



NHV A/S

Vestre Lufthavnsvej 60
6705 Esbjerg Ø
CVR No. 26884640

Annual report 2020

The Annual General Meeting adopted the
annual report on 30.06.2021

Lars Skov Christensen

Chairman of the General Meeting

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Entity details

Entity

NHV A/S

Vestre Lufthavnsvej 60

6705 Esbjerg Ø

CVR No.: 26884640

Registered office: Esbjerg

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Liesbeth Tielemans, Chairman

Lars Skov Christensen

Lotte Rask Nielsen

Executive Board

Lars Skov Christensen, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of NHV A/S for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, 30.06.2021

Executive Board

Lars Skov Christensen

Director

Board of Directors

Liesbeth Tielemans

Chairman

Lars Skov Christensen

Lotte Rask Nielsen

Independent auditor's report

To the shareholders of NHV A/S

Opinion

We have audited the financial statements of NHV A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Esbjerg, 30.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Mikael Grosbøl

State Authorised Public Accountant

Identification No (MNE) mne33707

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Revenue	205,294	354,462	448,687	406,677	394,494
Gross profit/loss	48,661	133,328	172,628	396,439	164,970
Operating profit/loss	(99,527)	32,501	53,367	232,856	-102,219
Net financials	(2,649)	(4,860)	1,990	(43,181)	6,005
Profit/loss for the year	(102,090)	23,579	43,339	176,699	-106,938
Total assets	484,489	642,010	667,027	710,397	547,300
Investments in property, plant and equipment	1,420	15,513	23,614	19,729	17,787
Equity	161,421	263,516	239,932	196,593	19,895
Cash flows from (used in) operating activities	(13,472)	62,400	45,530	198,846	(17,693)
Cash flows from (used in) investing activities	7,501	4,373	(5,249)	(20,124)	(19,157)
Cash flows from (used in) financing activities	(3,781)	(74,842)	(37,404)	(151,810)	26,273
Average number of employees	65	73	75	73	85
Ratios					
Gross margin (%)	23.70	37.61	38.47	97.48	41.82
Return on equity (%)	(48.05)	9.37	19.86	163.24	(145.76)
Equity ratio (%)	33.32	41.05	35.97	27.67	3.64
Profit margin	(48.5)	9.6	11.8	57.9	(25.9)
Return on assets	(20.5)	5.3	8.0	33.2	(18.7)

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

Equity ratio (%):

Equity * 100

Total assets

Optional ratio 8 (%):

Profit margin:

Profit before financials * 100

Revenue

Optional ratio 9 (%):

Return on assets

Profit before financials * 100

Total assets

Primary activities

The Company's primary activity comprises offshore crew transport to Oil and Gas locations, both for production and exploration. Our mission is to be the European, global helicopter operator of choice. Global means that we want to be global, but with local presence.

We have a long lasting expertise and competences in the Oil and Gas sector. The company has an international presence with contracts on two continents.

At NHV we strive to deliver high quality services to our customers. While delivering our services it is our policy to take all necessary precautions to prevent accidents and incidents, to eliminate injury or ill-health to our people and our partners and to avoid harm to the environment.

We believe that all injuries are preventable; we strive for safety perfection which means we are committed to attaining zero incidents. We work to manage all our business processes, from back office to helicopter operations, to make this so. This integrated approach to safety is reflected in all decisions made in the company, under the motto: "if you can't do it safe, don't do it!"

Development in activities and finances

The income statement of the Company for 2020 shows a loss of DKK 102,089,808 and at 31 December 2020 the balance sheet of the Company shows equity of 161,421,278 DKK. NHV A/S' result and financial development for 2020 in times of COVID-19 are considered as challenging and not as expected.

Profit/loss for the year in relation to expected developments

The profit for the year was not in accordance to the budget presented, as COVID-19's impact on, not only the Oil and Gas's reduced activities in general but also in aviation industry with restriction and measures to ensure the transmission of COVID-19 was control during all aspects of the operation.

