

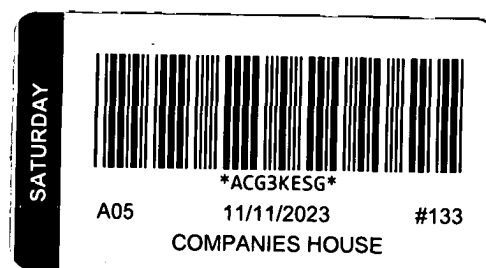
**Offshore Helicopter Services UK Limited**

**Annual Report**

**For the year ended 31 March 2022**

**Company registration number:**

**04278474**



## **Offshore Helicopter Services UK Limited**

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## **Offshore Helicopter Services UK Limited**

### **Directors and advisors**

#### **Current directors**

P Kelsall  
C Krajewski  
S Roseveare

#### **Registered office**

20-22 Wenlock Road  
London  
N17GU

#### **Independent auditors**

PricewaterhouseCoopers LLP  
One Kingsway  
Cardiff  
CF10 3PW

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## Offshore Helicopter Services UK Limited

### Strategic report for the year ended 31 March 2022

The directors present their Strategic report on the Company for the year ended 31 March 2022.

#### Principal activities

The principal activities of the Company are the provision and operation of twin-engine helicopters for the offshore oil and gas market. The business model is characterised by long-term contracts generally of three to five years duration but more recently by short-term ad-hoc contracts. The majority of revenue is generated from fixed fees for aircraft availability with the remainder from variable revenues based on actual flying activity.

#### Review of the business

	2022 £000	2021 £000
Revenue	113,302	88,035
Pre-exceptional operating (loss) / profit	(4,709)	1,130
Exceptional administrative income / (expense)	33,788	(14,516)
Profit / (loss) before taxation for the financial year	28,793	(13,820)
Pre-exceptional operating (loss) / profit as a % of revenue	(4.16%)	1.28%

During the year to March 2022, the business has continued to be impacted by challenging industry conditions despite a stabilised oil price and an uplift in activity. There has been a continuing need for companies operating in the UK oil and gas market to focus on operating costs whilst maintaining service delivery and ensuring the highest level of safety within the industry for its customers.

The Company continues to operate helicopter services for the oil & gas market, using a mixed fleet of aircraft from its bases in Aberdeen and Sumburgh.

On 15 September 2021 the Company name was changed from Babcock Mission Critical Services Offshore Limited to Offshore Helicopter Services UK Limited following the acquisition of the Company by CHC Group LLC ("CHC").

The Competition and Markets Authority (CMA) concluded on 1 June 2022 following an in depth phase 2 investigation that the acquisition would lead to significant competition concern in the UK's oil and gas offshore helicopter services market. To address its concerns, and to restore competition to pre-acquisition levels, it required CHC to sell the Company to ensure that 4 effective competitors remain in the market. This is discussed in more detail in the Future Developments Section below.

During the year to March 2022 the Company was excluded from consolidation as part of CHC Group LLC because, as a result of the CMA process, there are severe long-term restrictions that substantially hinder the control by the parent over the assets and management of the Company. As a result, the Company was no longer able to apply the Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101) and Financial Reporting Standard 102, (FRS102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland has instead been adopted and consistently applied to all years presented.

Following continued difficulties in the oil and gas sector and competitor pricing and leasing difficulties, a further exceptional provision of £3,243,000 (2021: £14,035,000 restated) was recognised in the year for loss making contracts where unavoidable costs of meeting the obligations under these contracts exceed the associated expected future net benefits.

The Company generated revenue of £113,302,000 during the year ended 31 March 2022 (2021: £88,035,000). The current year revenue increase of £25,267,000 was driven by an increase in

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## **Offshore Helicopter Services UK Limited**

### **Strategic report for the year ended 31 March 2022 *(continued)***

#### **Review of the business *(continued)***

activity resulting in an increase in flying hours revenue of £11,661,000, recharge revenue of £5,329,000 and intercompany revenue of £11,062,000, offset by a decrease in monthly standing charges of (£2,785,000).

Overall, the increase in revenue is mainly due to intercompany revenue of £11,062,000 which resulted from support of the Offshore Helicopter Services Denmark operation initiated in late 2020 and ongoing Offshore Helicopter Services Australia support and additional flying activity compared for prior year. A full breakdown of related party transactions is provided in Note 25.

The increase in revenue of £25,267,000 was offset by an increase in cost of sales of £31,925,000, resulting in a decrease in gross profit of (£6,658,000). The pre-exceptional operating loss of the Company was (£4,709,000) during the year ended 31 March 2022 compared to a profit of £1,130,000 in 2021.

Administrative expenses of £8,447,000 (2021: £9,266,000) includes a reduction in group management charges of £1,501,000 to £1,205,000 during the year ended 31 March 2022 (2021: £2,706,000) offset by an increase in personnel related costs of £1,179,000 (2022: £4,445,000 compared to 2021: £3,266,000). An exceptional credit of £33,788,000 (2021: £14,516,000 cost) was recognised in the income statement resulting from the waiver of intercompany payables following the sale of the Company by Babcock Corporate Services Ltd to CHC Group LLC on 1 September 2021 offset by an increase to the onerous contract provision, recognition of a dilapidations provision previously held at Group, the write off of insurance receivable balances following the sale of the Company by Babcock Corporate Services Ltd to CHC Group LLC on 1 September 2021, and a provision recognised for the settlement of the net intercompany balances resulting from the acquisition of the Company by Ultimate Aviation Group UK Ltd. See Note 5 for further details.

A reversal of the net current liability position of (£10,719,000) in 2021 to a net current assets position in 2022 of £6,990,000 is mainly due to the waiver of intercompany payables referenced above. The Company had net assets of £187,000 in 2022 compared to net liabilities of (£28,675,000) in 2021 with the reduction in net liabilities resulting predominantly from the waiver of intercompany payables referenced above.

The directors monitor the performance of the company by reviewing detailed monthly management reports containing a number of key financial performance measures, ahead of and during a monthly performance meeting, including all relevant stakeholders. The main KPIs include turnover, gross profit margin, operating costs and flight hours.

#### **Principal risks and uncertainties**

Management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. These are managed through the operational review process.

The key risks and uncertainties affecting the Company are considered to be related to the nature of the services provided, which is often compounded through low altitude flying in adverse climatic or operational conditions or terrains. Other factors include the impact of volatility in the oil and gas market from which the Company derives a large proportion of its revenues and the continued substantial competition in the helicopter services sector. The directors manage these risks by meeting on a regular basis to discuss these risks.

The uncertainties and risks around COVID-19 and Brexit have diminished as a result of roll out of COVID-19 vaccines being successfully administered in the United Kingdom and a Brexit trade deal being agreed between the UK and the EU.

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## Offshore Helicopter Services UK Limited

### Strategic report for the year ended 31 March 2022 *(continued)*

#### Principal risks and uncertainties *(continued)*

Oil prices have now reached pre-2020 levels at \$85+, which is well above the generally accepted level of \$70 per barrel that are known to trigger appetite for further investment and exploration by the major oil and gas companies. We have seen increased activity through 2022 as a result of the developments in Ukraine and the energy independence topic. This additional activity combined with emerging from the COVID-19 pandemic has adversely impacted the availability of aircraft components and parts required for maintenance and repair and supply chains adapt to the changing market conditions. This also impacts the Company's ability to attract and retain qualified personnel.

