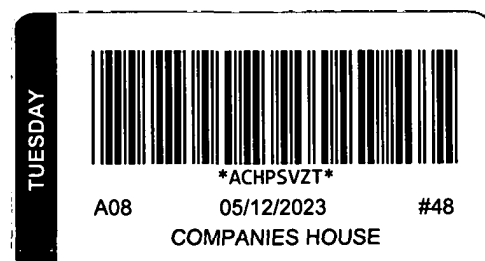


Bristow Aviation Holdings Limited

Annual report and financial statements

Registered number 03234500

31 December 2022



Contents

Strategic report	2
Directors' report	8
Statement of directors' responsibilities in respect of the annual report and the consolidated financial statements	13
Independent auditor's report to the members of Bristow Aviation Holdings Limited	14
Consolidated profit and loss account and other comprehensive income	18
Consolidated balance sheet	19
Company balance sheet	20
Consolidated cash flow statement	21
Consolidated statement of changes in equity	22
Company statement of changes in equity	23
Notes to the financial statements	24

Strategic report

Vision, Mission and Values

Bristow Aviation Holdings Limited and its consolidated group of companies (collectively, “the Group” or “the Company”) are committed to Bristow Group Inc.’s vision, mission and values. Our 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 and sustainable vertical flight solutions.

Mission

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

Diversity and inclusion

Demonstrate our commitment to attracting and retaining high-performing employees through a diverse talent base and evaluating and promoting throughout our organization based on skills and performance.

Business Review

Market outlook

We primarily provide aviation services to a broad base of offshore energy companies and government entities. Our aviation services include personnel transportation, search and rescue (“SAR”), fixed wing transportation, unmanned systems and ad-hoc helicopter services. Our energy customers charter our helicopters primarily to transport personnel to, from and between onshore bases and offshore production platforms, drilling rigs and other installations.

We believe a multi-year growth cycle in the offshore energy market is underway. Given our sector’s late cycle exposure and the lag effect involving new projects, we expect the benefits of increased activity to become evident in our financial results in the coming years.

Strategic report (continued)

Business Review (continued)

A tighter equipment market constrained global labour force and inflationary cost pressures are expected to drive meaningful rate increases for our business. Safety continues to be our number one core value and highest operational priority. We are committed to attracting and retaining high-performing employees through a diverse talent base and evaluating and promoting throughout our organization based on skills and performance. Bristow has a diverse fleet of aircraft, which are primarily owned. We intend to utilize our global leadership position to deliver the flexible, safe and reliable solutions that are becoming increasingly more important to our customers.

A large share of our revenue relates to offshore energy 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 oil and gas prices.

Government services, especially the public SAR market, is continuing to evolve, and we believe further outsourcing of public SAR services and other government contract work will become available to the private sector in the future, although the timing of these opportunities is uncertain. The duration of these contracts generally last for ten or more years with options for renewal. Privatisation of aviation services historically operated by the public sector depend heavily on government agencies receiving funding through budget appropriations, and the desire to outsource such services. As government agencies in various countries begin to see the advantages of outsourcing public SAR services, other opportunities such as firefighting, surveying, training, maintenance and emergency response services could become available. In July 2022, our U.K. operation was awarded a 10-year, £1.6 billion, contract for the Second-Generation Search and Rescue Aviation (U.K.SAR2G) program. In addition to this award, in August 2022, Bristow concluded its purchase of British International Helicopter Services Limited (BIH) to enhance our SAR services. Therefore, we believe that we are well positioned to continue to serve the market as more opportunities arise.

The offshore energy market is highly cyclical with demand linked to the price of oil and gas. The prices of oil and gas are critical factors in our customers’ investment and spending decisions. The price of crude oil has been range-bound for a number of years and then the COVID-19 pandemic further devastated the global offshore industry, which negatively impacted the cash flows of our customers and has led them to reduce capital and operational expenditures from prior levels, including reductions related to offshore exploration, development and production activities. More recently, oil and gas prices have shown signs of recovery, and we believe a multi-year growth cycle is underway.

Change of fiscal year end

The Company and its controlled entities changed its fiscal year end from 31st March to 31st December. The change in fiscal year end was applied on a prospective basis and does not adjust operating results for prior periods. As a result of this change, the financial results within this report for the current period are for the nine months ended 31st December 2022. The Company’s fiscal year 2023 commenced on 1st January 2023.

General operations overview and key performance indicators

Key performance indicators

The key performance indicators for the Group are represented below:

	9 months ended 31 December 2022	12 months ended 31 March 2022	Change
	£000	£000	%
Revenue	545,565	626,105	(13)%
Gross profit	84,858	100,100	(15)%
Gross profit %	16%	16%	-%
Administrative expenses	(55,444)	(73,982)	(25)%
Group operating profit	38,052	41,241	(8)%
Loss before tax	(216,075)	(261,138)	17%

Strategic report (continued)

Business Review (continued)

Revenue decreased by 13% on the previous year, however comparing the equivalent nine-month period in the prior year, revenue has increased. Revenue has fluctuated across all regions in which the Group operates, with improvement in the UK and Norway, in particular, together with the acquisition of BIH, increasing total revenue.

Gross profit decreased to £84.9m from £100.1m in the nine-month period to 31 December 2022, however comparing the equivalent nine-month period in the prior year, gross profit has increased. In line with improved revenue, gross profit across the regions has improved.

Administrative expenses have reduced by 25% to £55.4m on the prior year. Comparing the equivalent nine-month period in the prior year administrative expenses have remained constant.

Group operating profit has reduced by 8% to £38.1m (year ended 31 March 2022: £41.2m). Comparing the equivalent nine-month period in the prior year, gross operating profit has increased. With continued cost control initiatives in place the Group has seen an improvement in overall operating profit over the nine-month period.

The Group has a loss before tax of £216.1m (year ended 31 March 2022: £261.1m). The loss before tax includes interest payable and financing charges of £259.1m (year ended 31 March 2022: £308.3m). Comparing the equivalent nine-month period for the prior year, loss before tax increased.

Bristow continues to meet its pension obligations on an on-going basis; the overall net pension deficit increased to £17.9m at 31 December 2022 from £14.0m in the year ended 31 March 2022.

Capital expenditure in the nine-month period amounted to £37.7m (year ended 31 March 2022: £12.7m) which was mainly related to aircraft.

Fleet information

The chart below presents the number of aircraft in our fleet as at 31 December 2022, and their distribution among the regions in which we operate, and the percentage of operating revenue each of our regions provided for the nine month period ended 31 December 2022.

	Percentage of Operating Revenue	Helicopters						Total
		Heavy	Medium	Light Twin	Light Single	UAV	Fixed Wing	
Europe	73%	62	8	0	0	4	0	74
Africa	10%	4	15	1	0	0	2	22
Asia Pacific	13%	0	2	0	0	0	12	14
Caribbean	4%	0	6	0	0	0	0	6
Total	100%	66	31	1	0	4	14	116

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 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 U.K. on behalf of the Maritime and Coastguard Agency (MCA), as well as Rescue services in the Falkland Islands together with helicopter services for the MOD and Royal Navy in the U.K. We also own a controlling stake in the Humberside Airport in Kirmington, U.K. where we conduct certain of our SAR operations.

Strategic report (continued)

Business Review (continued)

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

International operations

We provide aviation services to the offshore energy industry in Nigeria where the marketplace for our services is predominantly concentrated in the oil rich shallow waters of the Niger Delta area and in support of deep water exploration. We also provide fixed wing services in the Africa region offering end-to-end transportation services principally for energy 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 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 and demonstrate 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 fulfil 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 CHC Group LLC and NHV Group. We may also face competition from a number of smaller operators that vary by region, including Caverton in Nigeria and Ultimate Aviation in the U.K.

Safety

Our well-established global safety programme called "Target Zero" focuses on improved safety performance. Our safety vision is to have zero accidents and zero harm to people. The key components to achieving this vision 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

- Fluctuations in oil prices and other current economic factors may cause a decrease in the demand for our services.
- Our future growth depends on the level of international offshore energy activity and future outsourced Government Services.
- Our failure to attract and retain qualified personnel could have an adverse effect on us.
- We face substantial competition in the aviation services industry.
- 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.

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

- The Group has a significant defined benefit pension obligation to fund.
- We are subject to government regulation that limits foreign ownership of aircraft companies
- Our operations are subject to weather related and seasonal fluctuations.
- Environmental regulations and liabilities may increase our costs and adversely affect us.