This and the fact that both our fleet of EC 155 and AW 139 has got a reduced value from the official helicopter valuation companies. This was a result of selling the EC 155, where a factual value was made and the lack of activities for AW139 in Nigeria. This was further influenced by a low US Dollar rate. All helicopter values are made in US Dollars. The operation itself shown a positive result for 2020.

Uncertainty relating to recognition and measurement

We draw attention to note 3 that describes the uncertainty to recognition and measurement of helicopters.

Outlook

The outlook for 2021 is subject to considerable uncertainty due to the COVID-19 circumstances. The task is to predict when a normalization is expected and the activities will pick up again. But also the fact NHV A/S largest contract was lost to a new competitor from UK. This will have a significant impact on our turn-over in 2021 compared to 2020. It is expected to have a 75% reduction in revenue and EBIT-margin of 3%.

Recovery in Oil price to a level before the COVID-19 will have a positive impact on the activities and investments end of 2021 and further into 2022. This and a mixture of confirmed vaccine and vaccinated population will most likely increase activities end 2021.

The June 30th 2021 the current clients have the opportunity to call the first of three one year options but the focus is on making an agreement for all three years. This achievement look promising. An efficient outcome NHV A/S is making a new union and local agreement for engineers and pilots with emphasis on lower cost burden and higher flexibility. This should result in regaining the profitability with increase flexibility and production capacity.

These negotiations have a noteworthy influence on NHV A/S predictability for 2021.

On group level, the following measures to mitigate the impact were taken:

- NHV has engaged with his banks and stakeholders in order to secure to have sufficient cash-flow for the coming years by altering the re-payment terms.
- NHV have already been able to identify deferral of payments and has applied for government aid while putting employees in temporary/technical unemployment in Denmark, in combination of salary aid to critical nominated persons.
- NHV is cutting costs as much as possible within the NHV A/S operation
- NHV is cutting and/or delaying CAPEX for our Nigerian "return to service" operation
- Some maintenance projects will be delayed

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the company may experience further challenges to obtain the budgetary result, liquidity restraints and incur impairments on its assets in 2021. The exact impact on our activities in the remainder of 2021 and thereafter cannot be predicted.

At the time of writing (June 2021) NHV A/S has obtain three ad hoc agreement; two in Denmark and one in Ireland, which will ensure the figures for 2021 will be in accordance with the budget for 2021.

Statutory report on corporate social responsibility

The company's written statements on social responsibility can be found on the following website:

<https://nhv.be/downloads>

Statutory report on the underrepresented gender

Equality in Management forms an integral part of the Company's staff policy. In 2020, the representation of women on NHV A/S's Board of Directors was 66%. This represents an equal share of the under-represented gender according to the Danish gender rules. The Company does not expect any changes to this in 2021. This represents an equal share of women on the Board of Directors. In order to create a diversified level management, NHV DK have increase focus on selection of gender and age for both the management and Board. The management consist of 3/7 of female participants and the management in general covers age from 38 to 59.

Events after the balance sheet date

Two unforeseen incidents which are important events happened after year end, but have no impact on 2020 figures

- The loss of the TOTAL crew change contract with immediate effect from January 1st 2021. This contract loss will reduce the flying activity with up 75% in relation to the normal flying program before COVID-19
- COVID-19 has an impact on the both flight frequents and coefficient of utilization. The latter is only a customer impact. The activity in 2021 will be effected until the majority of the population have received their Vaccine. The Danish Government has approved a salary support package to prevent employer termination and reduce our operating cost. This support will continue to mid 2021.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Revenue	4	205,294,102	354,462,458
Other operating income	5	4,106,586	0
Cost of sales		(142,964,805)	(209,528,795)
Other external expenses		(17,775,284)	(11,605,650)
Gross profit/loss		48,660,599	133,328,013
Staff costs	6	(63,393,935)	(74,325,687)
Depreciation, amortisation and impairment losses	7	(84,793,624)	(26,501,203)
Operating profit/loss		(99,526,960)	32,501,123
Income from investments in group enterprises		1,575,425	1,533,536
Other financial income	8	5,089,221	9,022,198
Other financial expenses	9	(7,737,937)	(13,881,961)
Profit/loss before tax		(100,600,251)	29,174,896
Tax on profit/loss for the year	10	(1,489,557)	(5,596,116)
Profit/loss for the year	11	(102,089,808)	23,578,780

