

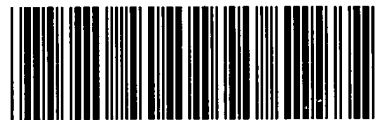
Eastern Airways (UK) Limited

**Directors' report and financial
statements**

Registered number 03468489

31 March 2014

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Contents

Company information	1
Directors' report	2
Strategic report	3
Statement of directors' responsibilities in respect of the directors' report, the strategic report and the financial statements	4
Independent auditor's report to the members of Eastern Airways (UK) Limited	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9

Company information

Directors

Mr R Lake
Mr B Huxford
Mr M Imlach
Mr A Bowie
Mr J Howell-Richardson

Secretary

Mr M Adamson

Company number

03468489

Registered office

Redhill Aerodrome
Kings Mill Lane
Redhill
RH1 5JZ

Auditor

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Business address

Schiphol House
Humberside International Airport
Kirmington
DN39 6YH

Bankers

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

Solicitors

Eversheds
1 Royal Standard Place
Nottingham
NG1 6FZ

Directors' report

The directors present the annual report and audited financial statements for the period ended 31 March 2014.

Change of accounting reference date

During the period the company changed its accounting reference date from 31 December to 31 March in order to be coterminous with the new ultimate parent company, Bristow Aviation Holdings Limited. Accordingly, these financial statements cover the 15 months ended 31 March 2014.

Principal activity

The principal activity of the company continues to be the operation of airline services.

Results for the period

The profit for the financial period ended 31 March 2014 was £2,560,000 (31 Dec 12: £2,592,000).

Political and charitable contributions

Charitable contributions totalling £19,756 were made during the period (31 Dec 12: £500). No political contributions were made during the period (31 Dec 12: £nil).

Dividends

No dividend has been paid in the period (31 Dec 12: £nil).

Directors

The directors who served during the period and up to the date of signing this report were:

Global Aviation Holdings Limited (resigned 6 February 2014)
P&B Investment Holdings Limited (resigned 6 February 2014)
Magnificent Obsessions Limited (resigned 6 February 2014)
Mr R Lake
Mr B Huxford
Mr M Imlach (appointed 6 February 2014)
Mr A Bowie (appointed 6 February 2014)
Mr J Howell-Richardson (appointed 6 February 2014)

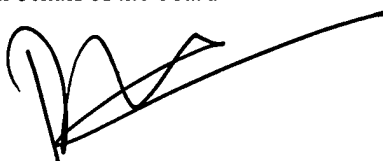
Disclosure of information to the auditor

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

Auditor

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

On behalf of the board



Richard Lake
Director

Registered Office:

Redhill Aerodrome
Kings Mill Lane
Redhill
RH1 5JZ

Dated: 29 December 2014

Strategic report

Business review

The results of the company for the period ended 31 March 2014 are as disclosed in the attached financial statements.

On 6 February 2014, Bristow Helicopters Limited acquired a 60% shareholding in Eastern Airways International Limited.

The company continues to provide scheduled airline services, charter and ACMI operations, to Domestic and European destinations for which it enjoys an excellent reputation for operational reliability. The company continues to be a major support and logistics provider to the oil industry.

Results for the period were strong with turnover and underlying profits maintaining the prior year performance.

At the period end the company operated a mixed fleet of Jetstream 41, Saab 2000 and ERJ 135/145 aircraft which allows for considerable flexibility in matching demand to capacity in both the scheduled airline and charter markets.

Principal risks and uncertainties

The key financial risks and uncertainties facing the company are set out below. The directors feel that the company has a good mix of business activities and is well-balanced to handle the risks and uncertainties that it may face.

The directors believe the key areas of risk facing the company are:

Environmental and government legislation

There continues to be uncertainty in the airline industry regarding taxation levied on domestic travel. The directors believe that due to the use of fuel efficient turbo-prop aircraft, Eastern enjoys a competitive advantage over the rest of the industry.

Fuel prices


During the period fuel prices remained largely stable. As in previous years, the company continues to use fuel hedges to mitigate the risk where appropriate. No hedges were in place as at 31 March 2014.

The price of oil continues to be a risk for the company. However due to the fuel efficient nature of the turbo-prop aircraft used, the proportionate cost of fuel to other operating costs is lower than the industry average.

Currency movements

A large proportion of aircraft parts, leasing, fuel and other costs are priced in US dollars. The company matches some revenues and costs to reduce this risk. There is an exposure to US dollar movements above the natural hedge and the company has in the past used forward contracts to manage this risk.