Going concern

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

Despite achieving an operating profit of £38.1m and with consolidated net liabilities of £2,086.0m, the Group and Company is dependent on Bristow Group Inc.'s financial support to provide additional funds that 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 U.K. 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, works in an industry in which safety is paramount and thus prides itself on having a highly skilled and motivated workforce. Employees are subject to annual reviews in which employees have the opportunity to give feedback as well as to receive feedback.

The Group operates two Defined Contribution Pension Schemes and also has two Defined Benefit Pension Schemes that have 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 Original Equipment Manufacturers ("OEM")'s, clients and other suppliers are significant in maintaining the Bristow brand with regards to quality and safety. The directors also consider the views and interests of other stakeholders relating to the Group's business, including the U.K. Civil Aviation Authority ("CAA") and other government agencies and regulators, European and other international organisations like European Union Aviation Safety Agency ("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 them 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.

Strategic report *(continued)*

- e) Desirability of the Group maintaining a reputation for high standards of business conduct

Directors' statement of compliance with duty to promote the success of the Group *(continued)*

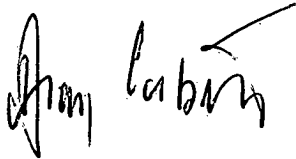
The directors continue to review quality and safety in the workplace and ensure compliance under the Bristow Group Inc.'s Code of Business Integrity.

- 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

24 November 2023

Redhill Aerodrome
Kings Mill Lane
Redhill
Surrey
RH1 5JZ

Directors' report

The directors present their report and financial statements for the nine month period ended 31 December 2022.

Principal activities

The principal activity of the Group (also referred to as 'Bristow' or 'Company') is to provide 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 U.K. and overseas. We have operations in many of the major offshore energy producing regions of the world, including, Nigeria, Norway and Trinidad. Search and Rescue helicopter services are provided in addition to supporting the offshore energy sector. Engineering and maintenance activities are also performed on aircraft working in both markets. In addition, we also provide fixed wing services in Africa and Australia.

Results and dividends

The audited financial statements for the nine month period ended 31 December 2022 are set out on pages 18 to 61. The Group loss for the financial period after taxation was £203.0m (year ended 31 March 2022 : £267.5m). Loss for the nine month period attributable to shareholders of the parent company was £215.2m (year ended 31 March 2022: £301.0m).

The directors do not recommend the payment of a dividend (*year ended 31 March 2022: £nil*).

Pensions

The Group is showing a net pension deficit of £17.9m as at 31 December 2022 (*year ended 31 March 2022: £14.0m*). Movements in the valuation of the pension schemes are 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

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

A Corbett
I A Godden
C Bradshaw
C MacFarlane

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

Directors' report *(continued)*

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 applicable company in the Group 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 period (*year ended 31 March 2022: £nil*).

Payment of creditors

The Company does not follow a published code or standard on payment notice. The Company's policy is to align terms of payment with each supplier in accordance with its requirements and financial procedures, to ensure that suppliers are aware of those terms, and to abide by them subject to the resolution of any disagreement regarding the supply. Trade creditor days of the Company at 31 December 2022 were 31 days (*year ended 31 March 2022: 22 days*).

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 aviation services and associated business activities. U.K. energy use includes purchased electricity, gas and fuel for Company transport but the single greatest contributor to the emissions total is from aviation fuel.

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 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 U.K. to disclose their annual energy use, greenhouse gas emissions, and related information.

During the financial period 1 April 2022 to 31 December 2022, a member of the Group, Bristow Helicopters Limited ('BHL'), fulfilled the qualification criteria of a Large Unquoted Company, and, therefore, the Group is required to report on the following emissions. The table relates to BHL only and not the Group:-

Directors' report *(continued)*

Gas:	Abbreviation	Emitted by BHL	Reporting Requirement
Carbon Dioxide Equivalent	CO2e	Yes	Yes
Carbon Dioxide	CO2	Yes	No
Methane	CH4	Yes	No
Nitrous Oxide	N2O	Yes	No

BHL has published a Sustainability Report to outline their green credentials as a leading global provider of innovative and sustainable flight solutions. This follows on from the Bristow U.K. Environmental Policy (U.K.-ENV-PO0001) released in September 2020 which provided a framework for setting and reviewing environmental objectives and targets. In 2022, Bristow achieved the following through the implementation of its sustainability programme across all aspects of the Company:

- Received ISO 14001:2015 certification for our corporate Environment Management System (EMS).
- Began using 10% blend of sustainable aviation fuel for Bristow flights to BP's North Sea operations in the U.K. continental shelf.
- Established 3 new Advanced Air Mobility (AAM) Partnerships, bringing the total number of publicly announced collaborations to seven.
- Calculated our Scope 1 and 2 greenhouse gas emissions for a second year.
- Purchased carbon offsets in accordance with our regional carbon output.

Bristow aim to deliver on our environmental commitments outlined in our Sustainability Report by:

- Using innovative solutions for fuel transfer to eliminate spillage.
- Minimising ground runs to reduce fuel consumption.
- Eliminating unnecessary periods of engine operation.
- Working with local regulators and communities to establish efficient flight routes around our airports to minimise fuel consumption and noise.

Our helicopter fleet accounts for the majority of our Scope 1 emissions footprint. To manage this more effectively, the Company has implemented technology, systems, and data management tools to track and report the fuel consumption of each helicopter trip across all Bristow locations and operations. We have standardised fuel-reduction processes and operational methodologies where possible, and analyse and trend aircraft performance data and monitor such data to identify potential aircraft faults or risks.

Bristow has also made operational and office-efficiency changes where possible. The Company has reduced fuel use by hosting various flight training exercises through simulations rather than in a physical aircraft. Additionally, in some areas, the Company has deployed an energy efficiency project to install new, more efficient, LED lighting accompanied by motion sensor systems that automatically turn lights off when not in use.

Directors' report (continued)

Assessment parameters

Base Period:	1 April 2022 – 31 December 2022
Consolidation approach	Operational Control
Boundary Summary	All branches in the U.K. 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>U.K. Government GHG Conversion Factors for Company Reporting Standard Set Version 1.0</i> for the period 2022.</p>

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

Greenhouse Gas Emissions	Unit	Current Reporting Period Apr22-Dec22	Prior Reporting Comparative Period Apr21-Dec21	Prior Reporting Year Apr21-Mar22
Natural Gas	tCO2e	242.91	319.69	481.1
Diesel	tCO2e	46.57	15.43	21.9
Petrol	tCO2e	6.14	1.45	3.1
Propane Gas	tCO2e	0	144.72	262.9
Electricity	tCO2e	668.74	751.03	1,032.4
Aviation fuel	tCO2e	33,950.48	33,205.90	43,251.3
Red diesel	tCO2e	49.39	46.18	67.0
Heating oil	tCO2e	68.08	68.92	105.0
Total	tCO2e	35,032.31	34,553.32	45,224.7

Greenhouse gas emissions have increased by 1.39% in the nine months ended 31 December 2022 compared with 2021 for the equivalent nine month period. There has been a notable decrease in Propane with the business no longer using it, however increases in diesel, petrol, aviation turbine fuel, and red diesel have resulted in a slightly higher level of emissions for the nine month period ended 31 December 2022.

The following table details the emissions by category in kWh for the current period and the comparative periods.

Greenhouse Gas Emissions	Unit	Current Reporting Period Apr22-Dec22	Prior Reporting Comparative Period Apr21-Dec21	Prior Reporting Year Apr21-Mar22
Natural Gas	kWh	1,330,721	1,745,393	2,626,756
Diesel	kWh	193,133	65,153	92,578
Petrol	kWh	27,041	6,325	13,570
Propane Gas	kWh	0	675,918	1,228,027
Electricity	kWh	3,458,158	3,537,068	4,862,069
Aviation fuel	kWh	136,996,530	133,992,008	174,527,003
Red diesel	kWh	204,808	194,985	282,703
Heating oil	kWh	275,876	279,285	425,463
Total	kWh	142,486,267	140,496,135	184,058,169

Directors' report *(continued)*

Intensity Ratio

Metric	Current Reporting Period Apr22-Dec22	Prior Reporting Comparative Period Apr21-Dec21	Prior Reporting Year Apr21-Mar22
Tonnes CO2e	35,032.31	34,553.32	45,224.7
Sales Revenue (£m)	251.6	229.64	306.2
Tonnes CO2e per £m Sales Revenue	139.24	150.47	147.7
Full Time Employee	908	902	902
Tonnes CO2e per Full Time Employee	38.58	38.31	50.14

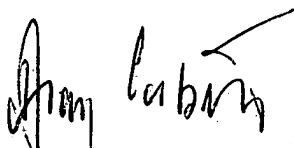
Post balance sheet event

After the period end the Group transferred two of its aircraft to a fellow Bristow Group subsidiary for £36,413,786, recognising a profit on sale of £11,946,907.