#### Future developments

On 1 June 2022 the CMA gave a final decision regarding the investigation which required CHC to sell the Company to ensure that 4 effective competitors remain in the market. Ultimate Aviation Group UK Ltd signed a Sale and Purchase Agreement to acquire the Company on 30<sup>th</sup> December 2022 and full completion of the transaction occurred on 3 April 2023. Ultimate Aviation Group operates a varied range of rotor and fixed wing operations including Antarctic, humanitarian aid, mining and offshore oil and gas and the acquisition of the Company offers the expansion of the reach of Ultimate Aviation into new regions. Throughout this period the directors have continued to deliver the order book and pursue further market opportunities, which they continue to do in the future.

#### S172(1) statement and stakeholder engagement.

The directors recognise their duty to act in a way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole in accordance with section 172 of the UK Companies Act 2006. The directors continue to have regard to the interest of the Company's key shareholders and throughout the year, the Board and management engage with key stakeholders on items relevant to them. We set out below our key stakeholder groups, their material issues and how the Company engages with and considers the interest of each stakeholder group.

- **Investors and lenders**

Financial performance and strategy	Monthly SLT meetings reviewing financial performance, business strategy, HSEQ and Environmental, social and governance matters.
Corporate governance	Directors are responsible for ensuring compliance with Policy and Procedures, adherence to all relevant laws and regulations and the prevention of fraud.

- **Employees**

Engagement and work culture	The Company communicates weekly on business performance, policy and initiatives. Fortnightly business update calls provide an opportunity for staff engagement.
Training & development	Continuous professional and personal development is actively promoted and formal on-the-job training provides employees with the opportunity to reach their full potential.

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## Offshore Helicopter Services UK Limited

### Strategic report for the year ended 31 March 2022 (*continued*)

#### S172(1) statement and stakeholder engagement (*continued*)

- **Customers**

Safety, Quality, Responsiveness

The Company operates to the highest standards within all areas of HSEQ and accredited to ISO 9001:2015 Quality Management Standard, ISO 14001:2015 Environmental Management Standard, and ISO 45001:2015 Health & Safety Management Standard. The Company has an Air Operators Certificate, issued by the CAA, to perform commercial air transport operations in accordance with the Company's operations manuals.

- **Suppliers**

Collaborative approach

Establish relationships with suppliers enabling us to supply high quality, reliable services.

Credibility, Trust and Reputation

The Company carefully selects its business partners through the application of rigorous due diligence processes of business partners that share our values and our commitment to safety, integrity and quality.

Overall performance

Supplier performance is evaluated through regular reporting, which is discussed with suppliers.

- **Other stakeholders**

Local communities

The company strives to make long-term, sustainable economic improvements in the communities in which it operates. To this end the Company is committed to:

- a. Providing local employment opportunities
- b. Providing training and development opportunities
- c. Using local suppliers
- d. Supporting local charitable causes.

During the year, the directors additionally considered the renewal of existing customer contracts and work on future contract renewals and new business activity.

On behalf of the board

P Kelsall



Director

10 November 2023

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## **Offshore Helicopter Services UK Limited**

### **Directors' report for the year ended 31 March 2022**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2022.

#### **Dividends**

No final dividend for the year ended 31 March 2022 has been provided by the directors (2021: £nil).

#### **Review of the business and future developments**

Information on the review of the Company's business during the year, together with information on the Company's risks and uncertainties and future developments, can be found in the Strategic Report.

#### **Financial risk management**

The Company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk, foreign exchange risk and interest rate risk. The Company has no debt finance and minimal interest income.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. All treasury transactions are carried out only with prime rated counterparties.

##### *Price risk*

The Company is exposed to price risk as a result of its operations. This risk is mitigated by specific functions which assess pricing in respect of both selling and procurement activities. The Company has no exposure to equity securities price risks as it holds no listed equity investments.

##### *Liquidity risk*

The directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these financial statements which indicates that, taking into account reasonable possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due during that period. The Company has access to longer term funding from its ultimate parent undertaking if required.

##### *Credit risk*

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company also monitors existing customer accounts on an on-going basis and takes appropriate action where necessary to minimise any potential credit risk. Cash and bank balances are held with banks that have been assigned satisfactory credit ratings by international credit rating agencies.

##### *Interest rate cash flow risk*

The Company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

##### *Foreign exchange risk*

The functional and presentational currency of the Company is Sterling. The company has exposure to a number of foreign currencies the most significant being USD. To mitigate this risk, the Company's policy is to pursue natural foreign exchange hedges matching revenues and costs in foreign currencies.



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## **Offshore Helicopter Services UK Limited**

### **Directors' report for the year ended 31 March 2022 *(continued)***

#### **Directors**

The directors who held office during the year and up to the date of signing the annual report were as follows:

P Kelsall (appointed 16 April 2021)  
C Krajewski (appointed 15 September 2021)  
S Roseveare (appointed 1 April 2023)  
I H Cooke (resigned 16 April 2021)  
P Craig (resigned 31 August 2021)

#### **Employment of disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues, and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

#### **Employee involvement**

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through the in-house newspaper and newsletters, briefing groups and the distribution of the annual report.

#### **Safety policy**

The Company recognises the promotion of health and safety at work as an important objective. It is Company policy to take steps to ensure, as far as reasonably practical, the health, safety and welfare of the employees of the Company.

#### **Environment**

The Company recognises its responsibility to minimise so far as reasonably possible the potential for adverse impacts from its operations. It aims to achieve the highest standards in environmental management and seek accreditation to appropriate standards where appropriate.

The Company has developed and implemented an environmental policy to ensure that the impact of its activities on the environment is limited to the minimum practicable level.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). 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 the financial

## Offshore Helicopter Services UK Limited

### Directors' report for the year ended 31 March 2022 (continued)

#### Statement of directors' responsibilities (continued)

statements, the directors are required to:

Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

#### Streamlined Energy and Carbon Reporting

The SECR disclosure represents our carbon footprint within the United Kingdom across Scope 1 and 2 emissions. It contains an appropriate intensity metric, the total use of electricity, gas and transport fuel and a summary of energy efficiency actions taken during the relevant financial year.

<b>Greenhouse Gas Emissions</b>	<b>Unit</b>	<b>2022 £000</b>	<b>2021 £000</b>
Energy consumption used to calculate emissions - electricity	kWh	1,450,443	1,051,701
Energy consumption used to calculate emissions - gas	kWh	3,714,453	2,554,689
Energy consumption used to calculate emissions – transport (helicopters)	kgs	10,073,412	6,367,521
Emissions from electricity	tCO2e	280	223
Emissions from gas	tCO2e	669	468
Emissions from transport (helicopters)	tCO2e	31,731	20,058
<b>Total gross tCO2e based on above</b>	<b>tCO2e</b>	<b>32,680</b>	<b>20,749</b>
Intensity Ratio	tCO2e / £m Turnover	288	236

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## Offshore Helicopter Services UK Limited

### Directors' report for the year ended 31 March 2022 (*continued*)

#### Streamlined Energy and Carbon Reporting (*continued*)

##### Energy Efficiency actions Summary

The company continues to achieve savings in energy and associated carbon emissions through:

- Ongoing compliance to ISO104001:2015
- Emissions Trading Scheme (ETS) compliance
- Zero environmental incidents reported in FY22
- Ongoing initiatives including:
  - (i) Sources sustainable aviation fuels for utilisation for when client agree to the additional costs
  - (ii) Reduce non-essential travel and encourage video conference alternatives
  - (iii) Optimisation of flight planning and minimisation of fuel burn

##### Methodology Notes

Reporting Period	1 <sup>st</sup> April 2021 – March 2022
Consolidation approach	Operational control
Boundary Summary	All branches in the UK were included
Alignment with financial reporting	SECR disclosure has been prepared in line with the financial reporting information of Offshore Helicopter Services UK Limited presented within the primary financial statements made up to 31 March 2022 and presented below.
Assessment methodology	<p>Actual gas and electricity consumption data and meter readings are gathered throughout the year so no estimated data is used in these calculations.</p> <p>Milage records for company vehicles and fuel spend was included as recorded.</p> <p>The reporting followed the guidance in the documents <i>Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance</i>.</p> <p>The conversion factors used to calculate the emissions are those published in <i>UK Government CHG Conversion Factors for Company Reporting Standard Set Version 1.0</i> for the year 2022.</p>

##### Qualifying third party indemnity provisions

CHC Group LLC provides protections for directors of companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third-party indemnity provisions (as defined by Companies Act 2006) for the benefit of members of CHC Group LLC, including, where applicable, in their capacity as a director of the Company and other companies within the Group. These indemnities came into force in 2021 and remain in force as of 31 March 2022.