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects		0	0
Intangible assets	12	0	0
Plant and machinery		1,026,683	68,700
Other fixtures and fittings, tools and equipment		184,984,305	317,686,436
Leasehold improvements		138,123	211,715
Property, plant and equipment	13	186,149,111	317,966,851
Investments in group enterprises		14,450,204	12,962,845
Other receivables		29,201,068	29,362,546
Financial assets	14	43,651,272	42,325,391
Fixed assets		229,800,383	360,292,242
Assets held for sale		39,767,904	0
Inventories		39,767,904	0
Trade receivables		17,739,133	71,603,598
Receivables from group enterprises		178,307,806	179,666,224
Other receivables		5,827,986	7,263,139
Prepayments	15	983,044	1,370,146
Receivables		202,857,969	259,903,107
Cash		12,062,849	21,814,756
Current assets		254,688,722	281,717,863
Assets		484,489,105	642,010,105

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	16	2,362,500	2,362,500
Reserve for net revaluation according to the equity method		13,278,204	11,689,166
Retained earnings		145,780,574	249,463,867
Equity		161,421,278	263,515,533
Lease liabilities		83,139,087	82,048,197
Non-current liabilities other than provisions	17	83,139,087	82,048,197
Current portion of non-current liabilities other than provisions	17	23,781,684	23,604,227
Prepayments received from customers		0	12,202,794
Trade payables		16,369,479	45,351,241
Payables to group enterprises		169,323,129	175,731,253
Tax payable		11,090	5,061,652
Other payables		30,443,358	34,495,208
Current liabilities other than provisions		239,928,740	296,446,375
Liabilities other than provisions		323,067,827	378,494,572
Equity and liabilities		484,489,105	642,010,105
Going concern	1		
Events after the balance sheet date	2		
Uncertainty relating to recognition and measurement	3		
Contingent liabilities	19		
Assets charged and collateral	20		
Related parties with controlling interest	21		
Non-arm's length related party transactions	22		
Group relations	23		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,362,500	11,689,166	249,463,867	263,515,533
Exchange rate adjustments	0	(4,447)	0	(4,447)
Profit/loss for the year	0	1,593,485	(103,683,293)	(102,089,808)
Equity end of year	2,362,500	13,278,204	145,780,574	161,421,278

Cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		(99,526,960)	32,501,123
Amortisation, depreciation and impairment losses		84,793,624	26,501,203
Working capital changes	18	10,450,305	14,165,718
Cash flow from ordinary operating activities		(4,283,031)	73,168,044
Financial income received		5,089,211	8,976,871
Financial expenses paid		(7,737,937)	(13,836,634)
Taxes refunded/(paid)		(6,540,119)	(5,908,619)
Cash flows from operating activities		(13,471,876)	62,399,662
Acquisition etc of property, plant and equipment		(1,420,035)	(15,512,951)
Sale of property, plant and equipment		8,676,247	20,717,131
Acquisition of fixed asset investments		(967,032)	(1,017,784)
Sale of fixed asset investments		1,212,148	186,702
Cash flows from investing activities		7,501,328	4,373,098
Free cash flows generated from operations and investments before financing		(5,970,548)	66,772,760
Repayments of loans etc		1,268,347	(22,624,801)
Repayment of debt to group enterprises		(5,049,706)	(52,217,125)
Cash flows from financing activities		(3,781,359)	(74,841,926)
Increase/decrease in cash and cash equivalents		(9,751,907)	(8,069,166)
Cash and cash equivalents beginning of year		21,814,756	29,883,922
Cash and cash equivalents end of year		12,062,849	21,814,756
Cash and cash equivalents at year-end are composed of:			
Cash		12,062,849	21,814,756
Cash and cash equivalents end of year		12,062,849	21,814,756

Notes

1 Going concern

Noordzee Helikopters Vlaanderen NV, the ultimate owner of NHV A/S, has confirmed that it will contribute to NHV A/S liquidity and capital necessary for the company to continue its operation for a period of at least 12 months from the date of the approval of the statutory financial statements for the year ended December 12, 2020.