On behalf of the board


Richard Lake
Director

Registered Office:

Redhill Aerodrome
Kings Mill Lane
Redhill
RH1 5JZ

Dated: *29 December 2014*

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

The directors are responsible for preparing the directors' report, the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Eastern Airways (UK) Limited

We have audited the financial statements of Eastern Airways (UK) Limited for the period ended 31 March 2014 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and the auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Philip Charles (Senior Statutory Auditor)

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

Dated: 29 December 2014

Profit and loss account

for the 15 month period ended 31 March 2014

	<i>Note</i>	15 months ended 31 March 2014 £000	Year ended 31 December 2012 £000
Turnover	2	85,818	74,866
Cost of sales		(58,982)	(51,822)
Gross profit		26,836	23,044
Administrative expenses		(22,696)	(18,905)
<i>Operating profit before exceptional item</i>		4,140	4,139
<i>Exceptional item</i>	7	-	(680)
Loss on disposal of tangible fixed assets		(26)	(71)
Operating profit		4,114	3,388
Interest receivable and similar income	5	7	11
Interest payable and similar charges	6	(1,039)	(187)
Profit on ordinary activities before taxation	7	3,082	3,212
Tax on profit on ordinary activities	8	(522)	(620)
Profit for the financial period	17	2,560	2,592

The turnover and result for the period and the preceding period were derived wholly from continuing operations.

There are no recognised gains and losses in either financial period other than the historical cost profits as set out above. Accordingly, no statement of total recognised gains and losses has been presented.

The notes on pages 9 to 18 form part of these financial statements.

Balance sheet
at 31 March 2014

	<i>Note</i>	31 March 2014		31 December 2012	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9		1,540		3,666
Investments	10		5		4
			<hr/>		<hr/>
			1,545		3,670
Current assets					
Stocks	11	263		1,639	
Debtors	12	27,396		18,208	
Cash at bank and in hand		-		737	
		<hr/>		<hr/>	
		27,659		20,584	
Creditors: amounts falling due within one year	13	(17,305)		(14,701)	
		<hr/>		<hr/>	
Net current assets			10,354		5,883
			<hr/>		<hr/>
Total assets less current liabilities			11,899		9,553
Creditors: amounts falling due after more than one year	14	(246)		(462)	
Provisions for liabilities and charges	15	(355)		(353)	
		<hr/>		<hr/>	
Net assets			11,298		8,738
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Called up share capital	16	501		501	
Profit and loss account	17	10,797		8,237	
		<hr/>		<hr/>	
Shareholders' funds	18	11,298		8,738	
		<hr/> <hr/>		<hr/> <hr/>	

The notes on pages 9 to 18 form part of these financial statements.

These financial statements were approved by the Board of Directors on 29 December 2014 and signed on its behalf by:


Richard Lake
Director

Registered number : 03468489

Cash flow statement

for the 15 month period ended 31 March 2014

	Note	15 months ended 31 March 2014 £000	Year ended 31 December 2012 £000
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		4,114	3,388
Depreciation		849	508
Decrease in stocks		1,376	148
Increase in debtors		(8,920)	(3,169)
Increase in creditors		1,325	1,665
Amortisation of grants		-	-
Loss on disposal of fixed assets		(26)	(71)
Movement on provision		-	179
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		(1,282)	2,648
		<hr/>	<hr/>
Cash flow statement			
Cash flow from operating activities		(1,282)	2,648
Returns on investments and servicing of finance	19	(1,032)	(176)
Taxation		(835)	(1,385)
Capital expenditure and financial investment	19	1,303	(1,668)
		<hr/>	<hr/>
Cash outflow before financing		(1,846)	(581)
Financing	19	647	(333)
		<hr/>	<hr/>
Decrease in cash in the period		(1,199)	(914)
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds/(debt)			
Decrease in cash in the period		(1,199)	(914)
Cash (inflow)/outflow from increase in debt		(647)	333
		<hr/>	<hr/>
Movement in net funds/(debt) in the period	20	(1,846)	(581)
Non cash movements	20	-	-
Net (debt)/funds at the start of the period	20	(164)	417
		<hr/>	<hr/>
Net debt at the end of the period		(2,010)	(164)
		<hr/>	<hr/>

The notes on pages 9 to 18 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Going concern

The directors have prepared trading and cash flow forecasts for the company for a period in excess of 12 months following the date of approval of these financial statements. These forecasts indicate appropriate cash and covenant headroom based upon the bank facilities on this date. On this basis the directors are of the opinion that the company has adequate resources to trade in an orderly fashion for the foreseeable future and accordingly adopt the going concern basis in preparing these financial statements.