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## Offshore Helicopter Services UK Limited

### Directors' report for the year ended 31 March 2022 (*continued*)

#### Qualifying third party indemnity provisions (*continued*)

The provisions referred to remained in place after the balance sheet date until 30<sup>th</sup> June 2023 through the TSA agreement between Offshore helicopter Services UK Limited and CHC Group LLC following the Sale and Purchase Agreement signed to acquire the Company on 30 December 2022 by Ultimate Aviation Group UK Ltd. See Note 27 for details of the event occurring after the balance sheet date. From 1<sup>st</sup> July the Company has suitable protection in place on a standalone basis.

#### Directors' Confirmations

In the case of each director in office at the date the directors' report is approved:

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any audit information and to establish that the company's auditors are aware of that information.

#### Events occurring after the balance sheet date

See Note 27 for details of the event occurring after the balance sheet date.

#### Going concern

The directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these financial statements which indicates that the Company will have sufficient funds to meet its liabilities as they fall due during that period. The forecasts include the impact of recent agreements reached with certain key customers to increase the pricing within their contracts as well as other cost saving measures that are being introduced. In addition, the ultimate controlling party Mr S Roseveare has provided additional equity funding of £1.2m to the Company and has provided written confirmation that he will provide additional funding during the next 12 month period should this become necessary.

However, during October 2023, the Company received demands from HMRC in relation to the underpayment of customs duty and import VAT on imports made between September 2017 and March 2020. This was before the acquisition of the Company by Ultimate Aviation Group UK Ltd. The Company has appointed tax and legal advisors and is currently preparing a multi-faceted defence, on various grounds, in respect of this matter.

The Directors believe the Company will be successful in its defence however, if this is not the case, the liability inclusive of interest or penalties would be in the region of £10m. In these circumstances, the Company will need to obtain additional finance and/or reach agreement with HMRC regarding an instalment repayment plan, neither of which are currently in place, in order for the Company to continue as a going concern.

As a result of this matter the directors consider that there is a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern. The financial statements do not include any adjustments that would be required if the Company were unable to continue as a going concern.

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**Offshore Helicopter Services UK Limited**

**Directors' report for the year ended 31 March 2022 (continued)**

**Reappointment of auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

A handwritten signature in black ink, appearing to read 'P Kelsall', is written over the printed name.

P Kelsall

**Director**

10 November 2023

# **Independent auditors' report to the members of Offshore Helicopter Services UK Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Offshore Helicopter Services UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 31 March 2022; the Income statement, Statement of comprehensive income, Statement of changes in equity and the Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Material uncertainty relating to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the ability of the company to continue as a going concern. The company is currently preparing a defence against the demands received from HMRC in relation to underpayments of import VAT and customs duty in prior periods. If the defence is unsuccessful the liability including interest and penalties is estimated to be circa £10m. In these circumstances the company would need to obtain additional finance and/or reach agreement with HMRC regarding a repayment plan, neither of which are currently in place, in order for the company to continue as a going concern. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover

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## Offshore Helicopter Services UK Limited

the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK employment law and aviation related health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recording of fraudulent accounting entries designed to overstate the financial performance or position of the company. Audit procedures performed by the engagement team included:

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## Offshore Helicopter Services UK Limited

- Confirmation and enquiry of management and those charged with governance over compliance with laws and regulations, including consideration of any actual or potential instances of fraud;
- Reviewing relevant minutes of board meetings;
- Challenging assumptions and judgments made by management in their significant accounting estimates, in particular in relation to the impairment assessment of property, plant and equipment and onerous contract provisioning;
- Identifying and testing journal entries posted including those considered to have unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jonathan Bound (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
10 November 2023



# Offshore Helicopter Services UK Limited

## Balance sheet as at 31 March 2022

		2022	Restated 2021
	Note	£000	£000
<b>Non-current assets</b>			
Intangible assets	10	-	-
Tangible assets	11	12,420	6,934
Deferred tax asset	12	-	-
		<b>12,420</b>	<b>6,934</b>
<b>Current assets</b>			
Inventories	13	1,292	1,339
Trade and other receivables (including £11,365,000 (2021: £nil) due after one year)	14	29,241	29,537
Cash and cash equivalents		5,103	-
		<b>35,636</b>	<b>30,876</b>
<b>Current Liabilities</b>			
Trade and other payables – amounts falling due within one year	15	(24,744)	(36,599)
Provisions for liabilities	18	(3,902)	(4,996)
<b>Net current assets/(liabilities)</b>		<b>6,990</b>	<b>(10,719)</b>
<b>Total assets less current liabilities</b>		<b>19,410</b>	<b>(3,785)</b>
Trade and other payables – amounts falling due after more than one year	15	(9,143)	(15,851)
Provisions for liabilities	18	(10,080)	(9,039)
<b>Net Assets / (liabilities)</b>		<b>187</b>	<b>(28,675)</b>
<b>Equity</b>			
Called up share capital	19	53	53
Other reserves		-	(69)
Accumulated reserves / (losses)		134	(28,659)
<b>Total shareholders' funds / (deficit)</b>		<b>187</b>	<b>(28,675)</b>

The notes on pages 19 to 42 are an integral part of these financial statements. The financial statements on pages 15 to 42 were approved by the board of directors on 10 November 2023 and signed on its behalf by:



P Kelsall  
Director

## Offshore Helicopter Services UK Limited

### Income statement

for the year ended 31 March 2022

	Note	2022 £000	Restated 2021 £000
Revenue	4	113,302	88,035
Cost of sales		(109,564)	(77,639)
<b>Gross profit</b>		<b>3,738</b>	<b>10,396</b>
Administrative expenses		(8,447)	(9,266)
Exceptional administrative income / (expenses)	5	33,788	(14,516)
<b>Operating Profit / (Loss)</b>		<b>29,079</b>	<b>(13,386)</b>
Finance costs	6	(286)	(434)
<b>Profit / (Loss) before tax</b>	7	<b>28,793</b>	<b>(13,820)</b>
Tax on profit / (loss)	9	-	(1,387)
<b>Profit / (Loss) for the financial year</b>		<b>28,793</b>	<b>(15,207)</b>

All of the above results derive from continuing operations.

