

National Helicopter Services Limited

Financial Statements

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

National Helicopter Services Limited

Contents	Pages
Statement of Management's Responsibilities	1
Independent Auditor's Report	2
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 – 36

National Helicopter Services Limited

Statement of Management's Responsibilities

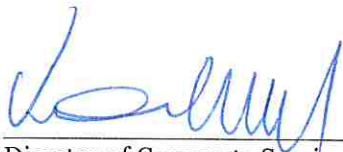
Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of National Helicopter Services Limited (the Company), which comprise the statement of financial position as at 30 September 2015, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



Director of Corporate Services
12 February 2020



General Manager
12 February 2020



Independent Auditor's Report

To the shareholders of National Helicopter Services Limited

Report on the financial statements

We have audited the accompanying financial statements of National Helicopter Services Limited, which comprise the statement of financial position as at 30 September 2015, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Helicopter Services Limited as at 30 September 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

The financial statements of National Helicopter Services Limited for the year ended 30 September 2014 were audited by another firm of auditors whose report, dated 19 May 2016, expressed an unmodified opinion on those statements.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
14 February 2020

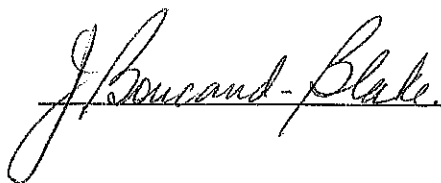
National Helicopter Services Limited


Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at	
	Notes	30 September	2014
		2015	2014
		\$	\$
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	5 a.	349,133,210	375,164,582
Deferred expenditure – major aircraft components	5 b.	57,899,820	62,116,674
Deferred tax assets	12 b.	<u>7,090,803</u>	<u>4,763,017</u>
		<u>414,123,833</u>	<u>442,044,273</u>
<i>Current assets</i>			
Inventories	6	58,874,489	56,546,063
Trade and other receivables	7	91,094,975	80,730,061
Taxation recoverable		8,607,542	5,305,248
Cash and cash equivalents	8	<u>50,744,566</u>	<u>14,588,345</u>
		<u>209,321,572</u>	<u>157,169,717</u>
Total assets		<u>623,445,405</u>	<u>599,213,990</u>
Equity and liabilities			
<i>Capital and reserves attributable to shareholders</i>			
Share capital	9	23,766,278	23,766,278
Retained earnings		<u>193,880,954</u>	<u>159,475,687</u>
		<u>217,647,232</u>	<u>183,241,965</u>
<i>Non-current liabilities</i>			
Borrowings	10	270,827,627	302,252,820
Retirement benefit obligation	11	6,177,300	4,743,300
Deferred tax liabilities	12 b.	<u>50,199,767</u>	<u>47,383,933</u>
		<u>327,204,694</u>	<u>354,380,053</u>
<i>Current liabilities</i>			
Borrowings	10	35,872,860	20,190,015
Trade and other payables	13	<u>42,720,619</u>	<u>41,401,957</u>
		<u>78,593,479</u>	<u>61,591,972</u>
Total liabilities		<u>405,798,173</u>	<u>415,972,025</u>
Total equity and liabilities		<u>623,445,405</u>	<u>599,213,990</u>

The notes on pages 7 to 36 are an integral part of these financial statements.

 Director

 Director

National Helicopter Services Limited

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 September	
		2015 \$	2014 \$
Revenue	14	267,968,393	210,666,837
Cost of providing services	15	<u>(161,033,921)</u>	<u>(140,400,788)</u>
Gross profit		106,934,472	70,266,049
Other income	16	14,501,813	14,523,575
Administration and other operating expenses	17	(33,258,104)	(26,938,241)
Impairment loss on property, plant and equipment	5 a.	(30,127,975)	--
Impairment loss on deferred expenditure – major aircraft components	5 b.	<u>(13,239,147)</u>	<u>--</u>
Operating profit		44,811,059	57,851,383
Finance income		972,726	15,306
Finance costs		<u>(8,255,544)</u>	<u>(7,010,813)</u>
Finance costs – net		<u>(7,282,818)</u>	<u>(6,995,507)</u>
Profit before taxation		37,528,241	50,855,876
Taxation expense	12 a.	<u>(2,467,849)</u>	<u>(11,345,222)</u>
Profit for the year – attributable to shareholders		<u>35,060,392</u>	<u>39,510,654</u>
Other comprehensive (loss)/income			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial (loss)/gain on retirement benefit obligation		(873,500)	2,144,400
Taxation credit/(charge) on actuarial (loss)/gain		<u>218,375</u>	<u>(536,100)</u>
Other comprehensive (loss)/income for the year, net of taxation		<u>(655,125)</u>	<u>1,608,300</u>
Total comprehensive income for the year – attributable to shareholders		<u>34,405,267</u>	<u>41,118,954</u>

The notes on pages 7 to 36 are an integral part of these financial statements.

National Helicopter Services Limited

Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Share capital \$	Retained earnings \$	Total \$
Year ended 30 September 2015			
Balance at 1 October 2014	23,766,278	159,475,687	183,241,965
Profit for the year	--	35,060,392	35,060,392
Other comprehensive loss	--	(655,125)	(655,125)
Total comprehensive income for the year	--	34,405,267	34,405,267
Balance at 30 September 2015	<u>23,766,278</u>	<u>193,880,954</u>	<u>217,647,232</u>
Year ended 30 September 2014			
Balance at 1 October 2013	23,766,278	118,356,733	142,123,011
Profit for the year	--	39,510,654	39,510,654
Other comprehensive income	--	1,608,300	1,608,300
Total comprehensive income for the year	--	41,118,954	41,118,954
Balance at 30 September 2014	<u>23,766,278</u>	<u>159,475,687</u>	<u>183,241,965</u>

The notes on pages 7 to 36 are an integral part of these financial statements.