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

24 November 2023

Redhill Aerodrome
Kings Mill Lane
Redhill
Surrey
RH1 5JZ

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 U.K. accounting standards and applicable law (U.K. Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the U.K. 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 U.K. 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 period ended 31 December 2022 which comprise the Consolidated profit and loss account and other comprehensive income, 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 December 2022 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with U.K. accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the U.K. 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 (U.K.) ("ISAs (U.K.)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, U.K. 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.

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 Bristow Group Inc and the Group'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.

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

- 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 audit team to component audit 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 the Group level.

As required by auditing standards and taking into account possible pressures to meet profit targets, 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 Company'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 for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included revenue entries made to unrelated accounts and cash journals posted to unusual or unexpected accounts.

Identifying and responding to risks of material misstatement related to 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 from inspection of the Bristow Group's regulatory and legal correspondence 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 audit team to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

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.

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 or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, Civil Aviation Authority regulations and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. 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.

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

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 fraud 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 period 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.

Directors' responsibilities

As explained more fully in their statement set out on page 13, 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.

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

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 (U.K.) 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.



Andrew Williamson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Marischal Square
Broad Street
Aberdeen
AB10 1DD

30 November 2023

Consolidated profit and loss account and other comprehensive income
for the nine month period ended 31 December 2022

	<i>Note</i>	9 months ended 31 December 2022	12 months ended 31 March 2022
		£000	£000
Revenue	2	545,565	626,105
Cost of sales		(460,707)	(526,005)
Gross profit		84,858	100,100
Administrative expenses		(55,444)	(73,982)
Other operating expenses	5	-	(4,660)
Other operating income	5	8,638	19,783
Group operating profit		38,052	41,241
Interest receivable and similar income	6	4,936	5,963
Interest payable and similar expenses	7	(259,063)	(308,342)
Loss before taxation	8	(216,075)	(261,138)
Tax on loss	9	13,095	(6,349)
Loss for the financial period/year		(202,980)	(267,487)
Other comprehensive income			
Foreign exchange on translation of foreign operations		38,377	24,846
Actuarial (loss)/gain on defined benefit pension scheme	27	(12,960)	6,797
Current tax attributable to Defined Benefit Pension Scheme		1,678	2,080
Deferred tax on pension liability		4,475	-
		31,570	33,723
Total comprehensive loss for the period/year		(171,410)	(233,764)
<i>Loss for the period/year attributable to</i>			
Shareholders of the parent Company		(215,176)	(300,948)
Non-controlling interest		12,196	33,461
Total loss		(202,980)	(267,487)
<i>Total comprehensive loss attributable to</i>			
Shareholders of the parent Company		(219,844)	(283,895)
Non-controlling interest		48,434	50,131
Total comprehensive loss		(171,410)	(233,764)

The notes on pages 24 to 61 form part of these financial statements.

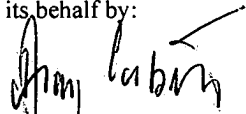
All of the results for the current period and prior year relate to continuing operations.

Consolidated balance sheet
at 31 December 2022

		31 December		31 March	
	<i>Note</i>	2022	2022	2022	2022
		£000	£000	£000	£000
Fixed assets					
Goodwill	10	-	-	-	-
Intangible assets	11	5,021	-	-	-
Tangible fixed assets	12	325,097	297,685	297,685	297,685
Investment property	12	8,440	8,670	8,670	8,670
		<u>338,558</u>	<u>306,355</u>	<u>306,355</u>	<u>306,355</u>
Investments	13	-	-	-	-
		<u>338,558</u>	<u>306,355</u>	<u>306,355</u>	<u>306,355</u>
Current assets					
Stocks	14	31,464	29,580	29,580	29,580
Debtors - due within one year	15	191,250	158,009	158,009	158,009
Debtors - due over one year	16	270,869	245,716	245,716	245,716
		<u>462,119</u>	<u>403,725</u>	<u>403,725</u>	<u>403,725</u>
Debtors - total		<u>462,119</u>	<u>403,725</u>	<u>403,725</u>	<u>403,725</u>
Cash at bank and in hand	17	48,830	109,223	109,223	109,223
		<u>542,413</u>	<u>542,528</u>	<u>542,528</u>	<u>542,528</u>
Creditors: amounts falling due within one year	18	(152,745)	(206,809)	(206,809)	(206,809)
		<u>389,668</u>	<u>335,719</u>	<u>335,719</u>	<u>335,719</u>
Net current assets		389,668	335,719	335,719	335,719
Total assets less current liabilities		728,226	642,074	642,074	642,074
Creditors: amounts falling due after more than one year	19	(2,796,283)	(2,542,621)	(2,542,621)	(2,542,621)
Pension liabilities	27	(17,900)	(14,000)	(14,000)	(14,000)
Provisions	21	-	-	-	-
		<u>(2,085,957)</u>	<u>(1,914,547)</u>	<u>(1,914,547)</u>	<u>(1,914,547)</u>
Net liabilities		(2,085,957)	(1,914,547)	(1,914,547)	(1,914,547)
Capital and reserves					
Called up share capital	22	10,000	10,000	10,000	10,000
Revaluation reserve	22	1,658	1,515	1,515	1,515
Profit and loss account	22	(2,545,552)	(2,325,565)	(2,325,565)	(2,325,565)
		<u>(2,533,894)</u>	<u>(2,314,050)</u>	<u>(2,314,050)</u>	<u>(2,314,050)</u>
Deficit attributable to parent's shareholders		(2,533,894)	(2,314,050)	(2,314,050)	(2,314,050)
Non-controlling interest		447,937	399,503	399,503	399,503
		<u>(2,085,957)</u>	<u>(1,914,547)</u>	<u>(1,914,547)</u>	<u>(1,914,547)</u>
Deficit in shareholders' funds		(2,085,957)	(1,914,547)	(1,914,547)	(1,914,547)

The notes on pages 24 to 61 form part of these financial statements.

These financial statements were approved by the board of directors on 24 November 2023 and were signed on its behalf by:



A Corbett
Director

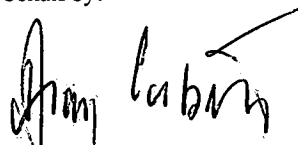
Company number: 03234500

Company balance sheet
at 31 December 2022

	<i>Note</i>	31 December		31 March	
		2022	2022	2022	2022
		£000	£000	£000	£000
Fixed assets					
Investments	13		101,000		101,000
Current assets					
Debtors - due within one year	15	-	-	-	-
Debtors - due over one year	16	9,968		9,446	
Debtors - total		9,968		9,446	
Creditors: amounts falling due within one year	18	(46,091)		(42,479)	
Net current liabilities			(36,123)		(33,033)
Total assets less current liabilities			64,877		67,967
Creditors: amounts falling due after more than one year	19		(2,736,342)		(2,480,498)
Net liabilities			(2,671,465)		(2,412,531)
Capital and reserves					
Called up share capital	22		10,000		10,000
Profit and loss account	22		(2,681,465)		(2,422,531)
Deficit in shareholders' funds			(2,671,465)		(2,412,531)

The notes on pages 24 to 61 form part of these financial statements.

These financial statements were approved by the board of directors on 24 November 2023 and were signed on its behalf by:



A Corbett
Director

Company number: 03234500

Consolidated cash flow statement
for the nine month period ended 31 December 2022

	<i>Note</i>	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Cash flow statement			
Cash flows from operating activities			
Loss for the period/year		(202,980)	(267,487)
Adjustments for:			
Depreciation and impairment charge of fixed assets	12	14,860	999
Amortisation of intangible assets	11	738	-
(Gain)/loss on disposal of tangible fixed assets	5	(215)	4,660
Interest receivable and similar income	6	(4,936)	(5,963)
Interest payable and similar expenses	7	259,063	308,342
Taxation	9	(13,095)	6,349
(Increase)/decrease in stocks	14	(1,884)	7,985
(Increase)/decrease in debtors		(25,174)	6,021
(Decrease)/increase in creditors		(59,717)	12,408
Decrease in provisions and employee benefits		(9,201)	(11,757)
Tax paid		(3,471)	(4,538)
Net cash (outflow)/inflow from operating activities		(46,012)	57,019
Cash flows from investing activities			
Acquisition of tangible fixed assets		(22,991)	(12,709)
Purchase of subsidiary		(10,543)	-
Proceeds from sale of tangible fixed assets		5,179	175
Net cash from investing activities		(28,355)	(12,534)
Cash flows from financing activities			
Receipts/(repayments) from settlement of Group loans		18,208	(60,558)
Interest paid		(2,760)	(3,590)
Interest received		454	5,963
Repayment of external borrowings		(3,179)	(8,614)
Net cash from financing activities		12,723	(66,799)
Decrease in cash and cash equivalents		(61,644)	(22,314)
Cash and cash equivalents at 1 April	17	109,223	130,116
Effect of exchange rate fluctuations on cash held		1,251	1,421
Cash and cash equivalents at 31 December/March	17	48,830	109,223

The notes on pages 24 to 61 form part of these financial statements.