### Statement of comprehensive Income

for the year ended 31 March 2022

	2022 £000	Restated 2021 £000
<b>Profit / (Loss) for the financial year</b>	<b>28,793</b>	<b>(15,207)</b>
<b>Other comprehensive income/(expense)</b>		
Items that may be reclassified to profit or loss		
Fair value adjustment of foreign exchange hedges	69	(69)
<b>Total comprehensive income / (expense) for the financial year</b>	<b>28,862</b>	<b>(15,276)</b>

## Offshore Helicopter Services UK Limited

### Statement of changes in equity for the year ended 31 March 2022

	Called up share capital £000	Other reserves £000	Retained earnings/ (Accumulated losses) £000	Total shareholders' funds/(deficit) £000
<b>At 1 April 2020 – as previously stated</b>	<b>53</b>	<b>(69)</b>	<b>(10,107)</b>	<b>(10,123)</b>
Prior year adjustment	-	-	(3,345)	(3,345)
<b>At 1 April 2020 – as restated</b>	<b>53</b>	<b>(69)</b>	<b>(13,452)</b>	<b>(13,468)</b>
Loss for the financial year as previously stated	-	-	(14,068)	(14,068)
Prior year adjustment	-	-	(1,139)	(1,139)
<b>Loss for the year – as restated</b>	<b>-</b>	<b>-</b>	<b>(15,207)</b>	<b>(15,207)</b>
Other comprehensive income	-	-	-	-
<b>At 31 March 2021 – as previously stated</b>	<b>53</b>	<b>(69)</b>	<b>(24,175)</b>	<b>(24,191)</b>
Prior year adjustment	-	-	(4,484)	(4,484)
<b>At 31 March 2021 – as restated</b>	<b>53</b>	<b>(69)</b>	<b>(28,659)</b>	<b>(28,675)</b>
Other comprehensive income	-	69	-	69
Profit for the financial year	-	-	28,793	28,793
<b>At 31 March 2022</b>	<b>53</b>	<b>-</b>	<b>134</b>	<b>187</b>

The prior year adjustment relates to a change in basis of accounting with the financial statements now being prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Previously the financial statements were prepared in accordance with FRS 101. Note 24 sets out full details of the transition and prior year adjustments.

## Offshore Helicopter Services UK Limited

### Statement of cash flows for the year ended 31 March 2022

	Note	2022 £000	2021 £000
<b>Net cash inflow from operating activities</b>	21	<b>9,362</b>	105
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	11	(6,863)	(1,923)
Sale of property, plant and equipment		-	10
<b>Net cash outflow from investing activities</b>		<b>(6,863)</b>	(1,913)
<b>Cash flow from financing activities</b>			
Interest paid	6	(286)	(434)
Repayment of borrowings		(3,629)	(2,037)
Additional shareholder funding received		<b>9,143</b>	-
<b>Net cash (used in)/from financing activities</b>		<b>5,228</b>	(2,471)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>7,727</b>	(4,279)
Cash and cash equivalents at the beginning of the year		<b>(2,624)</b>	1,655
Cash and cash equivalents at the end of the year		<b>5,103</b>	(2,624)
Cash and cash equivalents consist of:			
Cash at bank and in hand		<b>5,103</b>	-
Bank Overdrafts		-	(2,624)
		<b>5,103</b>	(2,624)

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## **Offshore Helicopter Services UK Limited**

### **Notes to the financial statements**

#### **1. General information**

Offshore Helicopter Services UK Limited (formerly Babcock Mission Critical Services Offshore Limited) is a private company, limited by shares, which is incorporated and domiciled in the UK. The address of the registered office is 20-22 Wenlock Road, London, N17GU, England.

#### **2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

##### **Basis of preparation**

These financial statements were prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. These are the Company's first set of financial statements prepared in accordance with FRS 102

Information on the impact of first time adoption of FRS 102 is given in Note 24.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of derivative financial liabilities measured at fair value, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

##### **Going concern**

The directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these financial statements which indicates that the Company will have sufficient funds to meet its liabilities as they fall due during that period. The forecasts include the impact of recent agreements reached with certain key customers to increase the pricing within their contracts as well as other cost saving measures that are being introduced. In addition, the ultimate controlling party Mr S Roseveare has provided additional equity funding of £1.2m to the Company and has provided written confirmation that he will provide additional funding during the next 12 month period should this become necessary.

However, during October 2023, the Company received demands from HMRC in relation to the underpayment of customs duty and import VAT on imports made between September 2017 and March 2020. This was before the acquisition of the Company by Ultimate Aviation Group UK Ltd. The Company has appointed tax and legal advisors and is currently preparing a multi-faceted defence, on various grounds, in respect of this matter.

The Directors believe the Company will be successful in its defence however, if this is not the case, the liability inclusive of interest or penalties would be in the region of £10m. In these circumstances, the Company will need to obtain additional finance and/or reach agreement with HMRC regarding an instalment repayment plan, neither of which are currently in place, in order for the Company to continue as a going concern.

As a result of this matter the directors consider that there is a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern. The financial

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## Offshore Helicopter Services UK Limited

### Notes to the financial statements *(continued)*

#### 2. Summary of significant accounting policies *(continued)*

##### Going Concern *(continued)*

statements do not include any adjustments that would be required if the Company were unable to continue as a going concern.

##### Exemptions for qualifying entities under FRS 102

The Company has not taken advantage of any of the FRS 102 disclosure exemptions available to qualifying entities.

##### Financial Instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

###### *(i) Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where it is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss.

Financial assets are derecognised when (a) the contractual rights to cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated party without imposing additional restrictions.

###### *(ii) Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measure at amortised cost using the effective interest method.

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## **Offshore Helicopter Services UK Limited**

### **Notes to the financial statements *(continued)***

#### **2. Summary of significant accounting policies *(continued)***

##### **Financial Instruments *(continued)***

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### ***(iii) Offsetting***

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Adoption of new and revised standards**

There are no amendments to accounting standards that are effective for the year ended 31 March 2022 that have a material impact on the Company's financial statements.

##### **Revenue Recognition**

Revenue is measured at the fair value of the consideration received and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes

The Company recognises revenue from a contract to provide services when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably and (d) it is probable the Company will receive consideration due under the contract.

Mobilisation revenue does not qualify as a separate unit of accounting; accordingly, it is deferred and recognised as flying services are provided under the contract.

##### **Finance Costs**

All finance costs are recognised in the income statement in the period in which they are incurred.

##### **Intangible Assets**

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight line basis.

Where factors, such as technological advancement or changes on market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

##### **Tangible Assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset into its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

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## Offshore Helicopter Services UK Limited

### Notes to the financial statements *(continued)*

#### 2. Summary of significant accounting policies *(continued)*

##### Tangible assets *(continued)*

###### *(i) Depreciation and residual values*

Land is not depreciated. Depreciation on other asset is calculated, using the straight line method, to allocate the cost to their residual values over their useful lives, as follows:-

• Leasehold property	Lease term
• Fixtures and fittings	10%
• Plant and equipment	3.2% to 33.3%
• Computer equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds the higher of an asset's fair value less cost to sell or value in use.

Components of owned aircraft which are maintained under the Power By the Hour maintenance arrangements are not depreciated with the associated payments to the maintenance provider instead being expensed as incurred, as the residual value of the asset is deemed to be equivalent to the cost of the asset.

Any additional payments made or received from the maintenance providers at the conclusion of the Power by the Hour maintenance arrangements are recognised as an expense or as income at the time at which they are incurred or received.

The useful economic life of aircraft is based on management's estimate of how long the aircraft will continue to be operated in the same manner or similar manner.

###### *(ii) Subsequent additions and major components*

Subsequent costs are included in the asset carrying values or recognised as a separate asset as appropriate, only when it is probable that the economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs, maintenance and inspection costs are expenses as incurred.

###### *(ii) Derecognition*

Tangible assets are derecognised on disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account.

##### Maintenance deposits

Where maintenance is provided under 'power by the hour' contracts and elements are refundable, these costs are recorded as other receivables.