National Helicopter Services Limited

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Year ended 30 September	
	2015 \$	2014 \$
Cash flows from operating activities		
Profit before taxation	37,528,241	50,855,876
Adjustments for:		
Depreciation	28,434,107	23,537,146
Amortisation of deferred expenditure – major aircraft components	24,511,626	18,451,114
Impairment of property, plant and equipment	30,127,975	--
Impairment of deferred expenditure – major aircraft components	13,239,147	--
Non-cash retirement benefit expense/(income)	560,500	(458,800)
Loss/(gain) on disposal of property, plant and equipment	3,126	(110,868)
Finance income	(972,726)	(15,306)
Finance costs	8,255,544	7,010,813
Operating profit before changes in operating assets and liabilities	141,687,540	99,269,975
Increase in inventories	(2,328,426)	(28,219,300)
Increase in trade and other receivables	(10,364,914)	(26,296,031)
Increase in trade and other payables	1,318,662	12,947,941
Cash generated from operations	130,312,862	57,702,585
Interest paid	(8,255,544)	(7,010,813)
Interest received	972,726	15,306
Taxes paid	(5,063,718)	(1,225,456)
Net cash inflow from operating activities	117,966,326	49,481,622
Cash flows from investing activities		
Payments for property, plant and equipment	(32,535,332)	(132,858,585)
Proceeds from sale of property, plant and equipment	1,494	134,962
Payments for deferred expenditure – major aircraft components	(33,533,919)	(29,952,184)
Net cash outflow from investing activities	(66,067,757)	(162,675,807)
Cash flows from financing activities		
Proceeds from borrowings	12,923,520	159,275,620
Repayment of borrowings	(28,665,868)	(20,944,079)
Net cash (outflow)/inflow from financing activities	(15,742,348)	138,331,541
Net increase in cash and cash equivalents	36,156,221	25,137,356
Cash and cash equivalents, beginning of year	14,588,345	(10,549,011)
Cash and cash equivalents, end of year	50,744,566	14,588,345
Represented by		
Cash at bank and in hand	37,090,766	6,026,086
Short-term deposits	13,653,800	8,562,259
	50,744,566	14,588,345

The notes on pages 7 to 36 are an integral part of these financial statements.

National Helicopter Services Limited

Notes to the Financial Statements

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

1 General information

National Helicopter Services Limited, "the Company" or "NHSL" was incorporated as a company limited by shares under the laws of the Republic of Trinidad and Tobago on 3 October 1989 to establish and carry on the business of air transport and helicopter services. Its registered office is located at NHSL Heliport, Camden, Couva, Trinidad and Tobago.

These financial statements were authorised for issue by the Board of Directors on 16 April 2020.

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, unless otherwise stated.

a. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS 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 4.

(i) Going concern

As at 30 September 2015, NHSL had third party debt obligations totaling \$306,700,487 and a gearing ratio of 53%.

Loan facilities with Republic Bank Limited (RBL), specifically, facilities (i), (iii)(a) and (iii)(c) as per Note 10 require NHSL to maintain a Debt Service Coverage Ratio (DSCR) of 1.3 as well as quarterly or semi-annual repayments of principal and interest. Facilities (iii)(a) and (iii)(c) are guaranteed by a Letter of Comfort issued by the Government of the Republic of Trinidad and Tobago (GORTT). The loan facility with RBC Royal Bank (Trinidad and Tobago) Limited (RBC), specifically, facility (ii) as per Note 10 requires NHSL to maintain a DSCR of not less than 1.25: 1 and a maximum Funded Debt to Total Capital of 70%. Principal and interest for this loan are payable quarterly.

Due to declining financial performance, at September 2017 NHSL did not have the cash flows to service its loan payment obligations for facilities (i) from RBL and (ii) from RBC and therefore defaulted on these obligations. Furthermore, at October 2017, NHSL defaulted on its loan payment obligations regarding facilities (iii)(a) and (iii)(c) from RBL. In addition, at September 2017 the calculated DSCR and the Funded Debt to Total Capital were also in breach of covenants under these loan facilities. The terms of the loan agreements indicate that the loan facilities will become immediately repayable on default. As a result, these loans have become immediately repayable as at that date.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

(i) Going concern (continued)

In September 2018, NHSL received GORTT funding of \$39,500,000 and settled all past due amounts with RBL and RBC. The GORTT also presented its National Budgets for the financial years 2019 and 2020 which included allocations to NHSL of \$40,000,000 and \$11,528,599 respectively to support its debt servicing obligations. The actual sum received for 2019 was \$49,000,000 as the allocation was increased.

In November 2018 and December 2018 respectively, RBL and RBC confirmed their willingness to work with NHSL to arrive at a mutually acceptable solution given NHSL's financial challenges. In December 2018, the GORTT confirmed its commitment to support NHSL in fulfilling its financial and legal obligations including loans guaranteed and not guaranteed by the GORTT. In July 2019, the GORTT also confirmed that they will not call on NHSL to repay any amounts advanced to them prior to the confirmation date in regard to fulfillment of the Company's obligations.

NHSL has also embarked on a number of strategies to achieve sustainability which includes but not limited to the following initiatives:

- Revenue generation by aggressively pursuing new markets regionally and securing additional market share in existing markets.
- Fleet rationalisation which will allow for efficient operations of the fleet aligned with market needs.

Based on current plans and strategies being pursued and implemented as well as continued support from the GORTT, management has a reasonable expectation that the NHSL will generate adequate cash flows and profitability which would allow the NHSL to continue in operational existence for the foreseeable future. On this basis, management is satisfied with the going concern assumption in the preparation of these financial statements.

(ii) Standards, amendments and interpretations adopted by the Company

- Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the financial statements.
- Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment did not have a significant effect on the financial statements.
- IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Company is not currently subjected to significant levies so the impact on the financial statements is not material.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

(ii) Standards, amendments and interpretations adopted by the Company (continued)

There are no other International Financial Reporting Standards (IFRSs) or International Financial Reporting Interpretation Committee (IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 October 2014 that will have a material impact on the Company.

(iii) Standards, amendments and interpretations that are not yet effective for the financial year beginning 1 October 2014 and not early adopted by the Company. The impact of the following standards have not yet been evaluated:

- Amendments to IAS 16, 'Property, plant and equipment', (effective 1 January 2016). In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not applicable because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.
- IFRS 9, 'Financial instruments', effective for financial periods beginning on or after 1 January 2018, addressed the classification, measurement and recognition of financial assets and financial liabilities. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.
- IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2018) is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.
- IFRS 16, Leases (effective 1 January 2019) eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17. Leases are 'capitalised' by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognises a financial liability representing its obligation to make future lease payments. The most significant effect of the new requirements will be an increase in lease assets and financial liabilities.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

b. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional and presentation currency.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

b. Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

c. Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Projects under construction are stated at historical cost less impairment losses and capitalised when the asset is put into use. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefit embodied in the item of property, plant and equipment. All other expenditure is recognised in the statement of comprehensive income during the financial period as an expense as incurred.

Depreciation is charged to the statement of comprehensive income on a reducing balance basis, except for aircraft which is on a straight line basis, over its estimated useful life. Freehold land is not depreciated as it is deemed to have an infinite life. Depreciation is provided over the estimated useful life of the respective assets at the following rates and methods:

Leasehold land and buildings	1.67%-2.02%
Aircraft	6.67%-12.5%
Equipment	15%-25%
Computer	20%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2 e.).

