,999 |
| Effect of exchange rate fluctuations on cash held | | 1,403 | (3,429) |
| Cash and cash equivalents at 31 March | 17 | 130,116 | 90,546 |

The notes on pages 23 to 67 form part of these financial statements.

Consolidated statement of changes in equity
for the year ended 31 March 2021

2020

| | Called up share capital | Revaluation reserve | Profit and loss account | Total shareholders' equity | Non-controlling interest | Total equity |
|--|-------------------------|---------------------|-------------------------|----------------------------|--------------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Balance at 1 April 2019 | 10,000 | 1,531 | (1,650,895) | (1,639,364) | 733,340 | (906,024) |
| Total comprehensive loss for the year | | | | | | |
| Profit or loss | - | - | (325,368) | (325,368) | (171,539) | (496,907) |
| Other comprehensive income | - | 78 | 11,812 | 11,890 | 33,055 | 44,945 |
| Total comprehensive loss for the year | - | 78 | (313,556) | (313,478) | (138,484) | (451,962) |
| <i>Shareholder transactions recorded in equity</i> | | | | | | |
| Disposal of minority interest | - | - | - | - | (4,783) | (4,783) |
| Balance as at 31 March 2020 | 10,000 | 1,609 | (1,964,451) | (1,952,842) | 590,073 | (1,362,769) |

2021

| | Called up share capital | Revaluation reserve | Profit and loss account | Total shareholders' equity | Non-controlling interest | Total equity |
|--|-------------------------|---------------------|-------------------------|----------------------------|--------------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Balance at 1 April 2020 | 10,000 | 1,609 | (1,964,451) | (1,952,842) | 590,073 | (1,362,769) |
| Total comprehensive loss for the year | | | | | | |
| Profit or loss | - | - | (35,964) | (35,964) | (196,414) | (232,378) |
| Other comprehensive income | - | (163) | (41,186) | (41,349) | (44,287) | (85,636) |
| Total comprehensive loss for the year | - | (163) | (77,150) | (77,313) | (240,701) | (318,014) |
| Balance as at 31 March 2021 | 10,000 | 1,446 | (2,041,601) | (2,030,155) | 349,372 | (1,680,783) |

The notes on pages 23 to 67 form part of these financial statements.

Company statement of changes in equity
for the year ended 31 March 2021

| | Called up share capital £000 | Profit and loss account £000 | Total equity £000 |
|---|------------------------------------|------------------------------------|----------------------|
| Balance at 1 April 2019 | 10,000 | (1,581,127) | (1,571,127) |
| Total comprehensive loss for the year | | | |
| Profit or loss | - | (234,392) | (234,392) |
| Other comprehensive income | - | - | - |
| Total comprehensive loss for the year | - | (234,392) | (234,392) |
| Transactions with owners, recorded directly in equity | - | - | - |
| Balance as at 31 March 2020 | 10,000 | (1,815,519) | (1,805,519) |

| | Called up share capital £000 | Profit and loss account £000 | Total equity £000 |
|---|------------------------------------|------------------------------------|----------------------|
| Balance at 1 April 2020 | 10,000 | (1,815,519) | (1,805,519) |
| Total comprehensive loss for the year | | | |
| Profit or loss | - | (266,572) | (266,572) |
| Other comprehensive income | - | - | - |
| Total comprehensive loss for the year | - | (266,572) | (266,572) |
| Transactions with owners, recorded directly in equity | - | - | - |
| Balance as at 31 March 2021 | 10,000 | (2,082,091) | (2,072,091) |

The notes on pages 23 to 67 form part of these financial statements.

Notes to the financial statements *(forming part of the financial statements)*

1 Accounting policies

Bristow Aviation Holdings Limited is a private company incorporated, domiciled and registered in the United Kingdom. The registered number is 03234500 and the registered address is Redhill Aerodrome, Kings Mill Lane, Redhill, RH1 5JZ.

These Group and parent company 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"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- 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 periods 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 set out in note 31.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules other than in respect of investment property and derivative financial instruments which are carried at fair value.

Notes (continued)

1 Accounting policies (continued)

Going concern

Notwithstanding a consolidated operating profit of £43.3m and net loss of £232.4m for the year ended 31 March 2021 and consolidated net liabilities of £1,680.8m at 31 March 2021, the Group and parent company financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Principal debt obligations (other than certain quarterly instalment repayments) are not due before 2023 (note 20) and debt obligations are principally to Bristow Group Inc. companies. Net current assets (excluding debtors receivable after more than one year) were £140.1m. The Group's net liabilities at 31 March 2021 principally reflect the principal amount and accrued interest on an unsecured subordinated loan stock owed to Bristow International Panama S de RL. It is repayable only after settlement of all third party debt obligations, which currently extend until maturity in January 2024.

Since the 31 March 2020, the outbreak of COVID-19 caused a significant volatility in oil and natural gas prices in the first half of 2020 resulting from changes in demand and supply, which at times has adversely affected demand for the Group's services. Together with its customers, the Group has implemented several measures at our bases, based upon guidance from local public health authorities, to help protect employees and customers, including, but not limited to, measures to restrict access to sites, medical screenings/questionnaires prior to all flights, enhanced sanitization of aircraft and equipment, modification of aircraft and special protocols on travel and passenger transport, and we also monitor developments that may require or cause us to modify actions as appropriate. Many of Group employees are deemed "essential" in the regions in which they operate and therefore may continue performing their jobs notwithstanding guidance or orders of general applicability issued by governments.

The directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides to trading activity, including as a result of the COVID-19 pandemic, the Group will have sufficient funds, through funding from its ultimate parent undertaking, Bristow Group Inc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bristow Group Inc. not seeking repayment of the amounts currently due to the Group, which at 31 March 2021 amounted to £117.6m (falling due within one year), and providing additional financial support during that period if required. Bristow Group Inc. has indicated its intention to continue to make available such funds as are needed by the Group, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any Group placing reliance on such financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, and taking into account the importance of the group's operations to Bristow Group Inc., they have no reason to believe that it will not do so.

The directors have made enquiries relating to the financial performance and position of Bristow Group Inc. including the impact of the Covid-19 pandemic, as at the date of approval of these financial statements. No matters which may reasonably possibly impact the ability of the Group and parent company to continue as a going concern have been identified from these enquiries.

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

Notes (continued)

1 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the company, its subsidiary undertakings and other legal entities/partnerships where the company holds control to 31 March 2021. Where appropriate, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date control commences to the date that control ceases.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

An associate is an undertaking in which the Group has significant influence but not control over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is a contractual arrangement undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its interest in their net assets, including goodwill on acquisition, is included in investments in the consolidated balance sheet using the equity method.

Where a group company is party to a joint arrangement that is not an entity, that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. The company's loss for the year was £266.6m (2020: £234.4m).

In the parent financial statements, investments in subsidiaries and associates are carried at cost less impairment.

Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. Transaction costs are allocated between the debt component and the equity component on the basis of their relative fair values.

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.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes (continued)

1 Accounting policies (continued)

Group structure and minority interest

Bristow Aviation Holdings Limited ("BAHL") is general partner in Bristow Worldwide Limited Partnership ("BWWLP"). The limited partner in this limited partnership is Bristow (UK) Limited Liability Partnership ("BUKLLP"), a sister entity of BAHL that is 100% controlled by Bristow Group Inc. ("BGI"). On entering the partnership, BAHL contributed to BWWLP as capital 100% of the issued share capital of Bristow Helicopter Group Limited ("BHGL"), an intermediate holding company which owns all the trading subsidiaries, affiliates and joint ventures of BAHL group as listed in note 25. Under U.K. partnership law, BAHL as general partner, has management control of the partnership, the right to use the partnership property, share the profits of the firm in predefined proportions, and has joint and several liability for the debts of the partnership.

BUKLLP contributed to BWWLP 100% of the issued share capital of Brillog Leasing Limited ("BLL") and Bristow Cayman Limited ("BCL") as capital, BLL is also a 100% owned subsidiary that owns aircraft. Under the partnership legislation, BUKLLP as limited partner has limited liability (capped at capital contributed) and the right to share the profits of the partnership in predefined proportions, but has no management authority and does not take part in the management of the partnership business.

Under the terms of the Limited Partnership Agreement, BAHL beneficially owns, through its interest in BWWLP, 95% of the ordinary share capital of BHGL and 4.1176% of the ordinary share capital of BLL and BCL. Correspondingly, BUKLLP beneficially owns, through its interest in BWWLP, 5% of the ordinary share capital of BHGL and 95.8824% of the ordinary share capital of BLL and BCL. Profits of the BWWLP partnership are allocated on these predefined proportions, such that BAHL receives 95% of BHGL profits and 4.1176% of BLL and BCL profits, and BUKLLP correspondingly receives 5% of BHGL profits and 95.8824% of BLL, BCL and subsidiaries profits.