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## Offshore Helicopter Services UK Limited

### Notes to the financial statements *(continued)*

#### 2. Summary of significant accounting policies *(continued)*

##### **Inventories**

Inventories are stated at the lower of cost and estimated selling price less costs to sell. Cost is determined on a first-in, first-out method. In the case of finished goods and work in progress, cost comprises direct material and labour and an appropriate proportion of overheads.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown within trade and other payables. For the statement of cash flows presentation purposes, cash and cash equivalent also include bank overdrafts, which are shown within trade and other payables.

##### **Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that is related to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### *(i) Current tax*

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It established provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *(ii) Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted, or substantially enacted by the period end and that are expected to apply to the reversal of the timing difference.

##### **Employee Benefits**

##### *(i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

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## Offshore Helicopter Services UK Limited

### Notes to the financial statements *(continued)*

#### 2. Summary of significant accounting policies *(continued)*

##### Employee Benefits *(continued)*

###### *(i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

###### *(ii) Defined contribution pension plans*

The Company operates a defined contribution plan for its employees. A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. Once contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds

##### Foreign currencies

###### *(i) Functional and presentational currency*

The financial statements are presented in pound sterling and rounded to thousands. The Company's functional and presentational currency is the pound sterling.

###### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the

transaction and non-monetary items measured at historical cost are translated at the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.

##### Leased Assets

At inception the Company assesses agreements that transfer the rights to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

###### *(i) Finance leased assets*

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using

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## Offshore Helicopter Services UK Limited

### Notes to the financial statements *(continued)*

#### 2. Summary of significant accounting policies *(continued)*

##### Leased assets *(continued)*

###### *(i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used.

Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of the lease obligation is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

###### *(ii) Operating leased assets*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss on a straight-line basis over the period of the lease.

###### *(ii) Lease incentives*

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of the present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

##### Provisions for liabilities

###### *(i) Provisions*

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provisions for losses on contracts are recorded when it becomes probable that total estimated contract costs will exceed total contract revenues. Such provisions are recorded as write downs of contract balances for that portion of the work which has already been completed, and as liability

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## **Offshore Helicopter Services UK Limited**

### **Notes to the financial statements *(continued)***

#### **2. Summary of significant accounting policies *(continued)***

##### **Provisions for liabilities *(continued)***

provisions for the remainder. Losses are determined on the basis of estimated results on completion of contracts and contract assessments are updated regularly.

##### ***(ii) Contingencies***

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable there will be an outflow of resources or that the amount cannot be reliably

measure at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of certain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an outflow of economic benefits is probable.

##### **Exceptional Items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are items which are material either because of their size or their nature, and are considered non-recurring. The principal items which are included as exceptional are costs that are not considered to be part of the normal operating costs of the Company. See note 5 for further details.

#### **3. Critical accounting estimates and assumptions**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have significant risk of causing material adjustment to the carrying value of the assets and liabilities within the next financial year are addressed below.

##### **i) Inventory provisioning**

The Company provides helicopter services to customers and has associated components necessary to provide this service as part of inventory. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 13 for the net carrying amount of the inventory and associated provision.

##### **ii) Impairment assessment of property, plant and equipment**

Long-lived assets, including property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying amount of an asset exceeds the estimated undiscounted future cash flows expected to be generated by the asset, an impairment charge is recognised by reflecting the asset at its fair value. They are amended when necessary to reflect current estimates, based on

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## Offshore Helicopter Services UK Limited

### Notes to the financial statements *(continued)*

#### 3. Critical accounting estimates and assumptions *(continued)*

##### ii) Impairment assessment of property, plant and equipment *(continued)*

technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 'Tangible assets' for the carrying amount and note 2 'Tangible Assets' for the useful economic lives and information on how impairment for each class of asset is assessed.

##### iii) Onerous contract provisioning

Customer contracts are reviewed to determine the present value cost of these commitments versus expected future cash flows. See note 18 for details of the onerous contract provision and note 2 'Provisions for liabilities' for more information on how the provision is assessed.

##### iv) Dilapidation provisions

Provision is made for dilapidations. This requires management's best estimate of the expenditure that will be incurred based on the contractual requirements. Due to difficulties in predicting expenditure that will be required on return of a property to the landlord many years into the future, the dilapidations provision is considered a source of significant estimation uncertainty.

##### v) Contingent liability

The Company has received 'C18' demands from HMRC for the underpayment of customs duty and import VAT on imports made between September 2017 and March 2020. The Directors believe, having taken appropriate legal and taxation advice that the Company has a multi-faceted and robust defence in relation to what is a complex set of circumstances. No provision has been made in these financial statements for this contingent liability. Further details are provided in note 28.

#### 4. Revenue

Revenue is wholly attributable to the principal activities of the Company and arises as follows:

	2022 £000	2021 £000
By area of activity:		
Long-term contracts – fixed fees	35,519	38,305
Flying hours	48,501	39,303
Other – recharged costs	29,282	10,427
	<u>113,302</u>	<u>88,035</u>
By geographical area:	2022 £000	2021 £000
United Kingdom	<u>113,302</u>	<u>88,035</u>
	<u>113,302</u>	<u>88,035</u>

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## Offshore Helicopter Services UK Limited

### Notes to the financial statements *(continued)*

#### 5. Exceptional administrative (income) / expenses

	2022 £000	2021 £000
Contract provision	3,243	14,516
Insurance receivables write off	2,125	-
Dilapidation provision – previously held at group	1,700	-
Intercompany write off provision	475	-
Intercompany waivers	(41,331)	-
	<b>(33,788)</b>	<b>14,516</b>

Exceptional items are defined as being items that are significant, non-recurring and outside the normal operating practice of the Company.

A contract profitability review was performed across all customer contracts. This review resulted in as additional onerous contract provision of £3,243,000. (2021: £14,516,000).

On acquisition of the Company by the CHC Group LLC, the sale agreement provided for the retention of the insurance receivables of £2,125,000, (2021: Nil) by Babcock International Group PLC.

A dilapidation provision has been recognised of £1,700,000. (2021: Nil) to works required at the end of the lease term previously held at Group.

A provision has been recognised of £475,000. (2021: Nil) for the settlement of the net intercompany balances resulting from the acquisition of the Company by Ultimate Aviation Group UK Ltd

On acquisition of the Company by the CHC Group LLC, the sale agreement provided for the settlement of the net intercompany balance position with Babcock entities. This results in a credit of (£41,331,000) being recognised in the Income Statement for the year ended 31 March 2022.

#### 6. Finance costs

	2022 £000	2021 £000
Bank interest	47	34
Loan interest paid to Group undertakings	239	400
	<b>286</b>	<b>434</b>

## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 7. Profit/(Loss) before tax

Profit/(Loss) before tax is stated after charging / (crediting):	<b>2022</b> <b>£000</b>	2021 £000
Profit on disposal of property, plant and equipment	-	(4)
Depreciation of tangible assets	<b>1,377</b>	1,258
Exceptional administrative (income) / expenses (refer to note 5 for details)	<b>(33,788)</b>	14,516
Inventory recognised as an expense	<b>12,783</b>	7,945
(Reversal of impairment)/impairment of inventory	<b>(157)</b>	104
Operating lease charges	<b>26,758</b>	22,482
Foreign exchange gains	<b>(483)</b>	(142)
Audit fees payable to the Company's auditors	<b>123</b>	58

There are no fees paid to the Company's auditors, PricewaterhouseCoopers LLP, and their associates, for services other than statutory audit of the Company.