Tangible fixed assets and depreciation

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

Portable buildings	- 7% per annum
Fixtures, fittings and equipment	- 15-25% per annum
Motor vehicles	- 8-33% per annum
Aircraft rotables	- 5% per annum from the date of acquisition to estimated residual value
Aircraft improvements	- over the shorter of the life or remaining lease period of the relevant aircraft

Leased assets

Annual rentals payable or receivable under operating leases are charged or credited to the profit and loss account on a straight line basis over the lease term, unless another systematic and more rational basis is appropriate.

Stocks

Stocks are valued at the lower of cost and net realisable value including provision for obsolescence.

Foreign currencies

Transactions denominated in foreign currency are translated into sterling at the exchange rate ruling at the dates of the transactions, except where a transaction is to be settled at a contracted rate, when that rate is used. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the exchange rate ruling at the balance sheet date. Differences arising on translation are included in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

A provision is made at rates of taxation anticipated to be in force when the timing differences are expected to reverse.

Turnover

Turnover represents flown revenue from scheduled services, freight and other activities net of value added tax and Airport Passenger Duty.

Ticket sales are recorded as current liabilities in a 'forward sales' account and are included in creditors, within deferred income, until recognised as revenue when transportation occurs. Unused tickets are recognised as revenue when the right to travel expires which is determined by the terms and conditions of the ticket.

All other revenue streams are recognised at the point of fulfilling the service or the date at which the right to receive consideration occurs

2 Analysis of turnover

It is the view of the directors that all activities of the company fall within one class of business, that of airline operator.

Analysis of turnover by geographical area:

	15 months ended	Year ended
	31 Mar 14	31 Dec 12
	£000	£000
Within the British Isles	75,757	64,477
Between British Isles and Europe	10,061	10,389
	<hr/> 85,818 <hr/>	<hr/> 74,866 <hr/>

Turnover within the British Isles comprises revenue from domestic flights. Turnover between the British Isles and Europe comprises revenue from inbound and outbound flights between the British Isles and Europe and Europe to Europe travel.

The activities of the company are managed and administered on a central basis within the British Isles. As a result it would not be possible to provide a meaningful analysis of the operating results and net assets of the company on a route by route basis. Consequently, the operating results and net assets of the company are not shown across the geographical areas defined.

Notes (continued)

3 Remuneration of directors

	15 months ended 31 Mar 14 £000	Year ended 31 Dec 12 £000
<i>Directors' emoluments consist of:</i>		
Remuneration for management services	570	530
	<u>570</u>	<u>530</u>

No retirement benefits were accruing for directors in either the current or prior period.

The aggregate emoluments of the highest paid director were £390,000 (31 Dec 12: £350,000). At the period end accrued pension benefits amounted to £nil (31 Dec 12: £nil).

4 Staff numbers and costs

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

	Number of employees 15 months ended 31 Mar 14	Year ended 31 Dec 12
Administration	77	75
Operations	321	317
	<u>398</u>	<u>392</u>

The aggregate payroll costs of these persons were as follows:

	15 months ended 31 Mar 14 £000	Year ended 31 Dec 12 £000
Wages and salaries	12,091	9,503
Social security costs	1,536	1,207
Other pension costs	19	2
	<u>13,646</u>	<u>10,712</u>

5 Interest receivable and similar income

	15 months ended 31 Mar 14 £000	Year ended 31 Dec 12 £000
On inter-company loans	7	11
	<u>7</u>	<u>11</u>

Notes (continued)

6 Interest payable and similar charges

	15 months ended 31 Mar 14 £000	Year ended 31 Dec 12 £000
On bank loans and overdrafts	140	136
Other interest	102	37
Foreign exchange losses	797	14
	<u>1,039</u>	<u>187</u>

7 Profit on ordinary activities before taxation

	15 months ended 31 Mar 14 £000	Year ended 31 Dec 12 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation	849	508
Loss on disposal of tangible fixed assets	(26)	(71)
Operating lease rentals to non group companies - aircraft	6,606	4,012
Operating lease rentals to group companies - aircraft	15,750	12,607
	<u>15,750</u>	<u>12,607</u>

Exceptional item

During the prior period the company incurred £680,000 of costs to retrain Dash 8 pilots to use the other aircraft in the fleet following the disposal of the Dash 8 aircraft.