As the partnership agreement gives BAHL control of BWWLP, the company is deemed to control both BCL and BLL and these are accounted for as subsidiaries. Therefore, the assets and liabilities of BCL and BLL have been recognised in full in the BAHL balance sheet and the BAHL profit and loss account presents the results of the consolidated group including 100% of BCL and BLL results. BAHL then recognizes non-controlling interest of 5% of BHGL and 95.8824% of BLL and BCL results as non-controlling interests in reserves.

Notes (continued)

1 Accounting policies (continued)

Intangible assets (including goodwill)

Goodwill

Goodwill, representing the excess of the fair value of the consideration and associated costs given over the fair value of the separable net assets acquired, is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

Purchased goodwill, both positive and negative, arising on consolidation in respect of acquisitions before 1 April 1998, when FRS 10 *Goodwill and intangible assets* was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs, any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal. The cumulative amount taken to reserves is £15,858,000 (2020: £15,858,000).

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the company are stated at cost less accumulated amortisation and less accumulated impairment losses.

An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

| | | |
|-------------------------------|---|---------------------------------|
| Contracts | - | over remaining life of contract |
| Customer relationships | - | 10 – 20 years |
| Licences | - | over licence period remaining |
| Trademarks and trade name | - | 15 years |
| Internally developed software | - | 5 years |

The basis for choosing these useful lives is the period over which the Group expects to derive economic benefits from these assets.

Goodwill is amortised to nil by equal instalments over its estimated useful life of up to 5 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 *Impairment of assets* when there is an indication that goodwill or an intangible asset may be impaired.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets, capitalised interest costs and depreciation

Tangible fixed assets are stated at cost/deemed cost net of depreciation and any provision for impairment. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described in the expenses policy below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

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

| | | |
|-----------------------------|---|--|
| Freehold buildings | - | 15 – 40 years |
| Long leasehold property | - | over lease period |
| Short leasehold property | - | over lease period |
| Plant and equipment | - | 3 – 15 years |
| Vehicles | - | 3 – 5 years |
| Aircraft & rotatable spares | - | 2 – 30 years with a 30% - 50% residual value |

No depreciation is provided on freehold land.

The interest costs attributable to progress payments or deposits on aircraft purchase contracts and construction projects are capitalised as part of the cost of that asset.

Spare parts which are classified as tangible fixed assets are those items which are considered major components of aircraft.

Notes (continued)

1 Accounting policies (continued)

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Impairment excluding stocks and deferred tax assets

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.

Notes (continued)

1 Accounting policies (continued)

Impairment excluding stocks and deferred tax assets (continued)

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). Any goodwill acquired in a business combination, for the purpose of impairment testing would be allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or, if it has been integrated, then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

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.

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 this 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.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Notes (continued)

1 Accounting policies (continued)

Expenses (continued)

Interest receivable and interest payable

Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Stocks

Stocks are stated at the lower of cost or net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost which includes an appropriate proportion of attributable overheads.

Spare parts which are classified as inventory include repairable and consumables.

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; and differences relating to investments in subsidiaries, associates, and branches, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. 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.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Notes (continued)

1 Accounting policies (continued)

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. 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.

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.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense/income on the net defined benefit liability/asset for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/asset taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Notes (continued)

1 Accounting policies (continued)

Employee benefits (continued)

Termination benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

UK Government Job Retention Scheme/Government Grants

Government grants received during the year are part of the profit and loss account on a systematic basis, as either other income or deducted in reporting the related expense for which the grant is intended to compensate.

Share-based payment transactions

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the entity receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the entity's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss. As the company is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The basis of such allocation is disclosed in note 26.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Notes (continued)

1 Accounting policies (continued)

Aircraft and major component overhaul and maintenance

Rotor wing

The Group undertakes aircraft and major component overhauls and maintenance internally and also holds contracts with third party providers for such work.

Under certain contracts the providers invoice for their services by reference to units of economic consumption, typically hours flown. All major component overhauls and maintenance which are covered by third party maintenance agreements, where there is a transfer of risk and legal obligation, are expensed on the basis of hours flown. All other maintenance costs are expensed as incurred.

The costs of major overhauls of aircraft and components held under operating leases are charged to the profit and loss account in accordance with the legal obligations under the terms of the lease.

Fixed wing

The costs of periodic overhauls on owned and finance leased aircraft are capitalised and depreciated within tangible fixed assets unless the liability for those overhauls has been passed to a third party. All other costs relating to maintenance of owned and finance leased aircraft are charged to the profit and loss account as incurred.

Provisions for periodic overhaul costs on aircraft held under operating leases are made with reference to the number of hours flown, or similar basis, over the lease period.

For certain operating leased aircraft, arrangements have been entered into with maintenance providers under which monthly payments are made on a flying hour, or similar basis. The Group retains responsibility for the total costs of the maintenance overhaul of these aircraft, and where these costs exceed the monthly payment the group will incur additional costs. The additional costs are spread over the period to the shorter of the next overhaul, or end of the lease term, and are shown within tangible fixed assets.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Notes (continued)

2 Turnover

Turnover represents total turnover receivable for the period exclusive of sales tax and intra-group transactions.

Turnover is recognised when it is realised or realisable, and earned. Turnover is considered to be realised or realisable and earned when the following conditions exist: the persuasive evidence of an arrangement, generally a customer contract; the services or products have been performed or delivered to the customer; the sales price is fixed or determinable within the contract; and collection is probable. More specifically, turnover from helicopter services is recognised based on contractual rates as the related services are performed. The charges under these contracts are generally based on a two-tier rate structure consisting of a daily or monthly fixed fee plus additional fees for each hour flown. These contracts are for varying periods and generally permit the customer to cancel the contract before the end of the term. Services are also provided to customers on an "ad-hoc" basis, which usually entails a shorter notice period and shorter duration. The charges for ad-hoc services are based on an hourly rate or a daily or monthly fixed fee plus additional fees for each hour flown. In order to offset potential increases in operating costs, the long-term contracts may provide for periodic increases in the contractual rates charged for our services. These rate increases are recognised when the criteria outlined above have been met. This generally includes written recognition from the customers that they are in agreement with the amount of the rate escalation. In addition, the Group's standard rate structure is based on fuel costs remaining at or below a predetermined threshold. Fuel costs in excess of this threshold are generally reimbursed by the customer.

| | 2021 £000 | 2020 £000 |
|--|----------------|----------------|
| Analysis of turnover by class of business: | | |
| Helicopter and fixed wing services | 678,066 | 830,560 |
| Commercial income including investment property income | 2,159 | 5,205 |
| | <u>680,225</u> | <u>835,765</u> |
| Analysis of turnover by country of destination: | | |
| United Kingdom | 309,711 | 338,795 |
| Europe | 190,216 | 205,250 |
| Rest of world | 180,298 | 291,720 |
| | <u>680,225</u> | <u>835,765</u> |

3 Remuneration of directors

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Directors' emoluments | 977 | 1,913 |
| Amounts receivable under long term incentive schemes | - | 59 |
| Company contributions to money purchase pension schemes | 48 | 49 |
| | <u>1,025</u> | <u>2,021</u> |

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £757,094 (2020: £1,518,507), and company pension contributions of £37,736 (2020: £37,553) were made to a money purchase scheme on his behalf.