#### 8. Employees and directors

##### Employees

The average monthly number of employees (including directors) employed by the Company during the year was as follows:

	<b>2022</b> <b>Number</b>	2021 Number
<b>By activity:</b>		
Operations	<b>327</b>	329
Management and administration	<b>42</b>	35
	<b>369</b>	364

Their aggregate remuneration comprised:

	<b>2022</b> <b>£000</b>	2021 £000
Wages and salaries	<b>24,498</b>	23,065
Social security costs	<b>2,494</b>	2,587
Other pension costs	<b>1,148</b>	1,552
	<b>28,140</b>	27,204

Included in other pension costs are £1,148,000 (2021: £1,552,000) in respect of the defined contribution scheme.

The employment costs above include those of employees providing management services to other group companies, as well as staff seconded to other group companies. These are recharged to those business entities.

## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 8. Employees and directors continued (continued)

##### Directors

The directors' emoluments were as follows:

	2022 £000	2021 £000
Emoluments (including benefits in-kind)	231	134
Defined contribution pension scheme	16	13
	<u>247</u>	<u>147</u>

Except for one (2021: one) director, all of the directors of the Company are remunerated by other Group companies. It is not possible to make an accurate apportionment of these directors' emoluments relating to services provided to the Company and as such no disclosure of emoluments received by these directors has been made in these financial statements. No recharge is made for costs borne by the Company in relation to services performed by the directors in relation to other Group companies. As a result, the total figures above also relate to the highest paid director.

##### Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2022 £000	2021 £000
Salaries and other short-term benefits	1,306	947
Post-employment benefits	89	67
	<u>1,395</u>	<u>1,014</u>

#### 9. Tax on profit / (loss)

##### Tax expense / (credit) included in income statement

	2022 £000	2021 £000
<b>Current tax:</b>		
UK Corporation tax on losses for the year	-	-
Adjustment in respect of prior year	-	-
<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	-	-
Adjustment in respect of prior years	-	1,387
Impact of change in UK tax rate	-	-
<b>Total deferred tax (credit) (note 12)</b>	<u>-</u>	<u>1,387</u>
<b>Tax on Profit / (loss)</b>	<u>-</u>	<u>1,387</u>



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## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 9. Tax on profit / (loss) (continued)

<b>Profit / (Loss) before taxation</b>	<b>28,793</b>	<b>(13,820)</b>
Profit / (Loss) before taxation multiplied by standard UK corporation tax rate of 19% (2021: 19%)	<b>5,471</b>	<b>(2,626)</b>
Effects of:		
Expenses not deductible for tax purposes	<b>86</b>	<b>(115)</b>
Non taxable intercompany loan balances written off	<b>(7,908)</b>	-
Group relief surrendered for nil consideration	-	<b>2,524</b>
Deferred tax not provided	<b>2,351</b>	<b>217</b>
Adjustments in respect of deferred tax for prior years	-	<b>1,387</b>
Impact of change in UK tax rate	-	-
<b>Tax charge/(credit) for the year</b>	-	<b>1,387</b>

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023.

#### 10. Intangible assets

	<b>Software £000</b>
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	<b>238</b>
<b>Accumulated amortisation and impairment</b>	
At 1 April 2021 and 31 March 2022	<b>(238)</b>
<b>Net book value</b>	
At 1 April 2021 and 31 March 2022	-

## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 11. Tangible assets

	Leasehold property £000	Plant and equipment £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 April 2021	10,201	10,394	724	371	21,690
Additions	98	6,751	14	-	6,863
<b>At 31 March 2022</b>	<b>10,299</b>	<b>17,145</b>	<b>738</b>	<b>371</b>	<b>28,553</b>
<b>Accumulated depreciation</b>					
At 1 April 2021	(7,132)	(6,665)	(590)	(369)	(14,756)
Charge for the year	(524)	(816)	(37)	-	(1,377)
<b>At 31 March 2022</b>	<b>(7,656)</b>	<b>(7,481)</b>	<b>(627)</b>	<b>(369)</b>	<b>(16,133)</b>
<b>Net book value</b>					
<b>At 31 March 2022</b>	<b>2,643</b>	<b>9,664</b>	<b>111</b>	<b>2</b>	<b>12,420</b>
At 31 March 2021	3,069	3,729	134	2	6,934

#### 12. Deferred tax asset

The major components of the deferred tax asset recorded is as follows:

	Accelerated capital allowances £000	Other £000	Total £000
<b>Deferred tax asset</b>			
At 1 April 2020:	(1,365)	(22)	(1,387)
- Charged/(credited) to the income statement	1,365	22	1,387
At 31 March 2021:	-	-	-
- Charged/(credited) to the income statement	-	-	-
At 31 March 2022:	-	-	-

The Company has unrecognised deferred tax assets at the balance sheet date of £5,355,000 (2021: £1,361,000) which relate to trading losses of £4,835,000 (2021: £1,187,000) and other timing differences of £520,000 (2021: £174,000). No deferred tax asset was recognised during the year as it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 13. Inventories

	2022 £000	2021 £000
Aircraft Spares	1,257	1,131
Fuel	35	208
	<u>1,292</u>	<u>1,339</u>

There is no significant difference between the replacement cost of the inventory and its carrying amount. Inventories are stated after provisions for impairment of £1,733,000 (2021: £1,890,000).

#### 14. Trade and other receivables

	2022 £000	2021 £000
<b>Amounts falling due within one year:</b>		
Trade receivables	7,320	7,621
Amounts due by group undertakings	2,159	9,152
Other receivables	645	3,888
Prepayments and accrued income	7,752	8,876
	<u>17,876</u>	<u>29,537</u>

Trade receivables are stated after provision for impairment of £nil (2021: £nil).

	2022 £000	2021 £000
<b>Amounts falling due after more than one year:</b>		
Amounts due by group undertakings	11,365	-
	<u>11,365</u>	<u>-</u>

Amounts due by parent and group undertakings within one year and after more than one year are unsecured and bear no interest. Amounts due within one year are repayable on demand and amounts due after more than one year are repayable by 28 May 2028 or by such other date as may be agreed in unity between both parties.

#### 15. Trade and other payables

	2022 £000	2021 £000
<b>Amounts falling due within one year:</b>		
Bank loans and overdrafts	-	2,624
Trade payables	5,693	12,343
Amounts due to parent and group undertakings	-	2,644
Taxation and social security	705	710
UK corporation tax payable	-	966
Derivative financial instruments	-	69
Other payables	1,042	1,144
Accruals and deferred income	17,304	16,099
	<u>24,744</u>	<u>36,599</u>

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## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 15. Trade and other payables (continued)

Amounts owed to parent and group undertakings within one year are interest free, unsecured and repayable on demand.

##### Amounts falling due after more than one year:

	2022 £000	2021 £000
Amounts due to parent and group undertakings	9,143	15,851
	<u>9,143</u>	<u>15,851</u>

Amounts owed to parent and group undertakings, due after more than one year, bear interest at 4% (2021: 4%) per annum, are unsecured and have no fixed repayment terms.

#### 16. Lease obligations

The entity leases various offices and warehouses under non-cancellable lease agreements. The leases have various terms, escalation clauses and renewal rights. The entity also leases aircraft under non-cancellable operating leases.