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income within 'Other income'.

d. Deferred expenditure — major aircraft components

The cost of major aircraft component overhaul or replacement is accounted for by the deferral method. The cost of each overhaul or replacement is deferred and written-off over the expected life of the component. Overhaul or replacement expenses are allocated to the statement of income when the overhaul or replacement is completed, at which point the accumulated cost is then expensed monthly to the statement of comprehensive income using the deferral method, based on the actual flying hours on each component.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

e. *Impairment of non-financial assets*

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

f. *Financial assets*

(i) *Classification*

Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Company classifies its financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current. Loans and receivables include 'Trade and other receivables' and 'Cash and cash equivalents' in the statement of financial position.

(ii) *Recognition and measurement*

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

(iii) *Impairment of financial assets - assets carried at amortised cost*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

f. *Financial assets (continued)*

(iii) *Impairment of financial assets - assets carried at amortised cost (continued)*

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

g. *Inventories*

Inventories which consist mainly of spare parts are measured at the lower of cost and net realisable value. The cost of the inventories is after allowance has been made for obsolete items. Cost is based on actual suppliers' invoiced prices including taxes, transport and handling, net of trade discounts received.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

h. *Trade receivables*

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

i. *Cash and cash equivalents*

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and investments in money market instruments, net of bank overdrafts. In the statement of financial position, bank overdrafts are shown within 'Borrowings' in current liabilities.

j. *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

k. *Trade payables*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

l. *Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

m. *Provisions*

Provisions are recognised when, the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

n. *Employee benefits*

(i) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating vacation leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented within 'Trade and other payables' in the statement of financial position.

(ii) *Post-employment obligations*

The Company operates a defined benefit plan, the assets of which are held in a separate trustee-administered fund. The pension plan is funded by payments from the employees and the Company, taking account of the recommendations of independent actuaries. The retirement benefit obligation recognised in the statement of financial position in respect of the defined benefit plan is the fair value of plan assets at the reporting date less the present value of the defined benefit obligation. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

n. *Employee benefits (continued)*

(ii) *Post-employment obligations (continued)*

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Administration and other operating expenses' in the statement of comprehensive income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately as 'Administration and other operating expenses' in the statement of comprehensive income.

o. *Current and deferred income taxes*

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

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/ loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

p. *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

(i) *Service revenue*

Revenue is recognised on the accrual basis upon performance of services.

(ii) *Other income*

This relates mainly to management fees and is recognised on the accrual basis.

q. *Finance income and finance costs*

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in the statement of comprehensive income using the effective interest method.

Finance costs comprise interest expense on borrowings unwinding of the discount on provisions, impairment losses recognised on financial assets recognised on the statement of comprehensive income.

r. *Leases - the Company is the lessee*

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

s. *Dividend distribution*

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Board of Directors.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

t. Fair value hierarchy

Judgments and estimates are made in determining the fair values for items measured at fair value in the financial statements. The valuation methods used by management were classified into the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

3 Financial risk management

a. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. There were no changes in the policies and procedures for managing financial risk compared with prior year.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate because of changes in market prices. The objectives of market risk management are to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Company takes on exposure to market risks from changes in foreign exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis.

(a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from currency exposures with respect to the United States dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Company manages its foreign exchange risk by the following:

- Ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.
- Holding foreign currency balances.
- Invoicing only in an exchange currency such as in US dollar or in TT dollar.

At 30 September 2015, if the functional currency had weakened/strengthened by 5% against the US dollar with all other variables held constant, pre-tax profit for the year would have been \$0.1m (2014 - \$0.09m) lower/higher mainly as a result of foreign exchange losses/gains on translation of US dollar-denominated trade receivables and payables.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

a. Financial risk factors (continued)

(i) Market risk (continued)

(b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company finances its operations through a mixture of retained profits and borrowings. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company manages the interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments.

The carrying amounts and fair value of fixed rate borrowings are disclosed in Note 10. The sensitivity of variable rate borrowings to interest rate fluctuations are also disclosed in Note 10.

(ii) Credit risk

The Company is exposed to credit risk, which is the risk that its customers and counterparties may cause a financial loss by failing to discharge their contractual obligations. Credit risk arises from cash equivalents, deposits with financial institutions as well as outstanding receivables.

The Company has minimal exposure to credit risk on its cash equivalents and short term deposits as these are placed only with reputable financial institutions.

The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk. Management does not expect any losses from non-performance by counterparties. There was no concentration of risk due to the number and diversity of operations of the customer base. See Note 20 for more information on the credit quality of financial assets.

During the credit approval process, the customer is assessed for certain indicators of possible delinquency. In monitoring customer credit risk, customers are grouped according to the ageing of their debt.

The Company established an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The allowance for doubtful debts is based on the ageing of the trade receivables. The Company also makes special provision for receivables based on information that they have that shows that the receivables balance is uncollectible. See Note 7 for more information on past due but not impaired as well as impaired trade receivables.

(iii) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash and availability of funding through an adequate amount of committed credit facilities to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

a. Financial risk factors (continued)

(iii) Liquidity risk (continued)

The table below analyses the Company's liabilities which will be settled on a gross basis into relevant maturity grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 Year \$	Between 2-5 Years \$	More than 5 years \$	Contractual Cash Flows \$	Carrying Amounts \$
2015					
Borrowings	45,275,185	170,537,440	133,434,336	349,246,961	306,700,487
Trade and other payables (excluding statutory obligations)	35,804,957	--	--	35,804,957	35,804,957
	<u>81,080,142</u>	<u>170,537,440</u>	<u>133,434,336</u>	<u>385,051,918</u>	<u>342,505,444</u>
2014					
Borrowings	55,977,134	205,895,542	153,553,491	415,426,167	322,442,835
Trade and other payables (excluding statutory obligations)	34,918,582	--	--	34,918,582	34,918,582
	<u>90,895,716</u>	<u>205,895,542</u>	<u>153,553,491</u>	<u>450,344,749</u>	<u>357,361,417</u>

b. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

b. Capital risk management (continued)

The gearing ratios as at 30 September 2015 and 2014 were as follows:

	2015 \$	2014 \$
Total borrowings	306,700,487	322,442,835
Less: cash and cash equivalents	<u>(50,744,566)</u>	<u>(14,588,345)</u>
Net debt	255,955,921	307,854,490
Total equity	<u>217,647,232</u>	<u>183,241,965</u>
Total capital	<u>473,603,153</u>	<u>491,096,455</u>
Gearing ratio	<u>54%</u>	<u>63%</u>

There were no changes in the policies and procedures for capital risk management compared with prior year. The decrease in gearing is as a result of a decrease in long term liabilities. These borrowings were to facilitate capital expenditure.

c. Fair value estimations

The carrying value of short-term financial assets and liabilities comprising trade and other receivables, cash and cash equivalents, short-term portion of borrowings and trade and other payables are a reasonable estimate of their fair values since the interest payable is either close to current market rates or the instruments are of a short-term nature. The fair value of fixed rate borrowings was determined based on future cash flows discounted at current market interest rates and is disclosed in Note 10.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgements

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.

a. *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) *Deferred expenditure — major aircraft components*

(a) *S76C++ aircraft*

'Power by the Hour' transaction costs for the S76C++ aircraft are expensed monthly, 30% and 25% for engines and gear boxes respectively. The remaining 70% and 75% respectively on the engines and the gearboxes are capitalised under 'Deferred expenditure — major aircraft components' on the statement of financial position and accounted for in accordance with Note 2 d.