Management therefor considers NHV A/S's capital resources to be sufficient.

The annual accounts closed on 31 December 2020 are therefore prepared in the assumption of continuity of the Company.

2 Events after the balance sheet date

Two unforeseen incidents which are important events happened after year end, but have no impact on 2020 figures

- The loss of the TOTAL crew change contract with immediate effect from January 1st 2021. This contract loss will reduce the flying activity with up 75% in relation to the normal flying program before COVID-19
- COVID-19 has an impact on the both flight frequents and coefficient of utilization. The latter is only a customer impact. The activity in 2021 will be effected until the majority of the population have received their Vaccine. The Danish Government has approved a salary support package to prevent employer termination and reduce our operating cost. This support will continue to mid 2021.

3 Uncertainty relating to recognition and measurement

Helicopters are measured at cost less accumulated depreciation and impairment losses. The impairment loss is recognised based on a valuation report from HELI Values according to industry practice and are dependent of market values in US Dollars in the specific market. This valuation is based on assumptions, that may change.

4 Revenue

	2020	2019
	DKK	DKK
Revenue, Denmark	196,815,728	236,711,854
Revenue, Exports	8,478,374	117,750,604
Total revenue by geographical market	205,294,102	354,462,458

5 Other operating income

Other operating income consists of government grants in relation to salaries during COVID-19 (3,590,434 DKK) and compensation on airport taxes (516,152 DKK).

6 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	51,075,384	55,286,944
Pension costs	4,506,255	5,101,326
Other social security costs	854,645	1,652,147
Other staff costs	6,957,651	12,285,270
	63,393,935	74,325,687

Average number of full-time employees	65	73
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	Remuneration of management 2019 DKK
Executive Board	792,802
	792,802

Referring to section 98b(3) of the Danish Financial Statements Act, no Remuneration of management have been disclosed.

7 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Amortisation of intangible assets	0	405,652
Depreciation of property, plant and equipment	6,612,039	31,309,411
Impairment losses on property, plant and equipment	78,181,585	0
Profit/loss from sale of intangible assets and property, plant and equipment	0	(5,213,860)
	84,793,624	26,501,203

8 Other financial income

	2020	2019
	DKK	DKK
Financial income from group enterprises	2,500,763	2,607,885
Exchange rate adjustments	1,524,121	5,395,287
Other financial income	1,064,337	1,019,026
	5,089,221	9,022,198

9 Other financial expenses

	2020	2019
	DKK	DKK
Financial expenses from group enterprises	1,123,555	3,529,319
Other interest expenses	6,614,382	5,069,418
Exchange rate adjustments	0	5,079,073
Other financial expenses	0	204,151
	7,737,937	13,881,961

10 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	0	5,351,206
Adjustment concerning previous years	1,489,557	244,910
	1,489,557	5,596,116

11 Proposed distribution of profit and loss

	2020	2019
	DKK	DKK
Retained earnings	(102,089,808)	23,578,780
	(102,089,808)	23,578,780

12 Intangible assets

	Completed development projects DKK
Cost beginning of year	20,691,426
Disposals	(20,691,426)
Cost end of year	0
Amortisation and impairment losses beginning of year	(20,691,426)
Reversal regarding disposals	20,691,426
Amortisation and impairment losses end of year	0
Carrying amount end of year	0

