



## NHV A/S

Vestre Lufthavnsvej 60  
6705 Esbjerg Ø  
CVR No. 26884640

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 28.06.2022

---

**Laurent Verhelst**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	9
Balance sheet at 31.12.2021	10
Statement of changes in equity for 2021	12
Cash flow statement for 2021	13
Notes	14
Accounting policies	20

# Entity details

## Entity

NHV A/S

Vestre Lufthavnsvej 60

6705 Esbjerg Ø

Business Registration No.: 26884640

Registered office: Esbjerg

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Laurent Verhelst

Thomas Hubert Hütsch

Michael Jeffrey Gislam

## Executive Board

Michael Jeffrey Gislam

## 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 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021.

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, 28.06.2022

## Executive Board

**Michael Jeffrey Gislam**

## Board of Directors

**Laurent Verhelst**

**Thomas Hubert Hütsch**

**Michael Jeffrey Gislam**

# 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 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, 28.06.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Mikael Grosbøl**

State Authorised Public Accountant

Identification No (MNE) mne33707

# Management commentary

## Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
<b>Key figures</b>					
Gross profit/loss	17,368	48,661	133,328	172,628	393,951
Operating profit/loss	(28,734)	(99,527)	32,501	53,367	232,856
Net financials	(6,667)	(2,649)	-4,860	1,990	(43,181)
Profit/loss for the year	(32,869)	(102,090)	23,579	43,339	176,699
Total assets	438,243	484,478	637,596	661,653	710,397
Investments in property, plant and equipment	2,020	1,420	15,513	23,614	19,729
Equity	128,553	161,421	263,516	239,932	196,593
Cash flows from (used in) operating activities	12,558	(13,472)	62,400	45,530	198,846
Cash flows from (used in) investing activities	914	7,501	4,374	(5,249)	(20,124)
Cash flows from (used in) financing activities	(21,123)	(3,781)	(74,842)	(37,404)	(151,810)
Average number of employees	24	65	73	75	73
<b>Ratios</b>					
Return on equity (%)	(22.67)	(48.05)	9.37	19.86	163.25
Equity ratio (%)	29.33	33.32	41.33	36.26	27.67

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

### Return on equity (%):

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

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$



### 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 2021 shows a loss of DKK 32,868,558 and at 31 December 2021 the balance sheet of the Company shows equity of 128,552,720 DKK. The reorganization of the company following the loss of the Total contract end 2020 and the costs related to the Nigerian "return to service" operation in 2021, result in a challenging result and financial development of NHV AS in 2021.

### Profit/loss for the year in relation to expected developments

The profit for the year was not in accordance to the budget presented, mainly related to the anticipated revenues in Nigeria not materializing, while significant costs were made in preparation of the return to service of the Nigerian helicopters. The flight operations in Esbjerg show a negative evolution versus budget mainly due to higher fixed costs than expected (travel, training and personnel). This is offset with an additional short-term contract conducted in Cork from April to December 2021 with positive margins, not anticipated for in the budget.

### 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 2022 is subject to uncertainty related to our Nigeria operations. The formalization of a partnership will be concluded with 7star in the early part of Q3. With the AOC and a first 'certificate of airworthiness' in hand, we should be able to generate the first revenue in the coming months.

The increasing oil prices, the technical difficulties of some competitors, the presidential election and census activity in 2022 is expected to provide opportunities. The above linked to a new verticalized organisational set up (Gas and Oil, Wind, Maritime, Africa), to the companywide Rally to 10M project aiming at impacting favourably EBITDA by an additional 10M over a period of 4 years and to the repositioning of our strengthened internal team, will contribute to the YOY improvement of results in Nigeria. Depending on the evolution in Nigeria, the company may experience head or tailwind versus the budget objectives. Our future partner has lined up opportunities that could materialize at various speed. With all stars aligned the budget could be exceeded significantly.

The cautious approach taken requires to fly around 40H per month in 2nd half of the year.

### Events after the balance sheet date

There are no important events after the balance sheet date.