(b) *S76D aircraft*

'Power by the Hour' transaction costs for the S76D aircraft engines are managed under a Fleet Management Program (FMP) with the S76D aircraft engine manufacture — Pratt and Whitney, and are capitalised under 'Deferred expenditure — major aircraft components' on the statement of financial position and accounted for in accordance with Note 2 d.

The S76D aircraft, excluding the engines, are on a Total Assurance Program (TAP) which covers all time limited components, subject to some exceptions, and all consumable parts valued over US\$200, at a rate per hour based on projected flying hours for each of the aircraft.

For the two (2) owned S76D aircraft, the hourly charge for the time limited components, 30% are expensed monthly and 70% are capitalised under 'Deferred expenditure — major aircraft components' on the statement of financial position and accounted for in accordance with Note 2 d. For all consumable parts valued over \$200, this portion is expensed monthly and all consumable parts received under the program are credited against the amounts expensed and recorded in the inventory at cost price.

For the two (2) leased S76D aircraft, the full 100% is expensed monthly and all parts received under the program are credited against the amounts expensed and recorded in the inventory at cost price.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgements (continued)

a. Critical accounting estimates and assumptions (continued)

(ii) Provision for inventory obsolescence – aircraft spares

(a) S76D spares

The S76D aircraft is the newest model and as such no provision for obsolete S76D spares was made.

(b) S76A++ and S76C++ spares

The S76A aircraft has been obsolete for some time now and NHSL choose to retire the three (3) S76A++ aircraft in 2015. The Company still operates three (3) S76C++ aircraft. It is estimated that approximately 10% of the S76 spares are obsolete for use in NHSL's fleet (2014 – 8.5%).

(c) BO105 spares

NHSL has not operated any BO105 helicopters for financial year 2015, however, NHSL continues to provide third party maintenance support to the Ministry of National Security, National Operations Centre (NOC) which has one serviceable BO105 aircraft. It is estimated that approximately 90% of the BO105 spares currently held are obsolete for use by NHSL/NOC fleet (2014 – 90.3%).

Details of the aircraft spares inventory and the relevant provision for inventory obsolescence as at the years ended are as follows:

	Gross amount \$	Provision for obsolescence \$	Net amount \$	Effective obsolescence %
At 30 September 2015				
S76A++ and S76C++	38,079,104	(3,807,910)	34,271,194	10%
BO105	8,881,768	(7,993,591)	888,177	90%
S76D	23,362,234	–	23,362,234	0%
	<u>70,323,106</u>	<u>(11,801,501)</u>	<u>58,521,605</u>	<u>16.8%</u>
At 30 September 2014				
S76A++ and S76C++	31,560,024	(2,693,230)	28,866,794	8.5%
BO105	8,631,583	(7,790,730)	840,853	90.3%
S76D	25,198,701	–	25,198,701	0%
	<u>65,390,308</u>	<u>(10,483,960)</u>	<u>54,906,348</u>	<u>16%</u>

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgements (continued)

a. Critical accounting estimates and assumptions (continued)

(iii) Pension benefits

The present value of the pension obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of long term Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Additional information on key assumptions is disclosed in Note 11.

(iv) Provision for impairment of property, plant and equipment – aircraft and deferred expenditure – major aircraft components

(a) S76A and S76A++

In 2015, the three (3) S76A++ aircraft have had major unscheduled down time and a decision was taken to retire the three (3) aircraft as they required major structural repairs and were deemed too costly to repair. In March 2015 the three (3) owned S76A++ aircraft were de-registered from the Trinidad and Tobago Civil Aviation Authority's (TTCAA's) registry.

The impairment loss calculation of TT\$ 426,027 relating to property, plant and equipment – aircraft and TT\$ 13,239,147 relating to deferred expenditure – major aircraft components on the three (3) S76A++ and the two (2) older deregistered S76A aircraft were based on the carrying amount of each of the aircraft which comprised of:

- The aircraft depreciated net book value (fixed assets)
- Net deferred expenditure — major aircraft components value
- The net value of their respective power by the hour values.

Value in use was not considered in this calculation as the aircraft were deregistered from the Trinidad and Tobago Civil Aviation Authority. Credits on exiting the respective programs were applied.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgements (continued)

a. Critical accounting estimates and assumptions (continued)

(iv) Provision for impairment of property, plant and equipment – aircraft and deferred expenditure – major aircraft components (continued)

(b) S76C++

Management acquired a desk top valuation for an S76C++ aircraft from Helivalues, Inc which listed the historical manufacturer's price for a basic S76C++ and price options based on varied utilisation and configuration.

When compared to the net carrying value of the property, plant and equipment – S76C++ aircraft, the net market value / value in use was lower by TT\$ 29,701,948 and is classified as a level 3 fair value. A pre-tax discount rate of 16%, a three (3) to five (5) year projection based on the remaining life of the aircraft and contracts in hand were used in determining the value in use.

The total impairment loss, which comprise of a Property, plant and equipment portion TT\$ 30,127,975 and a Deferred expenditure – major aircraft components portion TT\$ 13,239,147, is included in the statement of comprehensive income.