Consolidated statement of changes in equity
for the nine month period ended 31 December 2022

	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 2021	10,000	1,446	(2,041,601)	(2,030,155)	349,372	(1,680,783)
Total comprehensive loss for the year						
Profit or loss	-	-	(300,948)	(300,948)	33,461	(267,487)
Other comprehensive income	-	69	16,984	17,053	16,670	33,723
Total comprehensive loss for the year	-	69	(283,964)	(283,895)	50,131	(233,764)
Balance as at 31 March 2022	10,000	1,515	(2,325,565)	(2,314,050)	399,503	(1,914,547)

	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 2022	10,000	1,515	(2,325,565)	(2,314,050)	399,503	(1,914,547)
Total comprehensive loss for the period						
Profit or loss	-	-	(215,176)	(215,176)	12,196	(202,980)
Other comprehensive income	-	143	(4,811)	(4,668)	36,238	31,570
Total comprehensive loss for the period	-	143	(219,987)	(219,844)	48,434	(171,410)
Balance as at 31 December 2022	10,000	1,658	(2,545,552)	(2,533,894)	447,937	(2,085,957)

The notes on pages 24 to 61 form part of these financial statements.

Company statement of changes in equity
for the nine month period ended 31 December 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2021	10,000	(2,082,091)	(2,072,091)
Total comprehensive loss for the year			
Profit or loss	-	(340,440)	(340,440)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(340,440)	(340,440)
Transactions with owners, recorded directly in equity	-	-	-
Balance as at 31 March 2022	10,000	(2,422,531)	(2,412,531)

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2022	10,000	(2,422,531)	(2,412,531)
Total comprehensive loss for the period			
Profit or loss	-	(258,934)	(258,934)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(258,934)	(258,934)
Transactions with owners, recorded directly in equity	-	-	-
Balance as at 31 December 2022	10,000	(2,681,465)	(2,671,465)

The notes on pages 24 to 61 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 England and Wales. The registered number is 03234500 and the registered address is Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, 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 U.K. and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is the British pound. 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;
- Key Management Personnel compensation has not been included a second time; and
- 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 32.

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.

Going concern

Notwithstanding a consolidated operating profit of £38.1m and net loss of £203.0m for the nine month period ended 31 December 2022 and consolidated net liabilities of £2,086.0m at 31 December 2022, 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.

At the period end, the principal debt obligations (other than certain quarterly instalment repayments) were not due before 2024 (note 20) and debt obligations are principally to Bristow Group Inc. companies. Subsequent to the period end, third party debt has been replaced by a new facility with the term extended to 2036, as set out in note 20. Net current assets (excluding debtors receivable after more than one year) were £118.8m. The Group's net liabilities at 31 December 2022 principally reflect the principal amount and accrued interest on an unsecured subordinated loan stock owed to Bristow International Panama S de RL, a fellow subsidiary. It is repayable only after settlement of all third-party debt obligations.

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, 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 December 2022 amounted to £75.3m (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

Notes (continued)

1 Accounting policies (continued)

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 also made enquiries relating to the financial performance and position of Bristow Group Inc. 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.

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.

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 December 2022. Where appropriate, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period 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 nine month period was £258.9m (*year ended 31 March 2022: £340.4m*).

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

Notes (continued)

1 Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are translated to the Group company's 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.

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. 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.

Notes (continued)

1 Accounting policies (continued)

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 of 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 only for the purpose only of the cash flow statement.

Group structure and minority interest

Bristow Aviation Holdings Limited ("BAHL") is general partner in Bristow Worldwide Limited Partnership ("BWLP"). 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 BWLP 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 BWLP 100% of the issued share capital of BriLog Leasing Ltd ("BLL") and Bristow Cayman Limited ("BCL") as capital BLL is 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 BWLP, 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 BWLP, 5% of the ordinary share capital of BHGL and 95.8824% of the ordinary share capital of BLL and BCL. Profits of the BWLP 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 BWLP, 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 recognises non-controlling interest of 5% of BHGL group of entities and 95.8824% of BLL and BCL results as non-controlling interests in reserves.

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.

Notes (continued)

1 Accounting policies (continued)

Goodwill (continued)

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 (31 March 2022: £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 ranging from 2 to 4 years
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.

Tangible fixed assets, capitalised interest costs and depreciation

Tangible fixed assets are stated at 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.

Notes (continued)

1 Accounting policies (continued)

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 10% - 25% 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.

Investment property

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

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

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

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.

Notes (continued)

1 Accounting policies (continued)

Intangible assets acquired in a business combination

For all business combinations entered into the Group recognises intangible assets separately from goodwill if the intangible meets all of the following three criteria:

- meets the recognition criteria per FRS 102.18.4; and
- are separable; and
- arise from contractual or other legal rights.

In addition, for contract intangibles acquired in a business combination entered into on or after 1 April 2021, the Group and Company has also elected to separately recognise these intangible assets from goodwill.

Acquisitions in the current period

On 2 August 2022, the Group acquired 100% of the issued share capital of British International Helicopter Services Limited (BIH) for £10,400,000. BIH provides Search and Rescue services in the Falkland Islands together with helicopter services for the Royal Navy in the U.K. The business contributed revenue of £7,806,720 and a net loss of £1,425,746 to the consolidated results for the period.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities.

	Book values	Fair value adjustments	Recognised values on acquisition
	£000	£000	£000
Acquiree's net assets at the acquisition date:			
Tangible fixed assets	9,228.0	(5,645.0)	3,583
Intangible assets	-	5,758.9	5,758.9
Stocks	4,496.6	(4,394.6)	102
Trade and other debtors	3,704.9	133.5	3,838.4
Cash	88.8	-	88.8
Trade and other creditors	(2,181.1)	-	(2,181.1)
Deferred tax liabilities	(750.0)	(40.0)	(790.0)
Net identifiable assets and liabilities	14,587.2	(4,187.2)	10,400
Consideration paid:			
Initial cash price paid			10,400
Total consideration			10,400

Fair value adjustments are explained as follows:-

1. Stocks – this adjustment relates to the inventory step down arising from the difference between the fair value and the historical cost of the inventory from BIH. Management provided a valuation report as at 2 August 2022, and this measurement was taken at the lower of cost and estimated selling price less costs to complete and sell.

Notes (continued)

1 Accounting policies (continued)

Acquisitions in the current period (continued)

2. Tangible fixed assets – the PPA adjustment here reflects the difference between the fair value and the depreciated historical cost of the Property and equipment acquired from BIH. The fixed asset listing was provided to Management and fair values were given to each aircraft in line with current market conditions, and condition of the aircraft. As a result, a fair value adjustment of £5.6m was recognised (including stock adjustment transfer). In line with FRS 102 19.13, assets must satisfy recognition criteria at their fair values at date of acquisition. Management have ensured that their valuation meets the criteria.
3. Intangible assets – an intangible asset is recognised when it is probable that the entity will receive future economic benefits attributable to the asset. When acquired as part of a business combination, the intangible is measured reliably and recognised within the Balance Sheet at the asset's fair value at the acquisition date. As per the Purchase price accounting document, Management assessed the fair value of all assets and as a result, the intangible asset value following the acquisition was £5.8m.

The intangible assets will be amortised over the life of the two contracts in place.

4. Trade and other debtors – this relates to the deferred tax asset resulting from the acquisition and the Purchase price accounting adjustments.
5. Deferred tax liabilities – this relates to the deferred tax liability adjustment arising as a result from the acquisition and the Purchase price accounting adjustments.

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.

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.

Notes (continued)

1 Accounting policies (continued)

Impairment excluding stocks and deferred tax assets (continued)

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.

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 includes 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 and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Taxation

Tax on the profit or loss for the period 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 period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes (continued)

1 Accounting policies (continued)

Taxation (continued)

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.