# Income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>	4	<b>17,367,626</b>	<b>48,660,599</b>
Staff costs	5	(36,672,081)	(63,393,935)
Depreciation, amortisation and impairment losses	6	(9,429,536)	(84,793,624)
<b>Operating profit/loss</b>		<b>(28,733,991)</b>	<b>(99,526,960)</b>
Income from investments in group enterprises		1,622,286	1,575,425
Other financial income	7	2,884,596	5,089,221
Other financial expenses	8	(9,551,449)	(7,737,937)
<b>Profit/loss before tax</b>		<b>(33,778,558)</b>	<b>(100,600,251)</b>
Tax on profit/loss for the year	9	910,000	(1,489,557)
<b>Profit/loss for the year</b>	10	<b>(32,868,558)</b>	<b>(102,089,808)</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Plant and machinery		2,614,237	1,026,683
Other fixtures and fittings, tools and equipment		173,034,405	184,984,305
Leasehold improvements		64,532	138,123
<b>Property, plant and equipment</b>	11	<b>175,713,174</b>	<b>186,149,111</b>
Investments in group enterprises		16,072,490	14,450,204
Other receivables		20,707,228	29,201,068
<b>Financial assets</b>	12	<b>36,779,718</b>	<b>43,651,272</b>
<b>Fixed assets</b>		<b>212,492,892</b>	<b>229,800,383</b>
Assets held for sale		0	39,767,904
<b>Inventories</b>		<b>0</b>	<b>39,767,904</b>
Trade receivables		23,241,626	23,376,804
Receivables from group enterprises		195,858,829	178,307,806
Other receivables		543,496	179,225
Joint taxation contribution receivable		455,000	0
Prepayments	13	1,238,221	983,044
<b>Receivables</b>		<b>221,337,172</b>	<b>202,846,879</b>
<b>Cash</b>		<b>4,412,517</b>	<b>12,062,849</b>
<b>Current assets</b>		<b>225,749,689</b>	<b>254,677,632</b>
<b>Assets</b>		<b>438,242,581</b>	<b>484,478,015</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital	14	2,362,500	2,362,500
Reserve for net revaluation according to the equity method		14,900,490	13,278,204
Retained earnings		111,289,730	145,780,574
<b>Equity</b>		<b>128,552,720</b>	<b>161,421,278</b>
Lease liabilities		59,123,987	83,139,087
Payables to group enterprises		120,181,266	0
<b>Non-current liabilities other than provisions</b>	<b>15</b>	<b>179,305,253</b>	<b>83,139,087</b>
Current portion of non-current liabilities other than provisions	15	7,863,584	23,781,684
Bank loans		514	0
Trade payables		18,939,624	16,369,479
Payables to group enterprises		85,502,936	169,323,129
Other payables		18,077,950	30,443,358
<b>Current liabilities other than provisions</b>		<b>130,384,608</b>	<b>239,917,650</b>
<b>Liabilities other than provisions</b>		<b>309,689,861</b>	<b>323,056,737</b>
<b>Equity and liabilities</b>		<b>438,242,581</b>	<b>484,478,015</b>
Going concern	1		
Events after the balance sheet date	2		
Uncertainty relating to recognition and measurement	3		
Contingent liabilities	17		
Assets charged and collateral	18		
Related parties with controlling interest	19		
Non-arm's length related party transactions	20		
Group relations	21		

# Statement of changes in equity for 2021

	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	13,278,204	145,780,574	161,421,278
Profit/loss for the year	0	1,622,286	(34,490,844)	(32,868,558)
<b>Equity end of year</b>	<b>2,362,500</b>	<b>14,900,490</b>	<b>111,289,730</b>	<b>128,552,720</b>

# Cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		(28,733,991)	(99,526,960)
Amortisation, depreciation and impairment losses		9,521,808	84,793,624
Working capital changes	16	37,982,211	10,450,305
<b>Cash flow from ordinary operating activities</b>		<b>18,770,028</b>	<b>(4,283,031)</b>
Financial income received		2,884,596	5,089,211
Financial expenses paid		(9,551,449)	(7,737,937)
Taxes refunded/(paid)		455,000	(6,540,119)
<b>Cash flows from operating activities</b>		<b>12,558,175</b>	<b>(13,471,876)</b>
Acquisition etc of property, plant and equipment		(2,020,141)	(1,420,035)
Sale of property, plant and equipment		2,934,270	8,676,247
Acquisition of fixed asset investments		0	(967,032)
Sale of fixed asset investments		0	1,212,148
<b>Cash flows from investing activities</b>		<b>914,129</b>	<b>7,501,328</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>13,472,304</b>	<b>(5,970,548)</b>
Loans raised		514	0
Repayments of loans etc		(39,933,200)	1,268,347
Repayment of debt to group enterprises		18,810,050	(5,049,706)
<b>Cash flows from financing activities</b>		<b>(21,122,636)</b>	<b>(3,781,359)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(7,650,332)</b>	<b>(9,751,907)</b>
Cash and cash equivalents beginning of year		12,062,849	21,814,756
<b>Cash and cash equivalents end of year</b>		<b>4,412,517</b>	<b>12,062,849</b>
Cash and cash equivalents at year-end are composed of:			
Cash		4,412,517	12,062,849
<b>Cash and cash equivalents end of year</b>		<b>4,412,517</b>	<b>12,062,849</b>

# 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, 2021.

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

The annual accounts closed on 31 December 2021 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 Gross profit/loss

Other operating income in 2020 consists of government grants in relation to salaries during COVID-19 (3,590,434 DKK) and compensation on airport taxes (516,152 DKK).