(v) Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

5 a. Property, plant and equipment

	Land and Building \$	Aircraft \$	Equipment \$	Computers \$	Motor Vehicles \$	Project Under Construction \$	Total \$
At 30 September 2015							
Cost							
At 1 October 2014	15,395,199	321,993,238	11,543,207	3,752,244	1,224,729	168,016,263	521,924,880
Additions	425,100	--	2,795,902	431,137	--	28,883,193	32,535,332
Impairment (Note 4 a.(iv))	--	(30,127,975)	--	--	--	--	(30,127,975)
Disposals	--	--	(33,944)	(6,579)	(168,737)	--	(209,260)
Transfers	2,035,799	183,187,946	526,926	278,645	--	(186,029,316)	--
	<u>17,856,098</u>	<u>475,053,209</u>	<u>14,832,091</u>	<u>4,455,447</u>	<u>1,055,992</u>	<u>10,870,140</u>	<u>524,122,977</u>
Accumulated depreciation							
At 1 October 2014	3,298,018	131,506,611	8,581,723	2,546,014	827,932	--	146,760,298
Charge for the year	300,049	26,387,373	1,094,784	410,239	241,662	--	28,434,107
Disposals	--	--	(33,927)	(1,974)	(168,737)	--	(204,638)
	<u>3,598,067</u>	<u>157,893,984</u>	<u>9,642,580</u>	<u>2,954,279</u>	<u>900,857</u>	<u>--</u>	<u>174,989,767</u>
Carrying value	<u>14,258,031</u>	<u>317,159,225</u>	<u>5,189,511</u>	<u>1,501,168</u>	<u>155,135</u>	<u>10,870,140</u>	<u>349,133,210</u>
At 30 September 2014							
Cost							
At 1 October 2013	13,826,049	321,639,840	9,772,862	3,260,044	1,481,721	39,604,859	389,585,375
Additions	1,206,450	58,854	1,849,299	541,215	--	129,202,767	132,858,585
Disposals	--	--	(78,954)	(183,134)	(256,992)	--	(519,080)
Transfers	362,700	294,544	--	134,119	--	(791,363)	--
	<u>15,395,199</u>	<u>321,993,238</u>	<u>11,543,207</u>	<u>3,752,244</u>	<u>1,224,729</u>	<u>168,016,263</u>	<u>521,924,880</u>
Accumulated depreciation							
At 1 October 2013	3,034,512	109,480,458	7,908,913	2,436,934	857,321	--	123,718,138
Charge for the year	263,506	22,026,153	749,256	270,629	227,602	--	23,537,146
Disposals	--	--	(76,446)	(161,549)	(256,991)	--	(494,986)
	<u>3,298,018</u>	<u>131,506,611</u>	<u>8,581,723</u>	<u>2,546,014</u>	<u>827,932</u>	<u>--</u>	<u>146,760,298</u>
Carrying value	<u>12,097,181</u>	<u>190,486,627</u>	<u>2,961,484</u>	<u>1,206,230</u>	<u>396,797</u>	<u>168,016,263</u>	<u>375,164,582</u>
At 30 September 2013							
Cost	13,826,049	321,639,840	9,772,862	3,260,044	1,481,721	39,604,859	389,585,375
Accumulated depreciation	3,034,512	109,480,458	7,908,913	2,436,934	857,321	--	123,718,138
Carrying value	<u>10,791,537</u>	<u>212,159,382</u>	<u>1,863,949</u>	<u>823,110</u>	<u>624,400</u>	<u>39,604,859</u>	<u>265,867,237</u>

Depreciation expense of \$26,387,367 (2014 - \$22,026,153) has been charged in 'Cost of providing services' (Note 15), and \$2,046,740 (2014 - \$1,510,993) in 'Administrative and other operating expenses' (Note 17) in the statement of comprehensive income.

5 b. Deferred expenditure – major aircraft components

	2015 \$	2014 \$
At beginning of year	62,116,674	50,615,604
Additions for expenditure on major aircraft components	33,533,919	29,952,184
Amortisation expense	(24,511,626)	(18,451,114)
Impairment (Note 4 a.(iv))	(13,239,147)	--
At end of year	<u>57,899,820</u>	<u>62,116,674</u>

Amortisation expense of \$24,511,626 (2014 - \$18,451,114) has been charged in 'Cost of providing services' (Note 15) in the statement of comprehensive income.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

6 Inventories	2015 \$	2014 \$
Aircraft spares	58,521,605	54,906,348
Goods in transit	149,273	1,396,306
Fuel	<u>203,611</u>	<u>243,409</u>
	<u>58,874,489</u>	<u>56,546,063</u>

Inventories are shown net of provision for obsolescence of \$11,801,501 (2014: \$10,483,960).

7 Trade and other receivables

Trade receivables		
- Third parties	53,753,999	53,639,019
- Related parties (Note 19)	<u>17,409,347</u>	<u>20,945,005</u>
	71,163,346	74,584,024
Less: provision for impairment of receivables	<u>(61,205)</u>	<u>(61,205)</u>
Trade receivable - net	71,102,141	74,522,819
Other receivables	15,403,264	174,661
Prepayments	<u>4,589,570</u>	<u>6,032,581</u>
	<u>91,094,975</u>	<u>80,730,061</u>

The aging of trade receivables at the reporting date was:

0-30 days	55,355,390	55,689,865
61-90 days	8,375,923	12,887,836
Over 90 days	<u>7,432,033</u>	<u>6,006,323</u>
	<u>71,163,346</u>	<u>74,584,024</u>

As at 30 September 2015, trade receivables of \$63,731,313 (2014 - \$68,577,701) were fully performing.

As at 30 September 2015, trade receivables of \$7,370,828 (2014 - \$5,945,118) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. Management expects the amount to be fully recovered. The ageing analysis of these trade receivables is as follows:

Over 3 months	<u>7,370,828</u>	<u>5,945,118</u>
---------------	------------------	------------------

At 30 September 2015, trade receivables of \$61,205 (2014 - \$61,205) were impaired and fully provided for. This relates to one customer who is in an unexpectedly difficult economic situation. The ageing of this receivable is as follows:

Over 3 months	<u>61,205</u>	<u>61,205</u>
---------------	---------------	---------------

The movement in the Company's provision for impairment of trade receivables is as follows:

Balance as at 1 October	61,205	94,693
Decrease in allowance	<u>--</u>	<u>(33,488)</u>
Balance as at 30 September	<u>61,205</u>	<u>61,205</u>

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The other classes within trade and other receivables do not contain impaired assets. The Company does not hold any collateral as security.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

7 Trade and other receivables (continued)

The carrying amounts of the Company's trade receivables are denominated in the following currencies:

	2015 \$	2014 \$
United States Dollars	55,587,719	52,822,938
Trinidad and Tobago Dollars	<u>15,514,422</u>	<u>21,699,881</u>
	<u>71,102,141</u>	<u>74,522,819</u>

8 Cash and cash equivalents

Cash at bank and in hand	37,090,766	6,026,086
Short-term deposits	<u>13,653,800</u>	<u>8,562,259</u>
	<u>50,744,566</u>	<u>14,588,345</u>

9 Share capital

Authorised

An unlimited number of shares of no par value

Issued and fully paid

23,766,278 ordinary shares of no par value

<u>23,766,278</u>	<u>23,766,278</u>
-------------------	-------------------

10 Borrowings

(i) Facility from Republic Bank Limited (RBL) of US\$27,269,000 (\$173,430,840) for the purchase of two (2) Sikorsky S76D helicopters 9Y-MAD and 9Y-RKD. This loan was taken out on the 30 April 2015 and is secured by a Deed of Collateral Aircraft Chattel Mortgage. The loan bears a floating interest rate of 3 months LIBOR plus a spread of 225 basis points which is subjected to a ceiling of 6% for a period of ten (10) years. Principal and interest are payable quarterly.	164,124,721	159,275,620
(ii) Facility from RBC Ltd of US\$11,500,000 (\$73,600,000) for the purchase of a pre-owned Sikorsky S76C++ helicopter 9Y-LAS. This loan was taken out on the 3 April 2013 and is secured by a Chattel Mortgage over the Helicopter. The loan bears an interest rate of 2.5336% for a period of five (5) years. Principal and interest are payable quarterly.	54,682,350	62,168,849