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 Company'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 expected long-term rate of return on plan assets is higher than the discount rate. This is based on the market expectations of investment returns on the plan's asset holding, whereas the discount rate is based on the yields on appropriate corporate bonds, regardless of how the plan assets are invested. The investment strategy is, however likely to change over the lifetime of the plan, so the relationship between the discount rate and the expected rate of return on assets may also change over time. The Company 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 the entity, and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Company 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. Scheme assets are valued on an annual basis in accordance with FRS 102. The majority of pension scheme assets have quoted prices in active markets. Fair value is based on market price information. If this is not available, the most recent transaction price, revenue or earnings-based valuations using unobservable inputs may be used.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

Employee benefits *(continued)*

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

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.

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.

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.

Notes (continued)

1 Accounting policies (continued)

Aircraft and major component overhaul and maintenance (continued)

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.

2 Revenue

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

Revenue is recognised when it is realised or realisable and earned. Revenue 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, revenue 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.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term.

Notes (continued)

2 Revenue (continued)

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Analysis of revenue by class of business:		
Helicopter and fixed wing services	541,307	622,659
Commercial income including investment property income	4,258	3,446
	<u>545,565</u>	<u>626,105</u>
Analysis of revenue by country of destination:		
United Kingdom	250,585	295,440
Europe	149,936	187,921
Rest of world	145,044	142,744
	<u>545,565</u>	<u>626,105</u>

3 Remuneration of directors

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Directors' emoluments	599	633
Amounts receivable under long term incentive schemes	53	4
Company contributions to money purchase pension schemes	36	48
	<u>688</u>	<u>685</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £482,607 (*year ended 31 March 2022: £468,464*), and Company pension contributions of £28,302 (*year ended 31 March 2022: £37,736*) were made to a money purchase scheme on his behalf. During the period, the highest paid director exercised share options and received shares under a long term incentive scheme.

	Number of directors 9 months ended 31 December 2022	12 months ended 31 March 2022
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	2	2
The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes and who exercised share options	2	1

Notes (continued)

4 Staff numbers and costs

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

	Number of employees	
	9 months ended 31 December 2022	12 months ended 31 March 2022
Operating staff	1,797	1,756
Management and administration	290	312
	<u>2,087</u>	<u>2,068</u>

The aggregate payroll costs of these persons were as follows:

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Wages and salaries	125,596	156,563
Social security costs	13,149	16,599
Defined contribution pension costs (note 27)	11,662	16,475
Defined benefit pension costs (note 27)	8	144
	<u>150,415</u>	<u>189,781</u>

Notes (continued)

5 Other operating (expenses)/income

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Loss on disposal of tangible fixed assets	-	(4,660)
Other operating expenses	-	(4,660)
Exchange movements	5,077	1,390
Gain on disposal of tangible fixed assets	215	-
Other income	1,554	3,353
U.K. Government Job Retention Scheme receipts	-	442
Australian government grants	1,792	14,462
Gain on disposal of subsidiary	-	136
Other operating income	8,638	19,783

6 Interest receivable and similar income

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Interest receivable	454	32
Interest receivable from related companies	4,482	5,931
	4,936	5,963

7 Interest payable and similar expenses

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Interest on related party loans	256,149	304,236
Interest on other loans	2,760	3,590
Interest on defined benefit pension scheme	154	516
	259,063	308,342

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

Notes (continued)

8 Expenses and auditor's remuneration

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
<i>Loss before taxation is stated after charging/(crediting):</i>		
Depreciation:		
Owned assets	14,860	19,664
Credit relating to the prior year	-	(19,014)
Impairment charge on tangible fixed assets	-	349
Amortisation of intangible assets	738	-
Operating lease rental expenses	78,222	83,696
Cost of stock recognised as an expense	146	1,176
Impairment of stock recognised as an expense	1,299	1,684

The prior year includes a credit for depreciation of £19,014,000. This was because of depreciation being calculated on tangible fixed assets which had previously been impaired.

Auditor's Remuneration

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Audit of these financial statements	140	95
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	1,081	1,100
Taxation compliance services	100	86
Other tax advisory services	-	58

Notes (continued)

9 Taxation

Analysis of charge in period

	9 months to 31 December			12 months to 31 March		
	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in profit and loss account	4,238	(17,333)	(13,095)	4,912	1,437	6,349
Recognised in other comprehensive income	1,678	4,475	6,153	(2,080)	-	(2,080)
	<u>5,916</u>	<u>(12,858)</u>	<u>(6,942)</u>	<u>2,832</u>	<u>1,437</u>	<u>4,269</u>

Analysis of charge in period in profit and loss

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
<i>U.K. corporation tax</i>		
Current tax on income for the period/year	1,683	2,028
Double taxation relief	-	-
	<u>1,683</u>	<u>2,028</u>
<i>Foreign tax</i>		
Current tax on income for the period/year	2,533	2,736
	<u>4,216</u>	<u>4,764</u>
Adjustments in respect of prior period/year		
U.K. corporation tax	-	92
Foreign tax	22	56
	<u>4,238</u>	<u>4,912</u>
Total current tax charge	<u><u>4,238</u></u>	<u><u>4,912</u></u>
Deferred taxation		
Origination and reversal of timing differences – current period/year	(17,264)	1,406
Origination and reversal of timing differences – prior year	(69)	31
	<u>(17,333)</u>	<u>1,437</u>
Total deferred tax	<u><u>(17,333)</u></u>	<u><u>1,437</u></u>
Total tax on loss	<u><u>(13,095)</u></u>	<u><u>6,349</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 U.K. corporation tax to the loss before tax is as follows:

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Loss for the period/year	(202,980)	(267,487)
Total tax expense	(13,095)	6,349
Loss excluding taxation	(216,075)	(261,138)
Tax at 19% (year ended 31 March 2022: 19%)	(41,054)	(49,616)
Effects of:		
Net expenses and income not deductible for tax purposes	49,565	62,236
Deferred asset tax not recognised (utilised)/not recognised	(23,126)	(3,222)
Impact on rate change on deferred tax balances	-	1
Tax rate differentials on overseas earnings	(1,378)	(6,390)
Irrecoverable overseas withholding tax	2,945	3,162
Adjustments to tax charge in respect of previous periods	(13,048) (47)	6,171 178
Total tax (credit)/charge	(13,095)	6,349

Factors affecting the future tax charge

An increase in the U.K. 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. The deferred tax assets and liabilities as at 31 December 2022 have been calculated based on these rates, reflecting the expected timing of reversal of the related timing difference.

Notes (continued)

10 Goodwill

Group	31 December 2022 £000
<i>Cost</i>	
At beginning of period	25,648
Exchange movements	1,820
	<hr/>
At end of period	27,468
	<hr/>
<i>Amortisation and impairment</i>	
At beginning of period	25,648
Exchange movements	1,820
	<hr/>
At end of period	27,468
	<hr/>
<i>Net book value</i>	
At 31 December 2022	-
	<hr/>
At 31 March 2022	-
	<hr/>

11 Intangible assets

Group	Contracts £000	Customer relationships £000	Licences £000	Trademarks and Trade Name £000	Internally Developed Software £000	Total £000
<i>Cost</i>						
At beginning of period	4,550	8,979	420	3,548	821	18,318
Acquired through business combinations	5,759	-	-	-	-	5,759
Disposals	(57)	(6,427)	-	(3,283)	(821)	(10,588)
Exchange adjustments	(114)	(44)	(11)	(3)	-	(172)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	10,138	2,508	409	262	-	13,317
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Amortisation and impairment</i>						
At beginning of period	4,550	8,979	420	3,548	821	18,318
Amortisation in period	738	-	-	-	-	738
Disposals	(57)	(6,427)	-	(3,283)	(821)	(10,588)
Exchange adjustments	(114)	(44)	(11)	(3)	-	(172)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	5,117	2,508	409	262	-	8,296
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>						
At 31 December 2022	5,021	-	-	-	-	5,021
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	-	-	-	-	-	-
	<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
<i>Cost or valuation</i>					
At beginning of period	94,601	578,446	50,381	5,413	728,841
Exchange adjustments	(19)	34,724	(45)	(2)	34,658
Additions	10	10,486	346	23,309	34,151
Acquired through business combinations	-	3,583	-	-	3,583
Deficit on investment property revaluation	(230)	-	-	-	(230)
Disposals	(98)	(4,696)	(373)	(2,701)	(7,868)
Transfers	-	137	896	(1,033)	-
At end of period	94,264	622,680	51,205	24,986	793,135
<i>Depreciation</i>					
At beginning of period	36,449	345,146	40,891	-	422,486
Exchange adjustments	(25)	25,232	(51)	-	25,156
Charge for the period	2,439	10,979	1,442	-	14,860
Disposals	(60)	(2,544)	(300)	-	(2,904)
At end of period	38,803	378,813	41,982	-	459,598
<i>Net book value</i>					
At 31 December 2022	55,461	243,867	9,223	24,986	333,537
At 31 March 2022	58,152	233,300	9,490	5,413	306,355

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:

	31 December 2022 £000	31 March 2022 £000
Freehold	2,076	48
Short leasehold	1,812	2,062
Long leasehold	43,133	47,372
Tangible assets	47,021	49,482
Investment property	8,440	8,670
	55,461	58,152

The 31 December 2022 investment property valuations were made by Clark Weightman Chartered Surveyors, on an open market value for existing use basis.