Notes (continued)

3 Remuneration of directors (continued)

| | Number of directors | |
|--|---------------------|------|
| | 2021 | 2020 |
| Retirement benefits are accruing to the following number of directors under: | | |
| Defined contribution schemes | 3 | 2 |
| The number of directors who exercised share options | - | - |

4 Staff numbers and costs

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

| | Number of employees | |
|-------------------------------|---------------------|--------------|
| | 2021 | 2020 |
| Operating staff | 1,919 | 2,017 |
| Management and administration | 315 | 363 |
| | <u>2,234</u> | <u>2,380</u> |

The aggregate payroll costs of these persons were as follows:

| | 2021 £000 | 2020 £000 |
|--|----------------|----------------|
| Wages and salaries | 177,663 | 203,674 |
| Social security costs | 17,659 | 20,169 |
| Defined contribution pension costs (note 27) | 16,673 | 19,068 |
| Defined benefit pension costs (note 27) | 15 | 15 |
| | <u>212,010</u> | <u>242,926</u> |

5 Other operating (expenses)/income

| | 2021 £000 | 2020 £000 |
|---|----------------|-----------------|
| Exchange movements | - | (14,010) |
| Amounts written off investments | - | (56) |
| Loss on disposal of tangible fixed assets | (8,038) | - |
| Other operating expenses | <u>(8,038)</u> | <u>(14,066)</u> |
| Profit on disposal of tangible fixed assets | - | 7,249 |
| Exchange movements | 19,229 | - |
| Other income | 4,256 | 5,158 |
| UK Government Job Retention Scheme receipts | 1,154 | - |
| Australian government grants | 11,086 | - |
| Other operating income | <u>35,725</u> | <u>12,407</u> |

Notes (continued)

6 Interest receivable and similar income

| | 2021 £000 | 2020 £000 |
|--|--------------|---------------|
| Interest receivable | 101 | 489 |
| Interest receivable from related companies | 9,339 | 10,790 |
| | <u>9,440</u> | <u>11,279</u> |

7 Interest payable and similar expenses

| | 2021 £000 | 2020 £000 |
|--|----------------|----------------|
| Interest on related party loans | 266,559 | 234,550 |
| Interest on other loans | 12,755 | 15,164 |
| Interest on defined benefit pension scheme | 187 | 327 |
| | <u>279,501</u> | <u>250,041</u> |

Interest on related party loans arises mainly on the principal and unpaid interest balance of the Group's unsecured 13.5% loan stock.

8 Expenses and auditor's remuneration

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| <i>Loss before taxation is stated after charging:</i> | | |
| Depreciation: | | |
| Owned assets | 38,024 | 34,597 |
| Impairment charge on tangible fixed assets | 5,526 | 204,699 |
| Operating lease rental expenses | 108,067 | 148,009 |
| Amortisation of goodwill | - | 3,109 |
| Amortisation of intangible assets | - | 1,051 |
| Cost of stock recognised as an expense | 913 | 323 |
| Impairment of stock recognised as an expense | 2,909 | 16,378 |
| | <u></u> | <u></u> |

Auditor's Remuneration

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Audit of these financial statements | 100 | 100 |
| Amounts receivable by the company's auditor and its associates in respect of: | | |
| Audit of financial statements of subsidiaries of the company | 1,141 | 1,259 |
| Taxation compliance services | 50 | 205 |
| Other tax advisory services | 103 | 198 |
| Other assurance services | 1 | 4 |
| | <u></u> | <u></u> |

Notes (continued)

9 Taxation

Analysis of charge in year

| | 2021 £000 | 2021 £000 | 2021 £000 | 2020 £000 | 2020 £000 | 2020 £000 |
|--|--------------|----------------|--------------|--------------|--------------|--------------|
| | Current tax | Deferred tax | Total tax | Current tax | Deferred tax | Total tax |
| Recognised in profit and loss account | 8,085 | (3,083) | 5,002 | 11,343 | (905) | 10,438 |
| Recognised in other comprehensive income | (2,187) | 78 | (2,109) | (2,221) | - | (2,221) |
| | <u>5,898</u> | <u>(3,005)</u> | <u>2,893</u> | <u>9,122</u> | <u>(905)</u> | <u>8,217</u> |

Analysis of charge in year in profit and loss

| | 2021 £000 | 2020 £000 |
|---|-----------------------|----------------------|
| <i>UK corporation tax</i> | | |
| Current tax on income for the year | 2,603 | 3,373 |
| Double taxation relief | - | (1,145) |
| | <u>2,603</u> | <u>2,228</u> |
| <i>Foreign tax</i> | | |
| Current tax on income for the year | 4,984 | 9,253 |
| | <u>7,587</u> | <u>11,481</u> |
| Adjustments in respect of prior year | | |
| UK corporation tax | (28) | (138) |
| Foreign tax | 526 | - |
| | <u>8,085</u> | <u>11,343</u> |
| Total current tax charge | <u><u>8,085</u></u> | <u><u>11,343</u></u> |
| Deferred taxation | | |
| Origination and reversal of timing differences – current year | (3,083) | (905) |
| | <u>(3,083)</u> | <u>(905)</u> |
| Total deferred tax | <u><u>(3,083)</u></u> | <u><u>(905)</u></u> |
| Total tax on loss | <u><u>5,002</u></u> | <u><u>10,438</u></u> |

Notes (continued)

9 Taxation (continued)

Tax reconciliation

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

| | 2021 £000 | 2020 £000 |
|--|--------------|-----------------|
| Loss for the year | (232,378) | (496,907) |
| Total tax expense | (5,002) | (10,438) |
| | <hr/> | <hr/> |
| Loss excluding taxation | (227,376) | (486,469) |
| | <hr/> | <hr/> |
| Tax at 19% (2019: 19%) | (43,201) | (92,429) |
| Effects of: | | |
| Net expenses and income not deductible for tax purposes | 53,411 | 58,248 |
| Losses not recognised for tax (utilised)/not recognised | (10,440) | 7,870 |
| Tax rate differentials on overseas earnings | (21) | 31,033 |
| Irrecoverable overseas withholding tax | 4,755 | 5,854 |
| | <hr/> | <hr/> |
| Adjustments to tax charge in respect of previous periods | 4,504 498 | 10,576 (138) |
| | <hr/> | <hr/> |
| Total tax charge | 5,002 | 10,438 |
| | <hr/> | <hr/> |

Factors affecting the future tax charge

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 as at 31 March 2021 was calculated at 19% (2020: 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 deferred tax asset by £907k.

Notes *(continued)*

10 Goodwill

Group

£000

Cost

| | |
|----------------------|--------|
| At beginning of year | 22,008 |
| Exchange movements | 1,820 |

| | |
|----------------|--------|
| At end of year | 23,828 |
|----------------|--------|

Amortisation and impairment

| | |
|----------------------|--------|
| At beginning of year | 22,008 |
| Charge for the year | - |
| Exchange movements | 1,820 |

| | |
|----------------|--------|
| At end of year | 23,828 |
|----------------|--------|

Net book value

| | |
|------------------|---|
| At 31 March 2021 | - |
|------------------|---|

| | |
|------------------|---|
| At 31 March 2020 | - |
|------------------|---|

Notes (continued)

11 Intangible assets

| Group | Contracts £000 | Customer relationships £000 | Licences £000 | Trademarks and Trade Name £000 | Internally Developed Software £000 | Total £000 |
|------------------------------------|-------------------|-----------------------------------|------------------|---|---|---------------|
| Cost | | | | | | |
| At beginning of year | 3,957 | 8,534 | 372 | 3,494 | 821 | 17,178 |
| Exchange adjustments | 427 | 254 | 39 | 27 | - | 747 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At end of year | 4,384 | 8,788 | 411 | 3,521 | 821 | 17,925 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Amortisation and impairment | | | | | | |
| At beginning of year | 3,957 | 8,534 | 372 | 3,494 | 821 | 17,178 |
| Exchange adjustments | 427 | 254 | 39 | 27 | - | 747 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At end of year | 4,384 | 8,788 | 411 | 3,521 | 821 | 17,925 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value | | | | | | |
| At 31 March 2021 | - | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2020 | - | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Notes (continued)

12 Tangible fixed assets and investment property

| Group | Land and buildings £000 | Aircraft and airport infrastructure £000 | Plant, equipment and rotatable spares £000 | Assets in course of construction £000 | Total £000 |
|--------------------------|----------------------------|---|---|--|---------------|
| Cost or valuation | | | | | |
| At beginning of year | 92,797 | 615,568 | 56,796 | 4,428 | 769,589 |
| Exchange adjustments | 262 | (38,124) | (3,361) | (59) | (41,282) |
| Additions | 412 | 15,212 | 845 | 2,051 | 18,520 |
| Surplus on revaluation | 410 | - | - | - | 410 |
| Disposals | (221) | (31,375) | (6,232) | (3,558) | (41,386) |
| Transfers | 221 | - | 784 | (1,005) | - |
| At end of year | 93,881 | 561,281 | 48,832 | 1,857 | 705,851 |
| Depreciation | | | | | |
| At beginning of year | 29,268 | 353,894 | 44,335 | - | 427,497 |
| Exchange adjustments | 37 | (29,083) | (3,326) | - | (32,372) |
| Charge for the year | 3,552 | 32,523 | 1,949 | - | 38,024 |
| Disposals | - | (22,847) | (3,868) | - | (26,715) |
| Impairment charge | 13 | 5,414 | 99 | - | 5,526 |
| At end of year | 32,870 | 339,901 | 39,189 | - | 411,960 |
| Net book value | | | | | |
| At 31 March 2021 | 61,011 | 221,380 | 9,643 | 1,857 | 293,891 |
| At 31 March 2020 | 63,529 | 261,674 | 12,461 | 4,428 | 342,092 |

Construction in progress is mainly progress payments on aircraft purchases and facility construction.