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

10 Borrowings (continued)	2015 \$	2014 \$
(iii) Facility from Republic Bank Limited (RBL) for the purchase of a Sikorsky S76C++ helicopter 9Y-MCK. This bridging facility was converted to a long term facility on 28 April 2011, financed as follows:		
(a) Facility with RBL for US\$3,000,000 (\$19,200,000). This facility is secured by a Letter of Comfort issued by the Government of the Republic of Trinidad and Tobago (GORTT) and bears an interest rate of 6.135% for a period of ten (10) years. Principal and interest are payable semi-annually.	11,412,000	13,356,000
(b) Facility with PEFCO Bank Ltd for US\$7,453,734 (\$47,703,898). This facility is secured by a Letter of Comfort issued by the Government of the Republic of Trinidad and Tobago (GORTT) and bears an interest rate of 3.501% for a period of eight and a half (8 1/2) years. Principal and interest are payable semi-annually.	22,238,436	27,885,734
(iv) Facility with Republic Bank Limited for US\$11,663,013 (\$74,643,277) for the purchase of a Sikorsky S76C++ Helicopter 9Y-NCN. This loan was taken out on the 3 April 2011 and is secured by a Letter of Comfort issued by the Government of the Republic of Trinidad and Tobago (GORTT). The loan bears an interest rate of 5.05% for a period of twelve (12) years. Principal and interest are payable semi-annually.	54,242,980	59,742,532
(v) Facility with General Finance Corporation Ltd for \$201,641 for the lease of a motor vehicle. This loan is secured by the said motor vehicle. The loan bears interest of 6.50% per annum for a period of 36 months. Principal and interest are payable monthly.	--	14,100
Total borrowings	<u>306,700,487</u>	<u>322,442,835</u>
Disclosed as:		
Current liabilities	35,872,860	20,190,015
Non-current liabilities	<u>270,827,627</u>	<u>302,252,820</u>
	<u>306,700,487</u>	<u>322,442,835</u>

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

10 Borrowings (continued)

The fair value of fixed rate and floating rate borrowings classified as current liabilities equals their carrying amount, as the impact of discounting is not significant. The fair value of the non-current portion of the fixed rate borrowings at 30 September 2015 is estimated to be \$13.4m (2014 - \$17.3m) as compared with its carrying value of \$13.3m (2014 - \$15.8m). This fair value was determined based on future cash flows discounted at current market interest rates and are within level 2 of the fair value hierarchy.

The Company has calculated the impact of a change in interest rates of 100 basis points on the profit for the year based on the non-current borrowings at floating interest rates. Based on these calculations, an increase/decrease in the rate would cause a decrease/increase in profit for the year of \$0.25m (2014: \$0.1m).

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	2015 \$	2014 \$
United States Dollars	306,700,488	322,428,735
Trinidad and Tobago Dollars	<u> --</u>	<u> 14,100</u>
	<u>306,700,488</u>	<u>322,442,835</u>

11 Retirement benefit obligation

The Company has established a pension scheme that covers substantially all of the employees. The pension scheme is a final salary defined benefit plan and is fully funded. The assets of the funded plan are held independently of the Company's assets in a separate trustee administered fund. The scheme was valued by independent actuaries as at 30 September 2015 and 2014 using the projected unit credit method.

Net liability in the statement of financial position

Present value of defined benefit obligation	29,265,700	25,750,400
Fair value of plan assets	<u>(23,088,400)</u>	<u>(21,007,100)</u>
Liability recognised in statement of financial position	<u>6,177,300</u>	<u>4,743,300</u>

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

11 Retirement benefit obligation (continued)

<i>Movement in present value of defined benefit obligation</i>	2015	2014
	\$	\$
Defined benefit obligation at start of year	25,750,400	25,086,800
Current service cost	1,536,400	1,322,600
Plan participant contributions	906,400	839,300
Interest cost	1,326,900	1,298,600
Actuarial losses from changes in financial assumptions	612,700	(2,406,900)
Benefits paid	<u>(867,100)</u>	<u>(390,000)</u>
Defined benefit obligation at end of year	<u>29,265,700</u>	<u>25,750,400</u>
 The weighted average duration of the defined benefit obligation at year end	 22yrs	 22yrs
 <i>Movement in fair value of plan assets</i>		
Plan assets at start of year	21,007,100	17,740,300
Expected return on plan assets	1,084,000	951,500
Actuarial loss on plan assets	(260,800)	(262,500)
Employer contributions	1,305,100	2,128,500
Plan participant contributions	906,400	839,300
Benefits paid	<u>(953,400)</u>	<u>(390,000)</u>
Fair value of plan assets at end of year	<u>23,088,400</u>	<u>21,007,100</u>
<i>Actual return on plan assets</i>	<u>823,200</u>	<u>689,000</u>
 The fair value of plan assets represents the fund balance provided to the actuaries by the plan's investment manager (Pan-American Life Insurance Company Of Trinidad And Tobago Ltd). The Plan's assets are invested in accordance with the Deposit Administration Contract and Managed Fund Contract between the Trustee and Investment Manager.		
 <i>Expense recognised in the statement of comprehensive income</i>		
Current service cost	1,536,400	1,322,600
Interest cost	242,900	347,100
Expenses	<u>86,300</u>	<u>---</u>
Included in employee costs and benefits (Note 18)	<u>1,865,600</u>	<u>1,669,700</u>
 <i>Re-measurements recognised in other comprehensive income</i>		
Actuarial (loss)/gain	(873,500)	2,144,400
Deferred tax (Note 12)	<u>218,375</u>	<u>(536,100)</u>
Total amount recognised in other comprehensive income	<u>(655,125)</u>	<u>1,608,300</u>
 <i>Movement recognised in the statement of financial position</i>		
At the beginning of the year	(4,743,300)	(7,346,500)
Pension costs, net	(1,865,600)	(1,669,700)
Contributions paid	1,305,100	2,128,500
Re-measurement recognised in other comprehensive income	<u>(873,500)</u>	<u>2,144,400</u>
At the end of the year	<u>(6,177,300)</u>	<u>(4,743,300)</u>

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

11 Retirement benefit obligation (continued)

	2015 Per annum	2014 Per annum
<i>Summary of principal assumptions</i>		
Discount rate	5.00%	5.00%
Future salary increases	3.50%	3.50%

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at 30 September 2015 are as follows:

	2015 Years	2014 Years
<i>Life expectancy at age 60 for current pensioner</i>		
Male	21.33	21.33
Female	25.09	25.09

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at 30 September 2015 and 2014 would have changed as a result of a change in the assumptions used. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the prior year.