Notes (continued)

13 Fixed asset investments

Company	Shares in subsidiary undertakings £000
Cost	
At beginning and end of period/year	101,000
Provisions	
At beginning and end of period/year	-
Net book value	
At 31 December 2022	101,000
At 31 March 2022	101,000

The subsidiary and associated undertakings at 31 December 2022 are shown in note 25.

14 Stocks

Group	31 December 2022 £000	31 March 2022 £000
Raw materials and consumables	31,374	29,488
Work in progress	90	92
	<u>31,464</u>	<u>29,580</u>

Raw materials and consumables and changes in finished goods and work in progress recognised as cost of sales amounted to £146,162 (*year ended 31 March 2022: £1,176,529*). The write-down of stocks to net realisable value amounted to £1,299,143 (*year ended 31 March 2022: £1,684,086*).

15 Debtors: amounts due within one year

	Group 31 December 2022 £000	Group 31 March 2022 £000	Company 31 December 2022 £000	Company 31 March 2022 £000
Trade debtors	98,353	86,458	-	-
Amounts due from associated undertakings	668	1,352	-	-
Amounts due from related company	49,114	29,246	-	-
Corporation tax debtor	547	367	-	-
Other debtors	12,444	9,839	-	-
Deferred tax (note 21)	6,565	1,522	-	-
Prepayments and accrued income	23,559	29,225	-	-
	<u>191,250</u>	<u>158,009</u>	<u>-</u>	<u>-</u>

Notes (continued)

16 Debtors: amounts due after more than one year

	Group 31 December 2022 £000	Group 31 March 2022 £000	Company 31 December 2022 £000	Company 31 March 2022 £000
Other debtors	2,264	1,635	-	-
Amounts due from subsidiary undertakings	-	-	9,968	9,446
Amounts due from related company	247,414	236,459	-	-
Prepayments and accrued income	4,148	7,622	-	-
Deferred tax (note 21)	17,043	-	-	-
	<u>270,869</u>	<u>245,716</u>	<u>9,968</u>	<u>9,446</u>

Amounts due from related company comprise loans with maturity dates between 2024 and 2030. Interest is accrued at rates between 2.25% - 6.9% per annum.

17 Cash and cash equivalents/bank overdrafts

Group	31 December 2022 £000	31 March 2022 £000
Cash at bank and in hand	48,830	109,223
Cash and cash equivalents per cash flow statements	<u>48,830</u>	<u>109,223</u>

18 Creditors: amounts falling due within one year

	Group 31 December 2022 £000	Group 31 March 2022 £000	Company 31 December 2022 £000	Company 31 March 2022 £000
Finance loan	4,276	4,239	-	-
Trade creditors	52,398	31,722	-	-
Amounts owed to subsidiary undertakings	-	-	46,091	42,479
Amounts owed to related company	29,871	75,344	-	-
Corporation tax payable	949	943	-	-
Taxation and social security	2,179	4,060	-	-
Other creditors	8,344	30,422	-	-
Accruals and deferred income	54,728	60,079	-	-
	<u>152,745</u>	<u>206,809</u>	<u>46,091</u>	<u>42,479</u>

Notes (continued)

19 Creditors: amounts falling due after more than one year

	Group 31 December 2022 £000	Group 31 March 2022 £000	Company 31 December 2022 £000	Company 31 March 2022 £000
Finance loan	43,086	46,302	-	-
Unsecured subordinated loan stock at 13.5% p.a.	2,736,342	2,480,498	2,736,342	2,480,498
Other creditors	6,884	6,797	-	-
Amounts owed to related company	9,971	9,024	-	-
	<u>2,796,283</u>	<u>2,542,621</u>	<u>2,736,342</u>	<u>2,480,498</u>

Amounts due to related company comprise loans with a maturity date in 2027. Interest is accrued at 4% per annum.

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 31 December 2022 £000	Group 31 March 2022 £000	Company 31 December 2022 £000	Company 31 March 2022 £000
Creditors falling due more than one year				
Finance loan	43,086	46,302	-	-
Unsecured subordinated loan stock at 13.5% p.a.	2,736,342	2,480,498	2,736,342	2,480,498
	<u>2,779,428</u>	<u>2,526,800</u>	<u>2,736,342</u>	<u>2,480,498</u>
	Group 31 December 2022 £000	Group 31 March 2022 £000	Company 31 December 2022 £000	Company 31 March 2022 £000
Creditors falling due within less than one year				
Finance loan	4,276	4,239	-	-
	<u>4,276</u>	<u>4,239</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	31 December 2022 £000	31 March 2022 £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	2,645,342	2,389,498
Finance loan	GBP	2.5116%	Jan 2024	Within 1 year Greater than 1 year	4,276 43,086	4,239 46,302
					2,783,704	2,531,039

The finance loan totalling £47.4m (year ended 31 March 2022: £50.5m) 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 £58.1m (year ended 31 March 2022: £59.8m). Subsequent to the year end, this loan has been refinanced with a new facility with National Westminster Bank plc with a term to 2036.

Certain loans and financing arrangements of Bristow Group Inc. and its subsidiaries 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.

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 2022	(4,239)	(2,526,800)	(2,531,039)	109,223	(2,421,816)
Cash flows	(3,179)	-	(3,179)	(61,678)	(64,857)
Other non-cash changes	-	(255,845)	(255,845)	-	(255,845)
Movements in foreign exchange	3,142	3,217	6,359	1,285	7,644
Balance at 31 December 2022	(4,276)	(2,779,428)	(2,783,704)	48,830	(2,734,874)

Notes (continued)

21 Deferred taxation

	Deferred tax asset	Deferred tax asset	Deferred tax liability	Deferred tax liability	Deferred tax total	Deferred tax total
	31 December 2022 £000	31 March 2022 £000	31 December 2022 £000	31 March 2022 £000	31 December 2022 £000	31 March 2022 £000
Group						
At beginning of period/year	1,522	2,872	-	-	1,522	2,872
Exchange	145	87	-	-	145	87
Acquisition	133	-	-	-	133	-
Movement in provision (charged)/ credited to the profit and loss account during the period/year	17,333	(1,437)	-	-	17,333	(1,437)
Movement in provision charged to reserves for period/year	4,475	-	-	-	4,475	-
At end of period/year	23,608	1,522	-	-	23,608	1,522
Deferred tax is provided as follows:						
Accelerated capital allowances	(7,926)	-	-	-	(7,926)	-
Other short term timing differences	27,059	1,522	-	-	27,059	1,522
Defined Benefit Pension	4,475	-	-	-	4,475	-
	23,608	1,522	-	-	23,608	1,522
Comprising:						
Asset – due after one year	17,043	-	-	-	17,043	-
Asset – due within one year	6,565	1,522	-	-	6,565	1,522
	23,608	1,522	-	-	23,608	1,522

In addition to the deferred tax asset above, the Group has additional unrecognised gross tax losses of £153.7m (year ended 31 March 2022: £228.6m).

22 Share capital and reserves

Called up share capital

	31 December 2022 £000	31 March 2022 £000
Issued and fully paid		
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
	10,000	10,000

The 'A', 'B' and 'C' Ordinary shares and the Deferred shares are entitled to receive their nominal capital back on a winding up of the Company, with any balance being shared pari passu amongst the 'A', 'B' and 'C' Ordinary shares. 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.

Notes (continued)

22 Share capital and reserves (continued)

The holders of 'A' and 'C' Ordinary shares have a 'put' option allowing them to require the holders of the 'B' Ordinary shares, or a UK national acceptable to the holders of the 'B' Ordinary shares, to buy their holding. The price is calculated at a rate equal to 10% compounded annually from 19 December 1996 until 31 March 2004 and at a rate equal to EURIBOR plus 3% fixed on a quarterly basis and compounded annually from 1 April 2004 to completion of the put option. The holders of the 'B' Ordinary shares have a 'call' option to enable them, or a related party or nominated UK national, to acquire the 'A' and 'C' Ordinary shares. The price is calculated at a rate equal to 12% compounded annually from 19 December 1996 until 31 March 2004 and at a rate equal to EURIBOR plus 3% fixed on a quarterly basis and compounded annually from 1 April 2004 to completion of the call option.