## 5 Staff costs

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	27,981,179	51,075,384
Pension costs	1,875,070	4,506,255
Other social security costs	918,268	854,645
Other staff costs	5,897,564	6,957,651
	<b>36,672,081</b>	<b>63,393,935</b>
Average number of full-time employees	<b>24</b>	<b>65</b>

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

disclosed.

## 6 Depreciation, amortisation and impairment losses

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Depreciation of property, plant and equipment	3,957,537	6,612,039
Impairment losses on property, plant and equipment	5,564,271	78,181,585
Profit/loss from sale of intangible assets and property, plant and equipment	(92,272)	0
	<b>9,429,536</b>	<b>84,793,624</b>

## 7 Other financial income

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	2,181,117	2,500,763
Exchange rate adjustments	0	1,524,121
Other financial income	703,479	1,064,337
	<b>2,884,596</b>	<b>5,089,221</b>

## 8 Other financial expenses

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	1,117,940	1,123,555
Other interest expenses	5,275,249	6,614,382
Exchange rate adjustments	3,158,260	0
	<b>9,551,449</b>	<b>7,737,937</b>

## 9 Tax on profit/loss for the year

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Adjustment concerning previous years	(455,000)	1,489,557
Refund in joint taxation arrangement	(455,000)	0
	<b>(910,000)</b>	<b>1,489,557</b>

## 10 Proposed distribution of profit and loss

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Retained earnings	(32,868,558)	(102,089,808)
	<b>(32,868,558)</b>	<b>(102,089,808)</b>



## 11 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	6,864,506	325,492,501	525,964
Additions	2,020,141	0	0
Disposals	0	(2,934,270)	0
<b>Cost end of year</b>	<b>8,884,647</b>	<b>322,558,231</b>	<b>525,964</b>
Depreciation and impairment losses beginning of year	(5,837,823)	(140,508,196)	(387,841)
Impairment losses for the year	0	(5,564,271)	0
Depreciation for the year	(432,587)	(3,451,359)	(73,591)
<b>Depreciation and impairment losses end of year</b>	<b>(6,270,410)</b>	<b>(149,523,826)</b>	<b>(461,432)</b>
<b>Carrying amount end of year</b>	<b>2,614,237</b>	<b>173,034,405</b>	<b>64,532</b>

## 12 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	1,172,000	29,201,068
Additions	0	1,398,178
Disposals	0	(9,892,018)
<b>Cost end of year</b>	<b>1,172,000</b>	<b>20,707,228</b>
Revaluations beginning of year	13,278,204	0
Share of profit/loss for the year	1,622,286	0
<b>Revaluations end of year</b>	<b>14,900,490</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>16,072,490</b>	<b>20,707,228</b>

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

## 13 Prepayments

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

**14 Share capital**

	Number	Par value DKK	Nominal value DKK
Share Capital	2,362,500	1	2,362,500
	<b>2,362,500</b>		<b>2,362,500</b>

**15 Non-current liabilities other than provisions**

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Lease liabilities	7,863,584	23,781,684	59,123,987	0
Payables to group enterprises	0	0	120,181,266	75,333,000
	<b>7,863,584</b>	<b>23,781,684</b>	<b>179,305,253</b>	<b>75,333,000</b>

**16 Changes in working capital**

	2021 DKK	2020 DKK
Increase/decrease in inventories	39,767,904	0
Increase/decrease in receivables	8,009,570	55,686,720
Increase/decrease in trade payables etc	(9,795,263)	(45,236,415)
	<b>37,982,211</b>	<b>10,450,305</b>

### 17 Contingent liabilities

The Company has entered into operating leases regarding helicopters with a total capitalised residual lease payment of TDKK 46,626 and cars and copy machines with a total capitalised residual lease payment of TDKK 204 at 31 December 2021.

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.

### 18 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 39,497,214.

Moreover, 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 34,831,013.

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 withholdng taxes may increase the Company's liability.

### 19 Related parties with controlling interest

Blueway AS, Norway owns 100% of the company.

NHV NV , Belgium owns 100% of the company.

NHV Group NV, Belgium owns 100% of the company.

NHV Holding SA, Luxemburg owns 72,05% of the company.

### 20 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.

### 21 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 my be ordered at the following address:

Kalkaerstraat 101  
BE-8400 Oostende  
Belgium

# Accounting policies

## Reporting class

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

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

### Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

### 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

### 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.

### Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the

balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

### **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 liabilities 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 liabilities 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.

### **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.