Auditor's remuneration:

	15 months ended 31 Mar 14 £000	Year ended 31 Dec 12 £000
Audit of these financial statements	51	30
	<u>51</u>	<u>30</u>

Notes (continued)

8 Taxation on profit on ordinary activities

	15 months ended 31 Mar 14 £000	Year ended 31 Dec 12 £000
a) Analysis of charge in the period		
<i>UK corporation tax:</i>		
UK corporation tax at 23.2% (31 Dec 12: 24.5%)	711	835
Over provision in prior period	(191)	(141)
Total current tax (note 8(b))	520	694
<i>Deferred tax:</i>		
Reversal of timing differences	13	(37)
Change in tax rate	(53)	(32)
Adjustment in respect of prior periods	42	(5)
Deferred tax (note 15)	2	(74)
Total tax charge	522	620

b) Factors affecting the current tax charge for the period

The current tax charge is lower (31 Dec 12: lower) than the standard rate of corporation tax in the UK of 23.2% (31 Dec 12: 24.5%).

	15 months to 31 Mar 14 £000	Year to 31 Dec 12 £000
Profit on ordinary activities before tax	3,082	3,212
Corporation tax at 23.2% (31 Dec 12: 24.5%)	715	787
<i>Effects of:</i>		
(Income)/expenses not deductible for tax purposes	(13)	11
Depreciation in excess of capital allowances	9	37
Overprovision in prior periods	(191)	(141)
Current tax charge for the period	520	694

Notes (continued)

9 Tangible fixed assets

	Portable buildings £000	Aircraft improve- ments £000	Aircraft rotables £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 January 2013	239	1,813	2,271	3,041	387	7,751
Additions	13	226	2,208	467	101	3,015
Disposals	-	(2)	-	-	(175)	(177)
Transfer to group undertaking	-	-	(4,262)	-	-	(4,262)
At 31 March 2014	252	2,037	217	3,508	313	6,327
Accumulated depreciation						
At 1 January 2013	135	1,272	179	2,263	236	4,085
Charge for period	22	424	38	321	44	849
Disposals	-	-	-	-	(147)	(147)
At 31 March 2014	157	1,696	217	2,584	133	4,787
Net book value						
At 31 March 2014	95	341	-	924	180	1,540
At 31 December 2012	104	541	2,092	778	151	3,666

10 Fixed asset investments

	31 Mar 14 £000	31 Dec 12 £000
Investment in The Professional Darts Corporation Limited (0.6%)	5	4

The investment is held at cost but given the success of the PDC the directors are confident the market value of the shares is significantly in excess of the original cost.

11 Stocks

	31 Mar 14 £000	31 Dec 12 £000
Consumable stocks	49	1,552
Other	214	87
	263	1,639

Notes (continued)

12 Debtors

	31 Mar 14 £000	31 Dec 12 £000
Trade debtors	3,067	2,127
Amounts owed by parent undertakings	2,484	2,161
Amounts owed by group undertakings	18,136	9,488
Other debtors	588	1,622
Other tax and social security	1,185	441
Prepayments and accrued income	1,936	2,369
	<u>27,396</u>	<u>18,208</u>

13 Creditors: amounts falling due within one year

	31 Mar 14 £000	31 Dec 12 £000
Bank overdraft	578	116
Bank loans	1,186	323
Trade creditors	6,849	6,460
Corporation tax	711	1,025
Other tax and social security	895	-
Other creditors	-	400
Accruals and deferred income	7,086	6,377
	<u>17,305</u>	<u>14,701</u>

Loans of £432,000 (31 Dec 12: £785,000) are repayable in equal monthly instalments and are secured on aircraft held by Air Kilroe Limited, a fellow subsidiary. Interest is charged at between 2% - 3% above LIBOR.

During the year the company drew down £1,000,000 on its revolving credit facility which is secured on the assets of the wider Eastern Airways (Europe) Limited group. Interest is charged on this balance at 3.25% above LIBOR. This drawdown has since been repaid.

The company has an overdraft facility which is secured by a debenture incorporating a fixed and floating charge over the assets of the company.

The bank loans and overdraft are subject to a cross guarantee arrangement including Eastern Airways (Europe) Limited and Air Kilroe Limited as described in note 24.