Further analysis of land and buildings:

| | | |
|---|--------------|--------------|
| The net book value of land and buildings comprises: | 2021 £000 | 2020 £000 |
| Freehold | 484 | 877 |
| Short leasehold | 2,119 | 2,311 |
| Long leasehold | 49,888 | 52,231 |
| Tangible assets | 52,491 | 55,419 |
| Investment property | 8,520 | 8,110 |
| | 61,011 | 63,529 |

The 2021 valuations were made by Clark Weightman Chartered Surveyors, on an open market value for existing use basis.

Notes (continued)

13 Fixed asset investments

| | Interests in associated undertakings £000 |
|-------------------------------|--|
| Group | |
| <i>Cost</i> | |
| At beginning of year | 3,476 |
| Additions | - |
| Disposals | (645) |
| Share of current year profits | - |
| | <hr/> |
| At end of year | 2,831 |
| | <hr/> |
| <i>Provisions</i> | |
| At beginning of year | 2,831 |
| Provision | - |
| | <hr/> |
| At end of year | 2,831 |
| | <hr/> |
| <i>Net book value</i> | |
| At 31 March 2021 | - |
| | <hr/> |
| At 31 March 2020 | 645 |
| | <hr/> |

Notes *(continued)*

13 Fixed asset investments *(continued)*

The following information is given in respect of the Group's share of the results of all associated undertakings.

| | 2021 £000 | 2020 £000 |
|--------------------------|--------------|--------------|
| Turnover | - | 3,062 |
| Profit/(loss) before tax | - | 130 |
| Taxation | - | - |
| Profit/(loss) after tax | - | 130 |

| Company | Shares in subsidiary undertakings £000 |
|------------------------------|---|
| Cost | |
| At beginning and end of year | 101,000 |
| Provisions | |
| At beginning and end of year | - |
| Net book value | |
| At 31 March 2021 | 101,000 |
| At 31 March 2020 | 101,000 |

The subsidiary and associated undertakings at 31 March 2021 are shown in note 25.

Notes (continued)

14 Stocks

| Group | 2021 £000 | 2020 £000 |
|-------------------------------|---------------|---------------|
| Raw materials and consumables | 37,487 | 42,508 |
| Work in progress | 78 | 45 |
| | <u>37,565</u> | <u>42,553</u> |

Raw materials and consumables and changes in finished goods and work in progress recognised as cost of sales amounted to £913,232 (2020: £323,138). The write-down of stocks to net realisable value amounted to £2,909,327 (2020: £16,377,835).

15 Debtors: amounts due within one year

| | Group 2021 £000 | Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| Trade debtors | 85,069 | 104,084 | - | - |
| Amounts due from associated undertakings | 1,708 | 3,263 | - | - |
| Amounts due from related company | 88,628 | 15,695 | - | - |
| Corporation tax debtor | 369 | 905 | - | - |
| Other debtors | 13,531 | 10,090 | - | - |
| Deferred tax | 2,872 | - | - | - |
| Prepayments and accrued income | 22,334 | 29,686 | - | - |
| | <u>214,511</u> | <u>163,723</u> | <u>-</u> | <u>-</u> |

16 Debtors: amounts due after more than one year

| | Group 2021 £000 | Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| Other debtors | 4,235 | 9,418 | - | - |
| Amounts due from subsidiary undertakings | - | - | 9,003 | 9,176 |
| Amounts due from related company | 151,516 | 393,034 | - | - |
| Prepayments and accrued income | 15,275 | 23,175 | - | - |
| | <u>171,026</u> | <u>425,627</u> | <u>9,003</u> | <u>9,176</u> |

Amounts due from related company comprise loans with maturity dates between 2023 and 2030.

Notes (continued)

17 Cash and cash equivalents/bank overdrafts

| Group | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Cash at bank and in hand | 130,116 | 90,546 |
| Cash and cash equivalents per cash flow statements | 130,116 | 90,546 |

18 Creditors: amounts falling due within one year

| | Group 2021 £000 | Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| Finance loan | 4,238 | 4,238 | - | - |
| Secured loans | 1,826 | 1,681 | - | - |
| Term loan | - | 16,946 | - | - |
| Bank loan | 60 | 60 | - | - |
| Trade creditors | 29,487 | 29,229 | - | - |
| Amounts owed to subsidiary undertakings | - | - | 5,246 | 5,343 |
| Amounts owed to related company | 117,643 | 139,972 | - | - |
| Corporation tax payable | 2,073 | 1,701 | - | 63 |
| Taxation and social security | 9,812 | 3,395 | - | - |
| Other creditors | 28,667 | 12,830 | - | - |
| Accruals and deferred income | 48,103 | 52,298 | - | - |
| | 241,909 | 262,350 | 5,246 | 5,406 |

19 Creditors: amounts falling due after more than one year

| | Group 2021 £000 | Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| Finance loan | 50,502 | 54,736 | - | - |
| Secured loans | 2,364 | 4,542 | - | - |
| Term loan | - | 156,707 | - | - |
| Bank loan | 165 | 210 | - | - |
| Unsecured subordinated loan stock at 13.5% p.a. | 2,176,848 | 1,910,289 | 2,176,848 | 1,910,289 |
| Other creditors | 15,768 | 16,640 | - | - |
| Amounts owed to related company | 8,286 | 6,018 | - | - |
| Accruals and deferred income | - | 2,172 | - | - |
| | 2,253,933 | 2,151,314 | 2,176,848 | 1,910,289 |

Notes (continued)

20 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

| | Group 2021 £000 | Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|---|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Creditors falling due more than one year | | | | |
| Finance loan | 50,502 | 54,736 | - | - |
| Secured loans | 2,364 | 4,542 | - | - |
| Term loan | - | 156,707 | - | - |
| Bank loan | 165 | 210 | - | - |
| Unsecured subordinated loan stock at 13.5% p.a. | 2,176,848 | 1,910,289 | 2,176,848 | 1,910,289 |
| | <u>2,229,879</u> | <u>2,126,484</u> | <u>2,176,848</u> | <u>1,910,289</u> |

| | Group 2021 £000 | Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|--|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Creditors falling due within less than one year | | | | |
| Finance loan | 4,238 | 4,238 | - | - |
| Secured loans | 1,826 | 1,681 | - | - |
| Term loan | - | 16,946 | - | - |
| Bank loan | 60 | 60 | - | - |
| | <u>6,124</u> | <u>22,925</u> | <u>-</u> | <u>-</u> |

Notes (continued)

20 Interest-bearing loans and borrowings (continued)

Terms and debt repayment schedule

| Group | Currency | Nominal interest rate | Year of maturity | Repayment schedule | 2021 £000 | 2020 £000 |
|--|----------|-----------------------|------------------|------------------------------------|------------------|------------------|
| Unsecured subordinated loan stock 13.5% | GBP | 13.5% | - | Callable once other debt is repaid | 91,000 | 91,000 |
| Unsecured subordinated loan stock 13.5% accrued interest | GBP | 13.5% | - | Callable once other debt is repaid | 2,085,848 | 1,819,289 |
| Bank loan | GBP | | | Within 1 year | 60 | 60 |
| | | | | Greater than 1 year | 165 | 210 |
| Secured loan | USD | 3.10% | 2023 | Within 1 year | 1,826 | 1,681 |
| | | | | Greater than 1 year | 2,364 | 4,542 |
| Finance loan | GBP | 2.5116% | Jan 2024 | Within 1 year | 4,238 | 4,238 |
| | | | | Greater than 1 year | 50,502 | 54,736 |
| Term loan | USD | 6.25% | Dec 2023 | Within 1 year | - | 16,946 |
| | | | | Greater than 1 year | - | 156,707 |
| | | | | | 2,236,003 | 2,149,409 |

The finance loan totalling £54.7m (2020: £59.0m) is a secured loan. It is guaranteed by Bristow Group Inc. and is secured over five aircraft. The net book value of fixed assets pledged as security against this loan is £62.2m (2020: £63.7m).

There is a secured loan and bank loan totalling £4.4m (2020: £6.5m), which is guaranteed by Bristow Group Inc.

The term loan was paid in full during the year with proceeds from Bristow Group Inc. (2020: £173.7m). This repayment formed part of a refinancing under which Bristow Group Inc. and certain subsidiaries of the Group acting as guarantors, entered into an Indenture with U.S. Bank National Association, as trustee and as collateral agent, pursuant to which the Bristow Group Inc. issued \$400,000,000 aggregate principal amount of its 6.875% Senior Secured Notes due 2028 in a private offering.