At 31 March, the Company had future minimum lease payments under non cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
<b>Payments due</b>		
Within one year	28,828	24,148
Between 2 and 5 years	87,834	100,232
More than 5 years	2,412	8,461
<b>Total</b>	<u>119,074</u>	<u>132,841</u>

#### 17. Lessor

During the year the Company sub-leased aircraft to two related parties, Offshore Helicopter Services Denmark A/S and Offshore Helicopter Services Australasia PTY Ltd under non-cancellable operating leases for each of the following periods:-

	2022 £000	2021 £000
<b>Payments due</b>		
Within one year	5,716	2,220
Between 2 and 5 years	19,107	9,903
More than 5 years	397	-
<b>Total</b>	<u>25,220</u>	<u>12,123</u>

All such leases were novated immediately prior to the acquisition of the Company by Ultimate Aviation Group UK Ltd on 3 April 2023.

## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 18. Provisions for liabilities

	<b>Dilapidations £000</b>	<b>Contract Provision £000</b>	<b>Total £000</b>
At 1 April 2021	-	14,035	14,035
Charged to the income statement	1,700	3,243	4,943
Utilised	-	(4,996)	(4,996)
<b>At 31 March 2022</b>	<b>1,700</b>	<b>12,282</b>	<b>13,982</b>

<b>Provisions</b>	<b>Within one year £000</b>	<b>Between 1 and 5 years £000</b>	<b>Total £000</b>
<b>As at 31 March 2022</b>	<b>3,902</b>	<b>10,080</b>	<b>13,982</b>
<b>As at 31 March 2021</b>	<b>4,996</b>	<b>9,039</b>	<b>14,035</b>

The calculation of these provisions involves the use of estimates.

#### *Dilapidation Provision*

As part of the Company's property leasing arrangements there is an obligation to repair damages which occur during the life of the lease, such as wear and tear. The cost is charged to the profit and loss as the obligation arises. The provision is expected to be utilised between 2023 and 2032 as the leases terminate.

Due to the difficulties in predicting expenditure that will be required on return of a property to the landlord many years in the future, the dilapidations provision is considered a source of significant estimate uncertainty. The provision of £1,700,000 (2021: Nil) has been calculated using historical experience and estimated lease termination dates.

#### *Contract provision*

Contract provision relate to expected contract losses. These are based on the assessment of future costs and are assessed with reference to past experience. Contract provisions have not been discounted.

The Company has included a provision for £3,243,000 (2021: £14,035,000) for loss making contracts where unavoidable costs of meeting the obligations under these contracts exceeds the associated, expected future net benefits. The period over which this will be utilised will be 4 years.

#### 19. Called up share capital

	<b>2022 £000</b>	<b>2021 £000</b>
<b>Allotted, called up and fully paid</b>		
52,632 ordinary shares of £1 each (2021: 52,632)	<b>53</b>	<b>53</b>

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## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 20. Guarantees and financial commitments

##### Other Commitments

At 31 March 2022 the Company had unpaid pension contributions of £Nil (2021: £53,760).

#### 21. Notes to the statement of cash flows

	2022 £000	2021 £000
<b>Profit/(loss) for the financial year</b>	<b>28,793</b>	<b>(15,207)</b>
<b>Adjustments for:-</b>		
Tax on profit / (loss)	-	1,387
Net interest expense	286	434
<b>Operating Profit/(Loss)</b>	<b>29,079</b>	<b>(13,386)</b>
Depreciation of property, plant and equipment	1,377	1,258
Profit on disposal of property, plant and equipment	-	(4)
Decrease/(increase) in trade and other receivables	296	4,547
Decrease/(increase) in inventories	47	(194)
Increase/(decrease) in trade payables	(21,437)	7,884
<b>Cash flow from operations</b>	<b>9,362</b>	<b>105</b>
Income Taxes paid	-	-
<b>Net cash flow from operating activities</b>	<b>9,362</b>	<b>105</b>

## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 22. Reconciliation of movement in net debt

	At 1 Apr 2021 £000	Cash flows £000	Non-cash changes £000	At 31 Mar 2022 £000
<b>Movement in net debt 2022</b>				
Cash at bank and in hand	-	5,103	-	5,103
Overdraft	(2,624)	2,624	-	-
<b>Cash and cash equivalents</b>	<b>(2,624)</b>	<b>7,727</b>	<b>-</b>	<b>5,103</b>
Total borrowings from group undertakings due after more than one year	(15,851)	(5,514)	12,222	(9,143)
<b>Total</b>	<b>(18,475)</b>	<b>2,213</b>	<b>12,222</b>	<b>(4,040)</b>
	At 1 Apr 2020 £000	Cash flows £000	Non-cash changes £000	At 31 Mar 2021 £000
<b>Movement in net debt 2021</b>				
Cash at bank and in hand	1,655	(1,655)	-	-
Overdraft	-	(2,624)	-	(2,624)
<b>Cash and cash equivalents</b>	<b>1,655</b>	<b>(4,279)</b>	<b>-</b>	<b>(2,624)</b>
Total borrowings from group undertakings due after more than one year	(17,888)	2,037	-	(15,851)
<b>Total</b>	<b>(16,233)</b>	<b>(2,242)</b>	<b>-</b>	<b>(18,475)</b>

The non-cash movements relate to the waiving of borrowings from group undertakings due after more than one year

#### 23. Financial instruments

The Company has the following financial instruments:

	Note	2022 £000	2021 £000
Financial assets that are debt instruments measure at amortised cost			
- Trade receivables	14	7,320	7,621
- Amounts owed by group undertakings	14	13,524	9,152
- Other receivables	14	645	3,888
		<b>21,489</b>	<b>20,661</b>
Financial liabilities measured at fair value through profit or loss			
- Derivative financial instruments	15	-	69
Financial liabilities measured at amortised cost			
- Trade creditors	15	5,693	12,343
- Amounts owed to group undertakings	15	9,143	18,495
- Other payables	15	1,042	1,144
		<b>15,878</b>	<b>32,051</b>

## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 23. Financial instruments (Continued)

##### Derivative financial instruments

In the prior year the Company entered into forward foreign currency contracts to facilitate payment of USD denominated payables. The Company committed to sell GBP and received a fixed USD amount. These positions were settled as part of the sales agreement between Babcock Group and CHC Group LLC pertaining to the acquisition of the Company on 31 August 2021.

#### 24. Transitional reconciliations – First time adoption of FRS 102

##### Reconciliation of equity at 1 March 2020

	Note	As previously stated (FRS 101) £000	Effect of transition £000	As restated (FRS 102) £000
Non-current assets	(i)	97,674	(90,012)	7,662
Current assets		36,884	-	36,884
Creditors: amounts falling due within one year		(29,942)	-	(29,942)
Lease liabilities < 1 year	(ii)	(24,208)	24,208	-
Provision for liabilities < 1 year	(iii)	(3,498)	(922)	(4,420)
Net current (liabilities) / assets		(20,764)	23,286	2,522
<b>Total assets less current liabilities</b>		<b>76,910</b>	<b>(66,726)</b>	<b>10,184</b>
Creditors: amounts falling due within one year		(17,888)	-	(17,888)
Lease liabilities > 1 year	(iv)	(67,398)	67,398	-
Provisions for liabilities > 1 year	(v)	(1,747)	(4,017)	(5,764)
<b>Net (Liabilities)</b>		<b>(10,123)</b>	<b>(3,345)</b>	<b>(13,468)</b>
<b>Capital and reserves</b>		<b>(10,123)</b>	<b>(3,345)</b>	<b>(13,468)</b>

- (i) Adjustment to eliminate the right-of-use assets net book value previously recognised as a result of the application of IFRS 16.
- (ii) Adjustment to eliminate the lease liability < 1 year previously recognised as a result of the application of IFRS 16.
- (iii),(v) Adjustment to reflect the onerous contract provision as a provision rather than as an impairment to the IFRS 16 right-of-use asset.
- (iv) Adjustment to eliminate the lease liability > 1 year previously recognised as a result of the application of IFRS 16.