13 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	5,861,344	524,478,706	525,964
Transfers	0	(190,726,831)	0
Additions	1,003,162	416,873	0
Disposals	0	(8,676,247)	0
Cost end of year	6,864,506	325,492,501	525,964
Depreciation and impairment losses beginning of year	(5,792,644)	(206,792,270)	(314,249)
Transfers	0	150,958,927	0
Impairment losses for the year	0	(78,181,585)	0
Depreciation for the year	(45,179)	(6,493,268)	(73,592)
Depreciation and impairment losses end of year	(5,837,823)	(140,508,196)	(387,841)
Carrying amount end of year	1,026,683	184,984,305	138,123

14 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	1,273,679	29,362,546
Additions	0	967,032
Disposals	(101,679)	(1,128,510)
Cost end of year	1,172,000	29,201,068
Revaluations beginning of year	11,689,166	0
Exchange rate adjustments	13,613	0
Share of profit/loss for the year	1,575,425	0
Revaluations end of year	13,278,204	0
Carrying amount end of year	14,450,204	29,201,068

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Ejendomsselskabet af 30. april 2003 Aps	Esbjerg	ApS	100
Faroecopter Sp/f	Faroe Islands	Sp/f	100
Dancopter NL B.V.	Den Helder	B.V.	100

15 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

16 Share capital

	Number	Par value DKK	Nominal value DKK
Share Capital	2,362,500	1	2,362,500
	2,362,500		2,362,500

17 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK	Due within 12 months 2019 DKK	Due after more than 12 months 2020 DKK
Lease liabilities	23,781,684	23,604,227	83,139,087
	23,781,684	23,604,227	83,139,087

18 Changes in working capital

	2020 DKK	2019 DKK
Increase/decrease in receivables	55,686,720	(8,592,677)
Increase/decrease in trade payables etc	(45,236,415)	22,758,395
	10,450,305	14,165,718

19 Contingent liabilities

The Company has entered into operating leases regarding helicopters with a total capitalised residual lease payment of TDKK 55,138 and cars and copy machines with a total capitalised residual lease payment of TDKK 164 at 31 December 2020.

Signed agreements regarding the sale of the Company's core services have been provided as security in case of default payments of operating lease fees.

The Company has entered into rental agreement regarding hangars and administrative buildings, etc. Total payment during the period of interminability amounts to TDKK 1.350.

The Company has since the fall of 2010 been operating in Nigeria in collaboration with a local operator. The Company has in connection with the activity in Nigeria made helicopters as well as staff available for the operation. The management believes that the company has established with the current local legislation. It is however stressed that the operation in Nigeria always will be subject to the risk that the local authorities interpret the rules differently than the company which may affect in risk of claims against the Company and its staff.

20 Assets charged and collateral

The Companies own helicopters are placed as security for the financing of the NHV Group. The total amount of own helicopters amounts til DKK 71,663,357.

The Company is jointly responsible with other group companies for the total debt regarding the group cash pool agreement. The cash pool agreement has a maximum limit of NOK 80 mill. The Company's net debt in the cash pool agreement is presented under debt to group companies in the annual report.

Moreover, security has been provided for the group's cash pool scheme in the form of a company charge (maximised to NOK 40 million) on unsecured claims and inventories of raw materials, semi-manufactures and finished goods. The carrying amount of mortgaged assets amounts to DKK 32,262,789.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by the way dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholdning taxes may increase the Company's liability.

21 Related parties with controlling interest

Blueway AS, Norway owns 100% of the company.

22 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
NHV Group NV

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
NHV Group NV

Copies of the consolidated financial statements of NHV Group NV may be ordered at the following address:
Kalkaerstraat 101
BE-8400 Oostende
Belgium

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The Annual report of NHV A/S and subsidiaries are included in the consolidated financial statements of NHV Group NV, Belgium.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises operation of helicopters

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities as well as payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies as well as amortisation of financial liabilities.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses)

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 1-5 years.

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3-30 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive

obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Assets held for sale

Assets held for sale are assets that are no longer in use and have been put up for sale. The assets are measured at the lower of carrying amount at the date of reclassification and net realisable value, and no amortisation or depreciation is made.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.