Certain loans and financing arrangements within the Bristow Group Inc. are secured over assets or shares held by the company or its subsidiaries.

The unsecured subordinated loan stock at 13.5% p.a. is due to Bristow International Panama S de RL and is callable only after settlement of all other pari passu and senior debts.

Notes (continued)

20 Interest-bearing loans and borrowings (continued)

Net debt

The below is an analysis of changes in net debt of the Group from the beginning to the end of the current reporting period:

| Group | Borrowings due within one year £000 | Borrowings due after one year £000 | Subtotal £000 | Cash and cash equivalents £000 | Net debt £000 |
|---------------------------------|--|---|--------------------|---|--------------------|
| Net debt analysis | | | | | |
| Balance at 1 April 2020 | (22,925) | (2,126,484) | (2,149,409) | 90,546 | (2,058,863) |
| Cash flows | 16,181 | 164,418 | 180,599 | 38,167 | 218,766 |
| Other non-cash changes | (32,009) | (234,550) | (266,559) | - | (266,559) |
| Movements in foreign exchange | 32,629 | (33,263) | (634) | 1,403 | 769 |
| Balance at 31 March 2021 | (6,124) | (2,229,879) | (2,236,003) | 130,116 | (2,105,887) |

Notes (continued)

21 Deferred taxation

| | Deferred tax asset 2021 £000 | Deferred tax asset 2020 £000 | Deferred tax liability 2021 £000 | Deferred tax liability 2020 £000 | Deferred tax total 2021 £000 | Deferred tax total 2020 £000 |
|--|---------------------------------------|---------------------------------------|---|---|---------------------------------------|---------------------------------------|
| Group | | | | | | |
| At beginning of year | - | - | - | (95) | - | (95) |
| Exchange | (133) | - | - | (5) | (133) | (5) |
| Acquisition | - | - | - | (762) | - | (762) |
| Movement in provision (charged)/ credited to the profit and loss account during the year | 3,083 | - | - | 905 | 3,083 | 905 |
| Movement in provision charged to reserves for year | (78) | - | - | (43) | (78) | (43) |
| At end of year | <u>2,872</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,872</u> | <u>-</u> |
| Recognised as: | | | | | | |
| Deferred tax asset | | | | | | |
| Deferred tax liability | | | | | | |
| Deferred tax is provided as follows: | | | | | | |
| Accelerated capital allowances | - | - | - | - | - | - |
| Other short term timing differences | 2,872 | - | - | - | 2,872 | - |
| Pension deficit | - | - | - | - | - | - |
| | <u>2,872</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,872</u> | <u>-</u> |

In addition to the deferred tax asset above, the Group has additional unrecognised gross tax losses of £252.0m (2020: £253.2m).

Notes (continued)

22 Share capital and reserves

Called up share capital

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| <i>Issued and fully paid</i> | | |
| 920,000 'A' Ordinary shares of £1 each | 920 | 920 |
| 980,000 'B' Ordinary share of £1 each | 980 | 980 |
| 100,000 'C' Ordinary shares of £1 each | 100 | 100 |
| 8,000,000 Deferred shares of £1 each | 8,000 | 8,000 |
| | <hr/> | <hr/> |
| | 10,000 | 10,000 |
| | <hr/> | <hr/> |

The 'A', 'B' and 'C' Ordinary shares and the Deferred shares all rank pari passu in the event of the winding up of the company. The 'A', 'B' and 'C' Ordinary shares carry equal dividend rights, whilst the Deferred shares carry no dividend rights. The 'A' and 'B' Ordinary shares carry equal voting rights, at 0.7894 votes per £1 share, the 'C' Ordinary shares carry voting rights at 5 votes per £1 share, and the Deferred shares carry no voting rights.

The holders of 'A' and 'C' Ordinary shares have a 'put' option allowing them to require the holders of the 'B' Ordinary shares, or an EU national acceptable to the holders of the 'B' Ordinary shares, to buy their holding. The price is calculated at a rate equal to LIBOR plus 3% fixed on a quarterly basis and compounded annually.

The holders of the 'B' Ordinary shares have a 'call' option to enable them, or a related party or nominated EU national, to acquire the 'A' and 'C' Ordinary shares. The price is calculated at a rate equal to LIBOR plus 3% fixed on a quarterly basis and compounded annually.

The exercise of options is subject to prior consultation with the Civil Aviation Authority, and there are provisions in the Articles that are designed to secure that the holding of any Civil Aviation Authority licence within the group is not jeopardised by a share transfer.

Profit and Loss Account

The profit and loss account comprises cumulative undistributed earnings of the Group.

Revaluation Reserve

The revaluation reserve arose on the revaluation of aircraft on transition to FRS 102.

Notes (continued)

23 Financial instruments

Carrying amount of financial instruments

The Group's principal financial instruments are cash and cash equivalents, bank loans, trade creditors and trade debtors. Financial instruments also comprise inter-company balances.

The carrying amounts of the financial assets and liabilities include amounts carried at amortised cost, comprising debtors and creditors, as disclosed in notes 15, 16, 18 and 19 and cash and cash equivalents (note 17). No material financial assets or liabilities were carried at fair value at the current or prior period end.

Financial risk management

The Group operates a decentralised treasury management which is responsible for managing the credit, liquidity, interest and foreign currency risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group's credit risk arises from bank balances and trade receivables from customers. Management of credit risk is a prime objective of the Group. At 31 March 2021, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet. The bulk of the Group's business is conducted with large companies which have strong credit ratings. Management is of the opinion that adequate provision currently exists in respect of trade receivables.

The concentration of credit risk of liquid funds and financial instruments with individual bank counter-parties is monitored. The Group's exposure and the credit ratings of its counterparties are monitored.

Liquidity risk

Liquidity risk refers to the risk that the Group will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities. Cash flow forecasts form part of the Group's annual planning process and are revised during the financial period. Details of long term borrowing facilities available for the Group are set out in note 20.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the Group. The majority of the Group's business is conducted outside of the UK (note 2). Foreign currency risk is monitored on a weekly basis. From time to time, forward contracts may be used to mitigate the risk of adverse exchange rate movements.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of balance sheet items or changes in interest income or expenses. Where appropriate, the Group will use interest rate swaps and collars to manage the risk relating to interest rate fluctuations.

24 Contingent liabilities

UK Bank facilities

The company is party to bank agreements guaranteeing its obligations and those of certain of its subsidiary undertakings. The agreement contains charges over certain property as security for such guarantees or obligations which have arisen, or may arise, pursuant to bank loans and overdrafts and revolving credit and guarantee facilities provided to Bristow Aviation Holdings Limited and its subsidiary undertakings by its principal bankers.

As of 31 March 2021, there was a £2.5m (2020: £2.5m) facility for revolving credit and guarantee facilities in place with National Westminster Bank Plc. On 31 March 2021 the amount due under revolving credit and guarantee facilities was £1.0m (2020: £1.0m).

Notes (continued)

24 Contingent liabilities (continued)

Legal issues

In November 2005, two of our consolidated foreign affiliates were named in a lawsuit filed with the High Court of Lagos State, Nigeria by Mr. Benneth Osita Onwubalili and his affiliated company, Kensit Nigeria Limited, which allegedly acted as agents of our affiliates in Nigeria. The claimants allege that an agreement between the parties was terminated without justification and seek damages of \$16.3 million. We responded to this claim in early 2006. There has been minimal activity on this claim since then.

There are various litigation and regulatory matters which arise, from time to time, in the ordinary course of business. The amount, if any, of the group's ultimate liability with respect to these matters cannot always be determined. The resolution of any pending matters is not expected to have a material adverse effect on the group's business or financial condition.