## Offshore Helicopter Services UK Limited

### Notes to the financial statements (continued)

#### 24. Transitional reconciliations – First time adoption of FRS 102 (continued)

##### Reconciliation of equity at 31 March 2021

	Note	As previously stated (FRS 101) £000	Effect of transition £000	As restated (FRS 102) £000
Non-current assets	(vi)	95,164	(88,230)	6,934
Current assets		30,876	-	30,876
Creditors: amounts falling due within one year		(36,599)	-	(36,599)
Lease liabilities < 1 year	(vii)	(19,714)	19,714	-
Provision for liabilities < 1 year	(viii)	(2,107)	(2,889)	(4,996)
Net current liabilities		(27,544)	16,825	(10,719)
<b>Total assets less current liabilities</b>		<b>67,620</b>	<b>(71,405)</b>	<b>(3,785)</b>
Creditors: amounts falling due within one year		(15,851)	-	(15,851)
Lease liabilities > 1 year	(ix)	(73,744)	73,744	-
Provisions for liabilities > 1 year	(x)	(2,216)	(6,823)	(9,039)
<b>Net Assets</b>		<b>(24,191)</b>	<b>(4,484)</b>	<b>(28,675)</b>
<b>Capital and reserves</b>		<b>(24,191)</b>	<b>(4,484)</b>	<b>(28,675)</b>

(vi) Adjustment to eliminate the right-of-use assets net book value previously recognised as a result of the application of IFR 16.

(vii) Adjustment to eliminate the lease liability < 1 year previously recognised as a result of the application of IFRS 16.

(viii),(x) Adjustment to reflect the onerous contract provision as a provision rather than as an impairment to the IFRS 16 right-of-use asset.

(ix) Adjustment to eliminate the lease liability > 1 year previously recognised as a result of the application of IFRS 16.

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## Offshore Helicopter Services UK Limited

### Notes to the financial statements *(continued)*

#### 24. Transitional reconciliations – First time adoption of FRS1 102 *(continued)*

##### Reconciliation of profit and loss year ended 31 Mar 2021

	Note	As previously stated (FRS 101) £000	Effect of transition £000	As restated (FRS 102) £000
Revenue		88,035	-	88,035
Cost of sales	(xi)	(78,166)	527	(77,639)
<b>Gross profit</b>		<b>9,869</b>	<b>527</b>	<b>10,396</b>
Administrative expenses	(xii)	(3,606)	(5,660)	(9,266)
Exceptional administrative expenses		(14,516)	-	(14,516)
<b>Operating loss</b>		<b>(8,253)</b>	<b>(5,133)</b>	<b>(13,386)</b>
Finance costs	(xiii)	(4,428)	3,994	(434)
<b>(Loss) before tax</b>		<b>(12,681)</b>	<b>(1,139)</b>	<b>(13,820)</b>
Tax on (loss)		(1,387)	-	(1,387)
<b>(Loss) for the financial year</b>		<b>(14,068)</b>	<b>(1,139)</b>	<b>(15,207)</b>

(xi) Reversal of the right-of-use asset depreciation £18,236,000 previously depreciated over the shorter of the assets' useful life or expected terms of the lease and the impact of unwinding the onerous contract provision £1,508,000 offset by the lease payments recognised as an expense (£19,217,000).

(xii) Reversal of impact of foreign exchange impact on the Company's lease commitments in Euros and dollars of (£5,660,000).

(xiii) Reversal of IFRS 16 interest charge being the interest on the lease liability.

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## Offshore Helicopter Services UK Limited

### Notes to the financial statements *(continued)*

#### 25. Related party disclosures

During the year the Company provided leased aircraft, helicopter maintenance and support services to Offshore Helicopter Services Denmark A/S. Revenue of £8,230,000 (2021: £ Nil) was recognised. At the year end £1,691,000 (2021: £ Nil) was outstanding and included in debtors. The receivable is unsecured and is due in 30 days.

In addition the Company leased aircraft to Offshore Helicopter Services Australasia PTY Ltd. Revenue of £2,832,000 (2021: £ Nil) was recognised. At the year end £469,000 (2021: £ Nil) was outstanding and included in debtors. The receivable is due in 30 days.

During the year the company received a loan from Offshore Helicopter Services Denmark A/S of £5,580,000. Interest on the loan was charged at 4% and the amount of interest charged in the year was £118,000. Repayments of £553,000 were made during in the year. At the year end £5,145,000 (2021: £ Nil) was outstanding and included in trade and other payables.

In addition, during the year the Company provided a loan to Offshore Helicopter Services Australasia PTY Ltd of £11,365,000. There was no interest charged on the loan and no repayments received. At the year end £11,365,000 (2021: £ Nil) was outstanding and included in trade and other receivables.

Offshore Helicopter Services Denmark A/S and Offshore Helicopter Services Australasia PTY Ltd are both fellow subsidiaries and the CHC Group.

On acquisition of the Company by the CHC Group LLC on 31 August 2021 the Company received an injection of funds of £3,963,000 (2021: Nil). The company was excluded from consolidation as part of the CHC Group LLC because, as a result of the CMA process, there are severe long-term restrictions that substantially hinder the control by the parent over the assets and management of the Company. At the year end £3,998,000 (2021: £ Nil) was outstanding and included in trade and other payables.

#### 26. Immediate and ultimate parent undertakings

At 31 March 2022 the Company's immediate parent company was CHC Denmark ApS, an entity registered in Denmark. The Company's ultimate parent undertaking was CHC Group LLC, and the controlling party was Mr. Ivan Clive Levy, a Swiss national residing in Switzerland, by virtue of his majority interest in the entity EEA Helicopter Operations B.V., a company registered in the Netherlands, which is the ultimate parent of CHC Denmark PLC. The majority shareholder of EEA Helicopter Operations B.V., is CHC Helicopter (6) S.a.r.l., a company registered in Luxembourg, whose ultimate parent entity is CHC Group LLC which is incorporated in the Cayman Islands.

During the year to March 2022 the Company was excluded from consolidation as part of CHC Group LLC because, as a result of the CMA process, there are severe long-term restrictions that substantially hinder the exercise of control by the parent over the assets and management of the Company.

From 3 April 2023, the Companies immediate parent undertaking became Ultimate Aviation Group UK Ltd, an entity registered in England and Wales and the controlling party became Mr S Roseveare, a British national residing in South Africa, by virtue of his 100% ownership of in Ultimate Aviation Group UK Ltd.

**Notes to the financial statements *(continued)***

**27. Events occurring after the balance sheet date**

Ultimate Aviation Group UK Ltd signed a Sale and Purchase Agreement to acquire the Company on 30 December 2022 and full completion of the transaction occurred on 3 April 2023. Ultimate Aviation is based in South Africa and operates a varied range of rotor and fixed wing operations including Antarctic, humanitarian aid, mining and offshore oil and gas.

In addition, subsequent to the year end the Company received 'C18' demands from HMRC for the underpayment of customs duty and import VAT on imports made between September 2017 and March 2020. See note 28 for further details.

**28. Contingent liabilities**

The Company has received 'C18' demands from HMRC for the underpayment of customs duty and import VAT on imports made between September 2017 and March 2020. The Directors believe, having taken appropriate legal and taxation advice that the Company has a multi-faceted and robust defence in relation to what is a complex set of circumstances given two successive changes in the Company's ownership since 31 August 2021. As a result, no provision has been made in these financial statements for this contingent liability. The matter could result in legal proceedings and it has been estimated that, should the defence prove unsuccessful, the liability inclusive of associated interest or penalties could be around £10m.