	1% pa increase \$	1% pa decrease \$
	2015	
Discount rate	(4,833,500)	6,380,600
Future salary increases	2,846,300	(2,405,500)
	2014	
Discount rate	(4,247,200)	5,611,100
Future salary increases	2,402,500	(2,027,900)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 30 September 2015 by \$494,200.

Funding

The Company pays the balance of the cost of funding the defined benefit pension plan to secure the promised benefits. The funding requirements are based on triennial actuarial valuations the last of which was carried out as at 1 September 2014. Expected contributions to the Plan for the year ended 30 September 2016 are \$1,675,100.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

12 a. Taxation expense	2015	2014
	\$	\$
<i>Amount recognised in the statement of comprehensive income</i>		
Corporation tax charge	1,761,426	443,488
Deferred tax charge	<u>706,423</u>	<u>10,901,734</u>
	<u>2,467,849</u>	<u>11,345,222</u>
<i>Amount recognised in other comprehensive income</i>		
Taxation (credit)/charge on actuarial (loss)/gain on retirement benefit obligation	<u>(218,375)</u>	<u>536,100</u>
<i>Tax reconciliation of amount recognised in the statement of comprehensive income</i>		
The tax on profit before taxation differs from the theoretical amount that would arise using the basic rate of tax as follows:		
Profit before taxation	37,528,241	50,855,876
Tax calculated at 25%	9,382,060	12,713,969
Tax effect of non-deductible items and non-taxable income	(7,959,341)	(1,368,747)
Other differences	<u>1,044,770</u>	<u>--</u>
	<u>2,467,849</u>	<u>11,345,222</u>

These financial statements include a reclassification of 2014 comparative information. In accordance with paragraph 2 of IAS 12 – Income Taxes, income taxes include all domestic and foreign taxes which are based on taxable profits. As a result, the green fund levy amounts of \$221,744 previously classified within taxation expense for the 2014 financial period was reclassified to 'Administration and other operating expenses' in the statement of comprehensive income.

12 b. Deferred tax liabilities/(assets)

	2014	Credit to OCI	Charge/(credit) to SOCI	2015
	\$	\$	\$	\$
<i>Deferred tax liabilities</i>				
Accelerated tax depreciation	31,854,764	--	3,870,048	35,724,812
Other timing difference - deferred expenses	<u>15,529,169</u>	--	<u>(1,054,214)</u>	<u>14,474,955</u>
	<u>47,383,933</u>	--	<u>2,815,834</u>	<u>50,199,767</u>
<i>Deferred tax assets</i>				
Retirement benefit obligation	(1,185,825)	(218,375)	(140,125)	(1,544,325)
Other timing difference - pension	--	--	(340,530)	(340,530)
Tax losses	(956,202)	--	(1,299,371)	(2,255,573)
Inventory obsolescence	<u>(2,620,990)</u>	--	<u>(329,385)</u>	<u>(2,950,375)</u>
	<u>(4,763,017)</u>	<u>(218,375)</u>	<u>(2,109,411)</u>	<u>(7,090,803)</u>
<i>Net deferred tax liabilities</i>	<u>42,620,916</u>	<u>(218,375)</u>	<u>706,423</u>	<u>43,108,964</u>

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

12 b. Deferred tax liabilities/(assets) (continued)

	2013 \$	Charge to OCI \$	Charge to SOCI \$	2014 \$
<i>Deferred tax liabilities</i>				
Accelerated tax depreciation	28,769,866	--	3,084,898	31,854,764
Other timing difference - deferred expenses	12,653,901	--	2,875,268	15,529,169
	<u>41,423,767</u>	<u>--</u>	<u>5,960,166</u>	<u>47,383,933</u>
<i>Deferred tax assets</i>				
Retirement benefit obligation	(1,836,625)	536,100	114,700	(1,185,825)
Tax losses	(5,714,972)	--	4,758,770	(956,202)
Inventory obsolescence	(2,689,088)	--	68,098	(2,620,990)
	<u>(10,240,685)</u>	<u>536,100</u>	<u>4,941,568</u>	<u>(4,763,017)</u>
<i>Net deferred tax liabilities</i>	<u>31,183,082</u>	<u>536,100</u>	<u>10,901,734</u>	<u>42,620,916</u>

These financial statements include a reclassification of 2014 comparative information in accordance with paragraph 74 of IAS 12 – Income Taxes regarding the offsetting of deferred tax assets and liabilities. As a result, deferred tax amounts of \$4,763,017 previously classified as a deferred tax liability for the 2014 financial period was reclassified to 'Deferred tax asset' in the statement of financial position.

13 Trade and other payables

	2015 \$	2014 \$
Trade payables	8,803,765	17,794,013
Value added tax (VAT) payable	5,447,007	5,032,039
Employee withholdings	895,178	1,451,337
Due to related party (Note 19)	4,737,672	4,681,714
Accrued liabilities	<u>22,836,997</u>	<u>12,442,854</u>
	<u>42,720,619</u>	<u>41,401,957</u>

14 Revenue

Helicopter services		
- Third parties	248,136,543	188,842,749
- Related parties (Note 19)	<u>19,831,850</u>	<u>21,824,088</u>
	<u>267,968,393</u>	<u>210,666,837</u>

15 Expenses by nature – Cost of providing services

Aircraft spares and accessories	15,796,979	18,501,570
Amortisation of deferred expenditure – major aircraft components	24,511,626	18,451,114
Rental of aircraft/equipment	19,073,640	9,319,689
Depreciation	26,387,367	22,026,153
Insurance	7,331,033	5,898,115
Fuel	12,468,304	16,665,539
Employee costs and benefits (Note 18)	43,712,339	37,268,307
Operating supplies	1,101,460	858,995
Purchased services	1,111,665	904,489
Training	8,210,250	8,690,763
Other	<u>1,329,258</u>	<u>1,816,054</u>
	<u>161,033,921</u>	<u>140,400,788</u>