25 Subsidiary and associated undertakings

| Name | Registered address | Principal activity | Class | % held |
|--|---|---------------------------------------|------------------------------|--------|
| Subsidiary undertakings | | | | |
| BGI International Limited* | PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands | Provide helicopter services | Ordinary | 4.1176 |
| Bristow Caribbean Limited* | Golden Grove Road, Hangar #4 Piarco International Airport Arouca, Trinidad & Tobago | Provide helicopter services | Ordinary | 95.0 |
| Bristow Cayman Limited* | PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands | Holding company | Ordinary | 4.1176 |
| Bristow Helicopters Australia Pty Ltd* | Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia | Provide helicopter services | Ordinary | 95.0 |
| Bristow Helicopter Group Limited | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Holding company | Ordinary | 95.0 |
| Bristow Helicopters (International) Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Provide helicopter services | Deferred | 95.0 |
| Bristow Helicopters Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Provide helicopter services | Ordinary | 95.0 |
| | | | 5% Non-cumulative preference | 95.0 |
| Bristow Helicopters (Nigeria) Limited* | General Aviation Area, Murtala Mohammed Airport, Ikeja, Lagos, Nigeria | Provide helicopter services | Ordinary | 45.6 |
| Bristow International Aviation (Guernsey) Limited* | Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 3 BQ | Provide personnel to support aviation | Ordinary | 95.0 |
| Brillog Leasing Limited* | PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands | Provide aircraft lease rentals | Ordinary | 4.1176 |

Notes (continued)

25 Subsidiary, joint venture and associated undertakings (continued)

| | | | | |
|---|--|---|----------|--------|
| Bristow International Leasing Limited* | PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands | Provide aircraft lease rentals | Ordinary | 4.1176 |
| Bristow Norway A.S.* | Flyplassvegen 260, 4050 Sola, Rogaland, Norway | Provide helicopter services | Ordinary | 95.0 |
| Bristow Southeast Asia Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Provide helicopter services | Ordinary | 95.0 |
| Bristow Technical Services Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Provide technical services | Ordinary | 95.0 |
| Caledonian Helicopters Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Provide helicopter services | Ordinary | 95.0 |
| Humberside International Airport Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Airport operator | Ordinary | 78.565 |
| Sakhalin Bristow Air Services Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Provide survival suits | Ordinary | 57.0 |
| United Helicopters Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Holding company | Ordinary | 95.0 |
| Aircraft Logistics Pty Limited* | Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia | Provide personnel to support aviation | Ordinary | 95.0 |
| Asia Pacific Air Pty Limited* | Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia | Provides helicopter services | Ordinary | 95.0 |
| Capiteq Pty Limited* | Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia | Provides fixed wing services | Ordinary | 95.0 |
| Syncom Pty Limited* | Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia | Provide aircraft lease rentals | Ordinary | 95.0 |
| Aircrew Logistics Pty Limited* | Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia | Provide personnel to support aviation | Ordinary | 95.0 |
| Aimorth Fleet Pty Limited* | Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia | Provide aircraft lease rentals | Ordinary | 95.0 |
| E170 Fleet Pty Limited* | Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia | Provide aircraft lease rentals | Ordinary | 95.0 |
| Bristow Aerial Solutions Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Provides UAV services | Ordinary | 95.0 |
| Bristow Staff Pension Scheme Trustees Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Trustee of the Bristow Staff Pension Scheme | Ordinary | 95.0 |
| BGI Aviation Technical Services (Overseas) Limited* | Redhill Aerodrome, Redhill, Surrey, RH1 5JZ | Provide technical services | Ordinary | 95.0 |
| Bristow Helicopters (Ghana) Limited* | 2 nd floor, Vanguard House, No 21 Independence Avenue, Ridge-Accra, Ghana | Dormant | Ordinary | 95.0 |
| Bristow Travel Propriety Limited* | Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia | Provide travel services | Ordinary | 95.0 |
| Kingsmill Insurance Company Limited* | Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 4AT | Provide insurance services | Ordinary | 95.0 |

Notes (continued)

25 Subsidiary, joint venture and associated undertakings (continued)

| | | | | |
|--|---|---|----------|--------|
| Bristow Management Services Pty Limited* | Level 10, 191 St Georges Terrace, Perth, WA 6000, Australia | Provide engineering services | Ordinary | 95.0 |
| Bristow Aircraft Leasing Limited* | Redhill Aerodrome, Surrey, RH1 5JZ | Redhill, Provide aircraft lease rentals | Ordinary | 95.0 |
| Atyrau-Bristow Airways Services Limited* | Atyrau Airport, Atyrau, Kazakhstan | 465050, Provide helicopter services | Ordinary | 47.0 |
| Bristow Worldwide LP | Redhill Aerodrome, Surrey, RH1 5JZ | Redhill, Holding Partnership | Ordinary | 4.1176 |
| Bristow Equipment Leasing Limited* | PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands | Provide helicopter services | Ordinary | 4.1176 |
| Bristow Aircraft Leasing II Limited* | Redhill Aerodrome, Surrey, RH1 5JZ | Redhill, Provide aircraft lease rentals | Ordinary | 95.0 |
| Brilog Leasing Ltd II* | PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands | Provide aircraft lease rentals | Ordinary | 4.1176 |
| Bristow Ireland Limited* | Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2, Ireland | Provide helicopter services | Ordinary | 95 |
| BNAS Holding Company Limited* | Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2, Ireland | Holding company | Ordinary | 46.55 |
| Associates Visasset Ltd | c/o Taylor Vinters LLP, Tower 42, Level 33, 25 Old Broad Street, London, EC2N 1HQ | Provide UAV inspection services | Ordinary | 18.45 |

* Indicates entities held indirectly.

During the year the group disposed of its interest in Turkmenistan Helicopters Limited.

All companies in the Group provide services connected with air transport or associated activities. Bristow Helicopters (Nigeria) Limited has been treated as a subsidiary undertaking due to the dominant influence of the group over the operating and financial policies of the company. This subsidiary has been included in the consolidation.

Brilog Leasing Limited ("BLL"), Bristow Cayman Limited ("BCL") and subsidiaries have also been consolidated due to the company ("BAHL") having control, as general partner, of Bristow Worldwide LP which owns, in trust, the shares in both BLL and BCL. Bristow Worldwide LP has taken advantage of the exemption to prepare partnership accounts as its results are consolidated in the BAHL accounts.

Notes (continued)

26 Equity-settled share option plans

Share award plans

Incentive and Stock Option Plans - Prior to May 11, 2019, stock-based awards were made under the Bristow Group Inc. 2007 Long-Term Incentive Plan (the "2007 Plan"). The 2007 Plan and all awards thereunder were cancelled effective upon emergence from bankruptcy on October 31, 2019 ("Effective Date"). On the Effective Date, the Compensation Committee of Old Bristow's Board adopted the 2019 Management Incentive Plan (the "MIP"). At the time of its adoption, the MIP served as an equity-based compensation plan for directors, officers and participating employees and other service providers of Old Bristow and its affiliates, pursuant to which Old Bristow was permitted to issue awards covering shares of the Old Bristow Common Stock and Old Bristow Preferred Stock. Upon the closing of the Merger, all awards under this plan were converted into Combined Company Common Stock.

The grant date fair values of the restricted stock were derived using the Company's closing stock price on each of the respective award dates. The Company utilized the Black-Scholes option valuation model for estimating the fair value of its stock options.

Restricted Stock - During the fiscal year ended March 31, 2021, the number of shares and the weighted average grant price of restricted stock transactions, related to employees of Bristow Aviation Holdings Limited and subsidiaries ("BAHL"), since close of the Merger were as follows:

| | Number of Share Units (RSU) | Weighted Average Exercise Price for Share Units (RSU) |
|----------------------------------|--|--|
| Outstanding, beginning of period | 132,884 | \$0.00 |
| Granted | 59,416 | \$0.00 |
| Cancelled/Forfeited | (11,592) | \$0.00 |
| Outstanding, end of period | 180,708 | \$0.00 |

During the fiscal year ended March 31, 2021, the Company recognized share-based compensation expense of \$2.0 million related to these awards. As of March 31, 2021, the Company had approximately \$3.8 million in total unrecognized compensation costs associated with BAHL restricted stock awards.

Notes *(continued)*

26 Equity-settled share option plans

Share award plans

Stock Options - During the fiscal year ended March 31, 2021, the number of shares and the weighted average grant price of stock option transactions, related to employees of Bristow Aviation Holdings Limited and subsidiaries ("BAHL"), since close of the Merger were as follows:

| | Number of Options | Weighted Average Exercise Price for Options |
|----------------------------------|------------------------------|--|
| Outstanding, beginning of period | 88,082 | \$18.52 |
| Granted | 4,167 | \$15.76 |
| Cancelled/Forfeited | (7,731) | \$17.87 |
| Expired | (485) | \$29.84 |
| Outstanding, end of period | <u>84,033</u> | <u>\$18.38</u> |

During the fiscal year ended March 31, 2021, the Company recognized share-based compensation expense of \$3.9 million related to these awards. As of March 31, 2021, the Company had approximately \$4.5 million in total unrecognized compensation costs associated with BAHL restricted stock awards.

Notes (continued)

27 Pensions

The group maintains defined benefit schemes and also operates defined contribution schemes for its employees.