14 Creditors: amounts falling due after more than one year

	31 Mar 14 £000	31 Dec 12 £000
Bank loans	246	462
<i>The maturity of obligations under bank and other loans are as follows:</i>		
Within one year	1,186	323
Between one and two years	176	199
Between two and five years	70	263
	<u>1,432</u>	<u>785</u>

Notes (continued)

15 Provisions for liabilities and charges

Movement on deferred taxation:

	31 Mar 14 £000	31 Dec 12 £000
Opening balance	353	248
Transfer from group undertaking	-	179
Charge/(credit) to profit and loss account (note 8)	2	(74)
	<hr/>	<hr/>
At 31 March/December	355	353
	<hr/>	<hr/>
Difference between accumulated depreciation and capital allowances	241	222
Gains reinvested in depreciating assets	114	131
	<hr/>	<hr/>
	355	353
	<hr/>	<hr/>

16 Called up share capital

	31 Mar 14 £000	31 Dec 12 £000
<i>Allotted, called up and fully paid</i>		
501,000 Ordinary shares of £1 each	501	501
	<hr/>	<hr/>

17 Profit and loss account

	31 Mar 14 £000	31 Dec 12 £000
Opening balance	8,237	5,645
Profit for the financial period	2,560	2,592
	<hr/>	<hr/>
At 31 March/December	10,797	8,237
	<hr/>	<hr/>

18 Reconciliation of movements in shareholders' funds

	31 Mar 14 £000	31 Dec 12 £000
Profit for the financial period	2,560	2,592
	<hr/>	<hr/>
Increase in shareholders' funds	2,560	2,592
Opening shareholders' funds	8,738	6,146
	<hr/>	<hr/>
Closing shareholders' funds	11,298	8,738
	<hr/>	<hr/>

Notes (continued)

19 Analysis of cash flows

	15 months ended 31 Mar 14 £000	Year ended 31 Dec 12 £000
Returns on investment and servicing of finance		
Interest received	7	11
Interest paid	(1,039)	(187)
	<u>(1,032)</u>	<u>(176)</u>
Capital expenditure and financial investment		
Proceeds on the sale of tangible fixed assets	4,319	824
Purchase of shares in fixed asset investment	(1)	-
Purchase of tangible fixed assets	(3,015)	(2,492)
	<u>1,303</u>	<u>(1,668)</u>
Financing		
New borrowings	1,000	-
Repayment of borrowings	(353)	(333)
	<u>647</u>	<u>(333)</u>

20 Analysis of net debt

	At beginning of period £000	Cash flow £000	Non-cash movements £000	At end of period £000
Cash in hand, at bank	621	(1,199)	-	(578)
Debt due within one year	(323)	(863)	-	(1,186)
Debt due after one year	(462)	216	-	(246)
Total	<u>(164)</u>	<u>(1,846)</u>	<u>-</u>	<u>(2,010)</u>

21 Commitments

a) Capital commitments

At 31 March 2014, contracts for capital commitments amounted to £nil (31 Dec 12: £nil).

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

Other	31 Mar 14 £000	31 Dec 12 £000
<i>Operating leases which expire:</i>		
Within one year	114	350
In the second to fifth years inclusive	2,004	2,768
After fifth year	-	-
	<u>2,118</u>	<u>3,118</u>

Notes (continued)

22 Contingencies

The Company is subject to cross guarantees for the borrowings of the wider Eastern Airways (Europe) Limited group with Santander UK plc. The amounts outstanding and subject to the guarantees as at 31 March 2014 is £12,925,000 (31 Dec 12: £11,411,000).

23 Ultimate controlling party

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

The parent undertaking of the largest group in which the results of the company are consolidated is that headed by Bristow Group Inc., incorporated in the United States of America. The parent undertaking of the smallest group in which they are consolidated is that headed by Bristow Aviation Holdings Limited. No other group financial statements include the results of the company. Copies of the Bristow Aviation Holdings Limited consolidated financial statements are available from Redhill Aerodrome, Redhill, Surrey, RH1 5JZ.

24 Related party transactions

Transactions with related parties are disclosed below:

Related party	Sales to related party		Purchases from related party		Balance due from/(to) related party	
	15 month period ended 31 Mar 14	Year ended 31 Dec 12	15 month period ended 31 Mar 14	Year ended 31 Dec 12	As at 31 Mar 14	As at 31 Dec 12
	£000	£000	£000	£000	£000	£000
Eastern Airways International Limited	46	179	1,230	1,003	2,736	2,442
Air Kilroe Limited	-	-	15,750	12,607	24,264	8,981
Eastern Airways (Europe) Limited	-	-	-	-	(12,069)	(5,115)
Humberside International Airport Limited	828	26	1,350	1,147	(221)	(427)
Easternhill Estates Limited	-	-	167	133	10	130
Air South West Limited	-	-	-	-	907	907
Global Aviation Limited	-	-	-	-	2,655	2,763
Regional Handling Limited	-	-	-	388	(206)	(206)
Bristow Helicopters Limited	28,190	21,721	7	14	2,484	2,161
P & B Holdings Limited	-	-	180	180	-	13
Magnificent Obsessions Limited	-	-	390	350	60	-