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

16 Other income	2015 \$	2014 \$
Management fees (Note 19)	7,918,183	6,745,367
Other	5,571,931	5,652,820
Foreign currency translation differences	1,014,825	2,014,520
(Loss)/gain and disposal of property, plant and equipment	<u>(3,126)</u>	<u>110,868</u>
	<u>14,501,813</u>	<u>14,523,575</u>
17 Expenses by nature – Administration and other operating expenses		
Repairs and maintenance	1,145,843	1,146,648
Depreciation	2,046,740	1,510,993
Insurance	338,050	328,703
Employee costs and benefits (Note 18)	12,158,615	10,631,624
Training	366,744	1,271,483
Vehicle expenses	310,074	243,699
Lease rental of vehicles	958,168	785,562
Telephone and electricity	782,422	692,999
Travel	4,980,003	695,433
Entertainment	1,341	10,605
Subscriptions and donations	455,928	978,203
Professional services	1,669,883	2,112,921
Directors' fees	352,700	378,600
Promotions	277,449	804,967
Security	2,308,584	2,157,344
Staff welfare	708,783	691,518
Purchased services	2,243,170	1,342,195
Printing and stationery	375,577	457,758
Operating supplies	341,908	309,920
Other	875,622	845,866
Net pension cost/(income)	<u>560,500</u>	<u>(458,800)</u>
Total administrative and other operating expenses	<u>33,258,104</u>	<u>26,938,241</u>
18 Employee costs and benefits		
Wages and salaries	50,264,070	42,989,612
National insurance and health surcharge cost	2,764,649	2,617,364
Pension and savings plan cost	<u>2,842,235</u>	<u>2,292,955</u>
	<u>55,870,954</u>	<u>47,899,931</u>

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

19 Related parties

a. Transactions with related parties

The following transactions have been entered into with related parties in the normal work of business. These transactions were conducted at market rates on commercial terms and conditions.

(i) Revenue - helicopter services (Note 14)	2015 \$	2014 \$
GORTT	1,514,182	3,310,652
NGC	18,317,668	18,513,436
	<u>19,831,850</u>	<u>21,824,088</u>
(ii) Other income (Note 16)		
Management fees - OPM- N.O.C.	<u>7,918,183</u>	<u>6,745,367</u>

The Company provides third party aircraft maintenance services and logistics support to the Ministry of National Security - Special Anti-Crime Unit (MNS-S.A.U.T.T.), renamed National Security Operations Centre (N.S.O.C) on 31 August 2011. N.S.O.C. was subsequently renamed National Operations Centre (N.O.C.) Air Division under the Office of the Prime Minister (OPM) effective 6 November 2014.

(iii) Pension contributions (Note 11)		
National Helicopter Services Limited Pension Fund Plan	<u>1,305,100</u>	<u>2,128,500</u>
(iv) Key management compensation	<u>4,153,254</u>	<u>3,950,996</u>
(v) Directors' fees	<u>352,700</u>	<u>378,600</u>

Fees are based upon rates provided by the Ministry of Finance (Investments)

(vi) Guarantees

Certain loan facilities are secured by Letters of Comfort issued by the GORTT (Note 10).

b. Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(i) Trade receivables (Note 7)		
GORTT	401,427	486,385
NGC	3,799,665	3,553,497
OPM - N.O.C.	<u>13,208,255</u>	<u>16,905,123</u>
	<u>17,409,347</u>	<u>20,945,005</u>

These balances are unsecured, interest free and repayable on demand

(ii) Trade and other payables (Note 13)		
OPM - N.O.C	<u>4,737,672</u>	<u>4,681,714</u>

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

20	Financial instruments	2015	2014
		\$	\$
a.	<i>Financial instruments by category</i>		
	The accounting policies for financial instruments have been applied to the line items below:		
(i)	<i>Assets as per statement of financial position</i>		
	<i>Loans and receivables:</i>		
	Trade and other receivables (excluding prepayments)	86,505,405	74,697,480
	Cash and cash equivalents (excluding cash on hand)	<u>50,415,011</u>	<u>14,526,059</u>
		<u>136,920,416</u>	<u>89,223,539</u>
(ii)	<i>Liabilities as per statement of financial position</i>		
	<i>Liabilities at amortised cost:</i>		
	Borrowings	306,700,487	322,442,835
	Trade and other payables (excluding statutory obligations)	<u>35,804,957</u>	<u>34,918,582</u>
		<u>342,505,444</u>	<u>357,361,417</u>
b.	<i>Credit quality of financial assets</i>		
	The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to historical information about the counterparty default rates and/or by management's evaluation based on historical recovery.		
(i)	<i>Trade and other receivables (excluding prepayments)</i>		
	Counterparties without external credit rating:		
	Group 1	--	--
	Group 2	86,444,200	74,636,275
	Group 3	<u>61,205</u>	<u>61,205</u>
		<u>86,505,405</u>	<u>74,697,480</u>
	Group 1 - new customers (less than 6 months).		
	Group 2 - existing customers (more than 6 months) with no defaults in the past.		
	Group 3 - existing customers (more than 6 months) with some defaults in the past		
(ii)	<i>Cash and cash equivalents (excluding cash on hand)</i>		
	Cash at bank	36,761,211	5,963,800
	Short term deposits	<u>13,653,800</u>	<u>8,562,259</u>
		<u>50,415,011</u>	<u>14,526,059</u>

All cash balances are held with reputable financial institutions with no history of default. The remainder of the statement of financial position item "cash and cash equivalents" is cash in hand.

National Helicopter Services Limited

Notes to the Financial Statements (continued)

30 September 2015

(Expressed in Trinidad and Tobago Dollars)

21 Contingencies and commitments	2015	2014
	\$	\$
a. <i>Operating lease commitments – company as lessee</i>		
<p>The company has operating leases for two (2) leased aircrafts and motor vehicles at varying lease terms. During the year ended 30 September 2015 \$20,031,808 (2014: \$10,033,562) was recognised as an expense in the statement of comprehensive income in respect of operating leases.</p> <p>The future aggregate minimum lease payments under non-cancellable operating leases are as follows:</p>		
No later than 1 year	21,549,746	11,787,090
Later than 1 year, no later than 5 years	<u>12,084,048</u>	<u>14,947,215</u>
	<u>33,633,794</u>	<u>26,734,305</u>
b. <i>Assets pledged as security</i>		
<p>The carrying amounts of assets pledged as security for borrowings are:</p>		
Property, plant and equipment – Aircraft	<u>267,021,623</u>	<u>315,425,312</u>

c. *Contingent liabilities*

The company is party to various claims and actions. Management have considered the matters and where appropriate has obtained external legal advice. No material additional liabilities are expected to arise in connection with these matters, other than those already provided for in these financial statements.

22 Subsequent events

- a. Subsequent to the year ended, there were factors which led to an impairment of the company's three (3) S76C++ aircraft and two (2) owned S76D aircraft. The impairment loss had no impact on the carrying values as at 30 September 2015 and has been recognised in the financial statements for the year ended 30 September 2016.
- b. Refer to note 2 a.(i) for subsequent events relating to the going concern assumption.

There were no other material events subsequent to the Statement of Financial Position date.