Defined benefit section

The Group operates two pension schemes that provide benefits based on final pensionable pay. The UK schemes cover most full-time employees of the Group who were employed on, or before, 31 December 1997. The main UK scheme is The Bristow Staff Pension Scheme ('Staff Scheme'), which covers UK based staff. The other scheme is The Bristow Expatriate Pension Scheme ('Expatriate Scheme'), which covers internationally based staff. These schemes have two sections, the defined benefit section and the defined contribution section.

Members of the UK defined benefit schemes ceased to accrue defined benefit entitlements in respect of service with effect from 1 February 2004, however death-in-service benefit continued to be provided. The age distribution of the defined benefit section of the schemes is expected to increase over time and the cost of providing the death-in-service benefit is expected to increase as the members approach retirement.

From 1 February 2004, UK defined benefit scheme members became eligible to receive an employer contribution into a defined contribution section of the respective scheme. For those members who have stayed in the scheme's company contributions into the defined contribution sections were made at a rate of 5%. The group contribution increased to 7% with effect from 1 January 2005, which increased to 7.35% from 1 July 2008, if employees contribute up to the same level themselves. Both the defined contribution and defined benefit sections of the Expatriate Scheme were closed to new members on 31 December 1997.

The FRS 102 valuation of the Company Scheme was assessed as at 31 March 2021 by an independent qualified actuary in accordance with FRS 102. As required by FRS 102, the defined benefit liabilities have been measured using the projected unit method.

The information disclosed below is in respect of the whole of the plans of the Group.

Notes (continued)

27 Pensions (continued)

Net pension liability

| | 2021 £000 | 2020 £000 |
|--|-----------------|-----------------|
| Defined benefit obligation ('DBO') | (397,600) | (369,600) |
| Plan assets | 365,634 | 355,309 |
| Effect of limit on recoverable surplus | (84) | - |
| Net pension liability | <u>(32,050)</u> | <u>(14,291)</u> |

Movements in present value of defined benefit obligation

| | 2021 Staff £000 | Expatriate £000 | Total £000 |
|---|-----------------------|--------------------|----------------|
| Year to 31 March 2021 | | | |
| At start of the year | 364,200 | 5,400 | 369,600 |
| Interest cost | 8,183 | 120 | 8,303 |
| Current service cost | 544 | 24 | 568 |
| Actual benefit payments by the fund | (17,840) | (397) | (18,237) |
| Remeasurement of DBO | 37,468 | 365 | 37,833 |
| Administrative expenses paid | (755) | (12) | (767) |
| Plan introductions, changes, curtailments and settlements | 300 | - | 300 |
| At end of the year | <u>392,100</u> | <u>5,500</u> | <u>397,600</u> |
| | 2020 Staff £000 | Expatriate £000 | Total £000 |
| Year to 31 March 2020 | | | |
| At start of the year | 381,200 | 5,700 | 386,900 |
| Interest cost | 9,006 | 134 | 9,140 |
| Current service cost | 461 | 24 | 485 |
| Actual benefit payments by the fund | (18,261) | (382) | (18,643) |
| Remeasurement of DBO | (6,970) | (66) | (7,036) |
| Administrative expenses paid | (1,236) | (10) | (1,246) |
| At end of the year | <u>364,200</u> | <u>5,400</u> | <u>369,600</u> |

Notes (continued)

27 Pensions (continued)

Movements in fair value of plan assets

| | 2021 Staff £000 | Expatriate £000 | Total £000 |
|---|-----------------------|--------------------|----------------|
| Year to 31 March 2021 | | | |
| At start of the year | 350,739 | 4,570 | 355,309 |
| Actual total benefit payments | (17,840) | (397) | (18,237) |
| Actual contributions – company | 12,529 | 300 | 12,829 |
| Interest income on fund assets | 8,011 | 105 | 8,116 |
| Return on fund assets (less)/greater than discount rate | 7,366 | 1,018 | 8,384 |
| Administrative expenses paid | (755) | (12) | (767) |
| At end of the year | 360,050 | 5,584 | 365,634 |
| | | | |
| Year to 31 March 2020 | | | |
| Market value at start of the year | 362,028 | 5,125 | 367,153 |
| Actual total benefit payments | (18,261) | (382) | (18,643) |
| Actual contributions – company | 12,466 | 268 | 12,734 |
| Interest income on fund assets | 8,690 | 123 | 8,813 |
| Return on fund assets (less)/greater than discount rate | (12,948) | (554) | (13,502) |
| Administrative expenses paid | (1,236) | (10) | (1,246) |
| At end of the year | 350,739 | 4,570 | 355,309 |

Expense recognised in the profit and loss account

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Current service cost | 15 | 15 |
| Administrative expenses paid | 553 | 470 |
| Plan introductions, changes, curtailments and settlements | 300 | - |
| | 868 | 485 |
| Net interest on net defined benefit liability | 187 | 327 |
| | 1,055 | 812 |

Amounts recorded in other comprehensive income

| | 2021 £000 | 2020 £000 |
|---|---------------|--------------|
| Remeasurement of DBO | 37,833 | (7,036) |
| Return on fund assets (less)/greater than discount rate | (8,384) | 13,502 |
| Change in irrecoverable surplus | 84 | - |
| | 29,533 | 6,466 |

Notes (continued)

27 Pensions (continued)

Financial assumptions:

| | As at 31 March 2021 % pa | As at 31 March 2020 % pa |
|---|--------------------------------|--------------------------------|
| UK schemes | | |
| Inflation rate | 2.60 | 3.20 |
| Rate of increase in pensionable salary * | - | - |
| Rate of increase of pensions in payment ** | 2.60 | 3.00 |
| Rate of increase for deferred pensioners ** | 1.70/2.60 | 2.20/3.20 |
| Discount rate | 2.30 | 2.40 |

* reflecting the Scheme amendments with effect from 1 February 2004

** in excess of any Guaranteed Minimum Pension (GMP) element

In valuing the liabilities of the pension fund at 31 March 2021, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 22.8 years (male), 24.3 years (female).
- Future retiree currently aged 50 upon reaching 65: 23.6 years (male), 25.4 years (female).

The following table sets out the market values of the respective scheme assets split into the main asset classes, showing the expected rate of return on each asset class, and the present value of the FRS 102 liabilities and the deficit of assets below the FRS 102 liabilities (which equals the group pension liability). The Scheme's assets are not intended to be realised in the short term and their value may be subject to significant change before they are realised. The present value of the respective scheme liabilities is derived from cash flow projections over long periods and thus inherently uncertain.

| <i>Staff Scheme</i> | 2021 £000 | 2020 £000 |
|----------------------------------|--------------|--------------|
| Market value of assets | | |
| Equities | 51,883 | 79,127 |
| Bonds | 58,256 | 94,735 |
| Other (including 6% real estate) | 249,911 | 176,877 |
| | <hr/> | <hr/> |
| Total value of plan assets | 360,050 | 350,739 |
| | <hr/> | <hr/> |

Notes (continued)

27 Pensions (continued)

| | | |
|----------------------------------|----------------|-------------|
| <i>Expatriate Scheme</i> | 2021 | 2020 |
| | £000 | £000 |
| Market value of assets | | |
| Equities | 3,632 | 2,679 |
| Bonds | 1,543 | 1,530 |
| Other assets | 409 | 361 |
| | <hr/> | <hr/> |
| Total value of plan assets | 5,584 | 4,570 |
| | <hr/> | <hr/> |
| <i>Aggregated Schemes</i> | 2021 | 2020 |
| | £000 | £000 |
| Market value of assets | | |
| Equities | 55,515 | 81,806 |
| Bonds | 59,799 | 96,265 |
| Other (including 6% real estate) | 250,320 | 177,238 |
| | <hr/> | <hr/> |
| Total value of plan assets | 365,634 | 355,309 |
| | <hr/> | <hr/> |
| Actual return on plan assets | 16,500 | (4,689) |
| | <hr/> | <hr/> |

The Group expects to contribute £13.1m to its defined benefit pension scheme in fiscal year 2022.

Defined contribution pension scheme

The defined benefit sections of both UK schemes were closed to new members on 31 December 1997. Most staff who commenced employment after this date were able to join a company defined contribution scheme operated by private insurance companies and a stakeholder pension plan. Contributions to these schemes by the Group matched those of the employee up to a maximum of 7%, increased to 7.35% from 1st July 2008, of gross pensionable salary over the year.

Contributions into defined contribution schemes by the group during the year totalled £16.7m (2020: £19.1m).