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.

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 December 2022, 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 counterparties 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 U.K. (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.

Notes (continued)

23 Financial instruments (continued)

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

U.K. Bank facilities

The Company is party to a bank agreement 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.

Legal issues

In November 2005, one of our consolidated foreign affiliates was 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. Bristow has filed a second application for case dismissal, this is delayed due to an issue with case file notes, no action is pending until this issue is resolved.

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
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*	4 Lancaster Road, Marrara, Northern Territory 0812, 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	Ordinary	95.0
Bristow Helicopters Limited*	Redhill Aerodrome, Redhill, Surrey, RH1 5JZ	Provide helicopter services	Preference	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
BriLog Leasing Ltd.*	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)

Name	Registered address	Principal activity	Class	% Held
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	46.55
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*	4 Lancaster Road, Marrara, Northern Territory 0812, Australia	Provide personnel to support aviation	Ordinary	95.0
Aircrew Logistics Pty Limited*	4 Lancaster Road, Marrara, Northern Territory 0812, Australia	Provide personnel to support aviation	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
Bristow Helicopters (Ghana) Limited*	2 nd floor, Vanguard House, No 21 Independence Avenue, Ridge-Accra, Ghana	Dormant	Ordinary	95.0
Kingsmill Insurance Company Limited*	Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 4AT	Provide insurance services	Ordinary	95.0
Capiteq Limited*	4 Lancaster Road, Marrara, Northern Territory 0812, Australia	Provide fixed wing services	Ordinary	95.0
Bristow Management Services Pty Limited*	4 Lancaster Road, Marrara, Northern Territory 0812, Australia	Provide engineering services	Ordinary	95.0
Bristow Aircraft Leasing Limited*	Redhill Aerodrome, Redhill, Surrey, RH1 5JZ	Provide aircraft lease rentals	Ordinary	95.0
Atyrau-Bristow Airways Services Limited*	Atyrau Airport, Atyrau, 465050, Kazakhstan	Provide helicopter services	Ordinary	46.55
Bristow Worldwide LP	Redhill Aerodrome, Redhill, Surrey, RH1 5JZ	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, Redhill, Surrey, RH1 5JZ	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
BNAS Holding Company Limited*	Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2, Ireland	Holding company	Ordinary	46.55
British International Helicopter Services Limited*	Redhill Aerodrome, Redhill, Surrey, RH1 5JZ	Provide helicopter services	Ordinary	95.0
Bristow Arabia Aircraft and Maintenance Services*	Building #3119, Abdulaziz Bin Jalwai Street, 6924 Ishbilliyah District, Riyadh 13225, Saudi Arabia	Provide helicopter services	Ordinary	95.0
Bristow Guyana Inc.*	Eugene F. Correia International Airport, Georgetown, Guyana	Provide helicopter services	Ordinary	95.0

* Indicates entities held indirectly.

Bristow Travel Proprietary Limited, E170 Fleet Pty Ltd, Aimorth Fleet Pty Ltd and Syncom Pty Ltd were dissolved during the period. Bristow International Leasing Limited was dissolved on 11 April 2023..

Notes (continued)

25 Subsidiary, joint venture and associated undertakings (continued)

All companies in the Group provide services connected with air transport or associated activities. Bristow Helicopters (Nigeria) Limited and BNAS Holding Company Limited have been treated as subsidiary undertaking due to the power of the Group over the operating and financial policies of the companies to obtain benefits from their activities. These subsidiaries have 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.

Bristow Aviation Holdings Limited will be exempting the following companies from an audit for the period ended 31 December 2022 under Section 479A of the Companies Act 2006. All of these companies are fully consolidated in these Group financial statements:

Caledonian Helicopters Limited (00985151), Bristow (International) Helicopters Limited (00604403), Bristow Aerial Solutions Limited (05931055), Bristow Southeast Asia Limited (06400653) and United Helicopters Limited (00552382).

26 Equity based compensation

Share award plans

In August 2021, the Company adopted the 2021 Equity Incentive Plan (the "LTIP"). Upon adoption, the LTIP replaced all pre-existing plans. The aggregate number of shares of common stock reserved and available for issuance pursuant to awards granted under the LTIP are (a) 1,640,000 shares minus (b) one share for each share issued under awards granted under pre-existing plans on or after 1 June 2021, through the adoption date of the LTIP, and plus (c) the number of shares subject to awards under pre-existing plans that are forfeited or expire and become available for issuance under the terms of the LTIP. The LTIP allows for awards to be granted in the form of stock options, stock appreciation rights, shares of restricted stock, other share-based awards (payable in cash or common stock) or performance awards, or any combination thereof, and may be made to outside directors, employees or consultants. Shares underlying awards that expire, terminate, are cancelled, or forfeited to the Company, or are settled in cash may be reused for subsequent awards.

Restricted Stock - During the nine months ended 31 December 2022, 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") were as follows:

	Number of Share Units (RSU)	Weighted Average Exercise Price for Share Units (RSU)	Weighted Average Exercise Price for Share Units (RSU)
Outstanding, beginning of period	202,815	\$31.71	£24.08
Granted	111,751	\$29.08	£24.30
Vested/Released	(42,316)	\$24.16	£20.19
Cancelled/Forfeited	(466)	\$33.21	£27.75
Outstanding, end of period	271,784	\$31.98	£26.59

During the nine month period ended 31 December 2022, the Company recognised share-based compensation expense of \$2.2m (£1.8m) (year ended 31 March 2022 £1.8m) related to these awards. As of 31 December 2022, the Company had approximately \$4.1m (£3.4m) (year ended 31 March 2022 £3.2m) in total unrecognised compensation costs associated with restricted stock awards to BAHL employees.

Notes (continued)

26 Equity based compensation

Share award plans

Stock Options - During the nine month period ended 31 December 2022, the number of shares and the weighted average grant price and exercise price of stock option transactions, related to employees of BAHL were as follows:

	Number of Options	Weighted Average Fair Value	Weighted Average Exercise Price	Weighted Average Exercise Price
Outstanding, beginning of period	67,392	\$23.76	\$17.61	£13.37
Granted	9,314	\$23.76	\$17.61	£13.37
Exercised	-	-	-	-
Cancelled/Forfeited	(140)	\$24.76	\$18.08	£15.11
Expired	-	-	-	-
Outstanding, end of period	76,566	\$23.91	\$17.74	£14.75

During the nine month period ended 31 December 2022, the Company recognised share-based compensation expense of \$0.3m (£0.2m) (year ended 31 March 2022 £0.4m) related to these awards. As of 31 December 2022, the Company had approximately \$0.4m (£0.3m) (year ended 31 March 2022 £0.6m) in total unrecognised compensation costs associated with stock options awarded to BAHL employees.

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 U.K. schemes cover most full-time employees of the Group who were employed on, or before, 31 December 1997. The main U.K. scheme is The Bristow Staff Pension Scheme ('Staff Scheme'), which covers U.K. 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 U.K. 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, U.K. 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 December 2022 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 FRS 102 valuation has been based on full membership data as at 1 April 2019 and 1 April 2020, the date of the latest triennial valuations for the Staff Scheme and the Expatriate Scheme respectively.

During the nine month period to 31 December 2022, the scheme experienced significant fluctuations in the discount rate and movements in Other Comprehensive Income due to the fluctuations in inflation.