Notes (continued)

28 Commitments

(a) Capital commitments are as follows:-

| Group | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| <i>Aircraft, land and buildings</i> | | |
| Contracted but not provided for: | | |
| Within one year | - | - |
| In the second to fifth years inclusive | - | - |
| | <u>-</u> | <u>-</u> |
| <i>Options (aircraft)</i> | <u>-</u> | <u>-</u> |
| Contracted but not provided for: | | |
| Within one year | - | - |
| In the second to fifth years inclusive | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |

Other Purchase Obligations

At 31 March 2021 the group had approximately £52.5m (2020: £76.3m) of other purchase obligations representing non-cancellable power by the hour maintenance commitments.

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

| Group | 2021 £000 | 2020 £000 |
|--|----------------|----------------|
| Operating leases which expire: | | |
| Within one year | 49,598 | 59,558 |
| In the second to fifth years inclusive | 109,982 | 163,381 |
| Over five years | 8,779 | 12,826 |
| | <u>168,359</u> | <u>235,765</u> |

During the year £108,067,402 was recognised as an expense in the profit and loss account in respect of operating leases (2020: £148,008,857).

29 Related party transactions

a) Transactions with joint venture and associated undertakings

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Sales to associated undertakings in respect of aircraft rental and related services | 12,331 | 21,925 |
| Purchases from associated undertakings in respect of aircraft and related services | - | - |
| Other amounts receivable from associated undertakings | <u>1,708</u> | <u>3,263</u> |

Notes (continued)

29 Related party transactions (continued)

b) Transactions with other related parties

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Purchases from Bristow Group Inc. subsidiary in respect of aircraft rental and related services | 52,673 | 73,154 |
| Sales to Bristow Group Inc. subsidiary in respect of aircraft rental and related services | 779 | 374 |
| Interest expense to Bristow Group Inc. subsidiary in respect of - unsecured subordinated loan stock 13.5% | 266,559 | 234,550 |
| Other interest expense | 39 | 40 |
| Interest income | 9,058 | 10,790 |
| Amounts due to Bristow Group Inc. subsidiary | | |
| - management fees | 4,885 | 4,885 |
| - unsecured subordinated loan stock at 13.5% p.a. including interest | 2,176,848 | 1,910,289 |
| - creditors | 125,929 | 145,990 |
| Amounts due from Bristow Group Inc. subsidiary | | |
| - debtors | 240,145 | 410,843 |

c) Transactions with entities over which the Group has control (subject to the wholly owned exemption)

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Sales to entities over which the Group has control | 694 | 736 |
| Purchases from entities over which the Group has control | 280 | - |
| Interest income | 281 | - |
| Amounts due from entities over which the Group has control | 1,554 | 390 |
| Amounts due to entities over which the Group has control | 32 | 5,468 |

30 Ultimate parent company

At the date of signing these financial statements, Impigra Aviation Holdings Limited owns 51% of the ordinary share capital of Bristow Aviation Holdings Limited. Bristow Group Inc. subsidiaries own 49% of the ordinary share capital of Bristow Aviation Holdings Limited.

The largest and smallest group in which the results of the company and its group are consolidated is that headed by Bristow Group Inc., incorporated in the United States of America. No other group financial statements include the results of the company. The consolidated financial statements of these groups are available to the public and may be obtained from 3151 Briarpark Drive, Suite 700, 7th Floor, Houston, Texas, 77042.

Notes (continued)

31 Accounting estimates and judgements

The preparation of these financial statements requires us to make estimates, judgements and assumptions that we believe are reasonable based upon information available. We base our estimates and judgements on historical experience, professional advice and various other sources that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions. We believe that of our significant accounting policies, as discussed in note 1 in the “Notes to Consolidated Financial Statements” included elsewhere in this annual report, the following involve a higher degree of judgment and complexity. Judgements in respect of going concern are disclosed in note 1.

Property and Equipment

Our net property and equipment represents 34% of our total assets as of March 31, 2021. We determine the carrying value of these assets based on our property and equipment accounting policies, which incorporate our estimates, assumptions, and judgements relative to capitalised costs, useful lives and salvage values of our assets. Our property and equipment accounting policies are also designed to depreciate our assets over their estimated useful lives. The assumptions and judgments we use in determining the estimated useful lives and residual values of our aircraft reflect both historical experience and expectations regarding future operations, utilisation and performance of our assets. The use of different estimates, assumptions and judgements in the establishment of property and equipment accounting policies, especially those involving the useful lives and residual values of our aircraft, would likely result in materially different net book values of our assets and results of operations.

Useful lives and residual values of aircraft are difficult to estimate due to a variety of factors, including changes in operating conditions or environment, the introduction of technological advances in aviation equipment, changes in market or economic conditions, including changes in demand for certain types of aircraft, and changes in laws or regulations affecting the aviation or offshore oil and gas industry. We evaluate the remaining useful lives of our aircraft when certain events occur that directly impact our assessment of their remaining useful lives. Our consideration of ultimate residual value takes into account current expectations of fair market value and the expected time to ultimate disposal. The determination of the ultimate value to be received upon sale depends largely upon the condition of the aircraft and the flight time left on the aircraft and major components until the next major maintenance check is required. The future value also depends on the aftermarket that exists as of that date, which can differ substantially over time. We review our property and equipment for impairment when events or changes in circumstances indicate that the carrying value of assets or asset groups may be impaired.

Inventory Allowance

We maintain inventory that primarily consists of spare parts to service our aircraft. We establish an allowance to distribute the cost of spare parts expected to be on hand at the end of an aircraft type's life over the service lives of the related equipment, taking into account the estimated salvage value of the parts. Also, we periodically review the condition and continuing usefulness of the parts to determine whether the realisable value of this inventory is lower than its net book value. Parts related to aircraft types that our management has determined will no longer be included in our fleet or will be substantially reduced in our fleet in future periods are specifically reviewed. If our valuation of these parts is significantly lower than the net book value of the parts, an additional provision may be required.

Allowance for Doubtful Accounts

We establish allowances for doubtful accounts on a case-by-case basis when we believe the payment of amounts owed to us is unlikely to occur. In establishing these allowances, we consider a number of factors, including our historical experience and changes in our client's financial position as well as disputes with clients regarding the application of contract provisions to our services. We derive a significant portion of our turnover from services to major integrated oil and gas companies and government owned or government-controlled oil and gas companies. Our receivables are concentrated in certain oil-producing countries. We generally do not require collateral or other security to support client receivables. If the financial condition of our clients was to deteriorate resulting in impairment of their ability to make the required payments, additional allowances may be required.

Notes (continued)

31 Accounting estimates and judgements (continued)

Pension Benefits

Pension obligations are actuarially determined and are affected by assumptions including discount rates, compensation increases and employee turnover rates. The recognition of these obligations through the profit and loss account is also affected by assumptions about expected returns on plan assets. We evaluate our assumptions periodically and make adjustments to these assumptions and the recorded liabilities as necessary.

Two of the most critical assumptions are the assumed discount rate and the mortality rate. We utilize a British pound sterling denominated AA corporate bond index as a basis for determining the discount rate for our U.K. plans. We base mortality rates utilized on actuarial research on these rates, which are adjusted to allow for expected mortality within our industry segment and, where available, individual plan experience data. Changes in these and other assumptions used in the actuarial computations could impact our projected benefit obligations, pension liabilities, pension expense and other comprehensive income. We base our determination of pension expense on a fair value valuation of assets and an amortization approach for assessed gains and losses that reduces year-to-year volatility. This approach recognises investment and other actuarial gains or losses over the average remaining lifetime of the plan members. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return based on the market-related value of assets.

Contingent Liabilities

We establish reserves for estimated contingent liabilities when we believe a loss is probable and the amount of the loss can be reasonably estimated. Our contingent liability reserves relate primarily to potential tax assessments, litigation, personal injury claims and environmental liabilities. Income for each reporting period includes revisions to contingent liability reserves resulting from different facts or information which becomes known or circumstances which change and affect our previous assumptions with respect to the likelihood or amount of loss. Such revisions are based on information which becomes known or circumstances that change after the reporting date for the previous period through the reporting date of the current period. Reserves for contingent liabilities are based upon our assumptions and estimates regarding the probable outcome of the matter. Should the outcome differ from our assumptions and estimates or other events result in a material adjustment to the accrued estimated reserves, revisions to the estimated reserves for contingent liabilities would be required to be recognised.

32 Subsequent events

Subsequent to the year end, the global COVID-19 pandemic has continued. The operations of the group have been affected by the pandemic. Actions have been taken to continue safe flying operations and respond and adapt to customer requirements.

There have been no other significant events affecting the group since the year end.