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

Notes (continued)

27 Pensions (continued)

Net pension liability

	31 December 2022 £000	31 March 2022 £000
Defined benefit obligation ('DBO')	(291,800)	(385,100)
Plan assets	275,140	371,340
Effect of limit on recoverable surplus	(1,240)	(240)
Net pension liability	(17,900)	(14,000)

Movements in present value of defined benefit obligation

	31 December 2022		
	Staff £000	Expatriate £000	Total £000
Year to 31 December 2022			
At start of the period	379,800	5,300	385,100
Interest cost	7,519	105	7,624
Current service cost	528	18	546
Actual benefit payments by the fund	(14,586)	(242)	(14,828)
Remeasurement of DBO	(85,105)	(1,181)	(86,286)
Administrative expenses paid	(356)	-	(356)
At end of the period	287,800	4,000	291,800
	31 March 2022		
	Staff £000	Expatriate £000	Total £000
Year to 31 March 2022			
At start of the period	392,100	5,500	397,600
Interest cost	7,674	106	7,780
Current service cost	530	26	556
Actual benefit payments by the fund	(16,865)	(341)	(17,206)
Remeasurement of DBO	(3,078)	9	(3,069)
Administrative expenses paid	(561)	-	(561)
At end of the period	379,800	5,300	385,100

Notes (continued)

27 Pensions (continued)

Movements in fair value of plan assets

	31 December 2022		
	Staff £000	Expatriate £000	Total £000
Year to 31 December 2022			
At start of the period	365,800	5,540	371,340
Actual total benefit payments	(14,586)	(242)	(14,828)
Actual contributions – Company	9,522	225	9,747
Interest income on fund assets	7,357	113	7,470
Return on fund assets less than discount rate	(97,837)	(396)	(98,233)
Administrative expenses paid	(356)	-	(356)
	<hr/>	<hr/>	<hr/>
At end of the period	269,900	5,240	275,140
	<hr/>	<hr/>	<hr/>
	31 March 2022		
	Staff £000	Expatriate £000	Total £000
Year to 31 March 2022			
At start of the period	360,050	5,584	365,634
Actual total benefit payments	(16,865)	(341)	(17,206)
Actual contributions – Company	12,000	325	12,325
Interest income on fund assets	7,153	111	7,264
Return on fund assets greater/(less) than discount rate	4,023	(139)	3,884
Administrative expenses paid	(561)	-	(561)
	<hr/>	<hr/>	<hr/>
At end of the period	365,800	5,540	371,340
	<hr/>	<hr/>	<hr/>

Expense recognised in the profit and loss account

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Current service cost	8	10
Administrative expenses paid	538	546
	<hr/>	<hr/>
	546	556
Net interest on net defined benefit liability	154	516
	<hr/>	<hr/>
Total expense recognised in profit or loss	700	1,072
	<hr/>	<hr/>

Amounts recorded in other comprehensive income

	9 months ended 31 December 2022 £000	12 months ended 31 March 2022 £000
Remeasurement of DBO	(86,286)	(3,069)
Return on fund assets less/(greater) than discount rate	98,233	(3,884)
Change in irrecoverable surplus	1,013	156
	<hr/>	<hr/>
	12,960	(6,797)
	<hr/>	<hr/>

Notes (continued)

27 Pensions (continued)

Financial assumptions:

	As at 31 December 2022 % pa	As at 31 March 2022 % pa
Inflation rate	3.30	3.70
Rate of increase in pensionable salary *	-	-
Rate of increase of pensions in payment **	3.10	3.40
Rate of increase for deferred pensioners **	2.80/3.30	3.20/3.70
Discount rate	4.80	2.70

* 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 December 2022, 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: 22.6 years (male), 24.2 years (female).
- Future retiree currently aged 50 upon reaching 65: 23.4 years (male), 25.2 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.

Staff Scheme

	31 December 2022 £000	31 March 2022 £000
Market value of assets		
Cash	2,500	2,700
Bonds	112,000	170,600
Debt	35,500	39,700
Insurance policy	76,700	99,500
Liquidity funds	8,000	13,900
Property funds	35,200	39,400
	<hr/>	<hr/>
Total value of plan assets	269,900	365,800
	<hr/>	<hr/>

Notes (continued)

27 Pensions (continued)

Expatriate Scheme

	31 December 2022 £000	31 March 2022 £000
Market value of assets		
Equities	2,495	3,700
Bonds	1,808	1,610
Property	745	230
Cash	192	-
	<hr/>	<hr/>
Total value of plan assets	5,240	5,540
	<hr/>	<hr/>

Aggregated Schemes

	31 December 2022 £000	31 March 2022 £000
Market value of assets		
Cash	2,692	2,700
Bonds	113,808	172,210
Debt	35,500	39,700
Insurance policy	76,700	99,500
Liquidity funds	10,495	17,600
Property funds	35,945	39,630
	<hr/>	<hr/>
Total value of plan assets	275,140	371,340
	<hr/>	<hr/>
Actual return on plan assets	(90,763)	11,148
	<hr/>	<hr/>

The Group expects to contribute £12.8m to its defined benefit pension scheme in fiscal year 2023.

Defined contribution pension scheme

The defined benefit sections of both U.K. 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 period totalled £11.7m (year ended 31 March 2022: £16.5m)

Notes (continued)

28 Commitments

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

Group – Leases as the lessee

	31 December 2022 £000	31 March 2022 £000
Operating leases which expire:		
Within one year	52,610	42,352
In the second to fifth years inclusive	99,009	68,777
Over five years	15,115	6,035
	<u>166,734</u>	<u>117,164</u>

During the period £78,221,663 was recognised as an expense in the profit and loss account in respect of operating leases (year ended 31 March 2022: £83,695,672).

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

Group – Leases as the lessor

	31 December 2022 £000	31 March 2022 £000
Within one year	800	756
In the second to fifth years inclusive	2,976	2,764
Over five years	32,212	32,091
	<u>35,988</u>	<u>35,611</u>

During the period £4,257,595 (year ended 31 March 2022: £3,446,098) of lease income was recognised as income by the Group.

29 Related party transactions

a) Transactions with joint venture and associated undertakings

	31 December 2022 £000	31 March 2022 £000
Sales to associated undertakings in respect of aircraft rental and related services	7,971	7,648
Other amounts receivable from associated undertakings	668	1,352
	<u>8,639</u>	<u>9,000</u>

Notes (continued)

29 Related party transactions (continued)

b) Transactions with other related parties

	31 December 2022 £000	31 March 2022 £000
Purchases from Bristow Group Inc. subsidiary in respect of aircraft rental and related services	26,531	38,249
Sales to Bristow Group Inc. subsidiary in respect of aircraft rental and related services	1,073	1,160
Interest expense to Bristow Group Inc. subsidiary in respect of - unsecured subordinated loan stock 13.5%	255,845	303,650
Other interest expense	304	586
Interest income	4,227	5,644
Amounts due to Bristow Group Inc. subsidiary		
- management fees	4,885	4,885
- unsecured subordinated loan stock at 13.5% p.a. including interest	2,736,342	2,480,498
- creditors	39,842	84,368
Amounts due from Bristow Group Inc. subsidiary		
- debtors	296,528	265,705

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

	31 December 2022 £000	31 March 2022 £000
Purchases from entities over which the Group has control	229	291
Interest income	255	290
Amounts due from entities over which the Group has control	241	-
Amounts due to entities over which the Group has control	4	4

The Group maintains a defined benefit pension scheme that by nature of the scheme is a related party, see Note 27 for details.

30 Capital commitments

The Group's capital commitments to purchase fixed assets at the period end were £106,128,300 (year ended 31 March 2022: £nil).

31 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 International Panama S de RL, a subsidiary of Bristow Group Inc. owns 49% of the ordinary share capital of Bristow Aviation Holdings Limited.

The Company's Immediate Parent Undertaking is Impigra Aviation Holdings Limited, a company incorporated and registered in England and Wales.

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 State of Delaware, 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)

32 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 37% of our total assets as of 31 December 2022. 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 energy sector. 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.

Pension Benefits

Pension obligations are actuarially determined and are affected by assumptions including discount rates, compensation increases and employee revenue 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.

Three of the most critical assumptions are the assumed discount rate, inflation 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. When determining the Retail Price Index (RPI) inflation assumption, the Group consider the “spot inflation rates” that the Bank of England derive from the relative difference in market prices on fixed-interest and index-linked Government Bonds. Typically, a lower than implied rate is used on the grounds that supply and demand and other institutional factors can influence the underlying markets. 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.

Notes (continued)

32 Accounting estimates and judgements (continued)

The following matters are less significant to these financial statements but may also require estimation

Stock Allowance

We maintain stock 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 stock 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 Debtors

We establish allowances for doubtful debtors 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 revenue from services to major integrated companies and government owned or government-controlled Offshore energy 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.

Provisions

We establish reserves for estimated provisions when we believe a loss is probable and the amount of the loss can be reasonably estimated. Our provision reserves relate primarily to potential tax assessments, litigation, personal injury claims and environmental liabilities. Income for each reporting period includes revisions to provision 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 provisions 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 provisions would be required to be recognised.

Deferred tax

Recognition of deferred tax assets for trading losses is dependent on future taxable profits. Estimation is required in relation to profits arising from trading activity. Details of deferred tax assets recognised are disclosed in note 21.

33 Subsequent events

Details of a new financing facility agreed in January 2023 are disclosed in note 20.

After the period end the Group transferred two of its aircraft to a fellow Bristow group subsidiary for £36,413,786, recognising a profit on sale of £11,946,907.

There have been no other significant events affecting the Group since the period end.