

**Rotary Wing Training Limited**  
**Directors' report and financial**  
**statements**  
**Registered number 10029148**  
**Period ended 31 March 2017**

TUESDAY



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COMPANIES HOUSE

## Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	3
Independent auditor's report to the members of Rotary Wing Training Limited	4
Profit and loss account and other comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes	9

## **Directors' report**

The directors present their directors' report and financial statements for the period ended 31 March 2017.

This directors' report has been prepared under the small company provisions of the Companies Act 2006 and accordingly no Strategic Report has been prepared.

The company was incorporated on 26 February 2016. These financial statements are therefore the first since incorporation and cover a 13 month period.

### **Principal activities**

The principal activity of the company is the design, build, finance and delivery of training on the Rotary Wing Training programme to the Ministry of Defence ("MOD") within the Ascent Group.

### **Business review**

#### **Overview**

The Ascent Group is operating a 25 year contract with the MoD to deliver The UK Military Flight Training System ("UKMFTS"). The Ascent Group is headed by Ascent Flight Training (Holdings) Limited which is 50% owned by Babcock Defence and Security Investments Limited and 50% owned by Lockheed Martin UK Holdings Limited.

Rotary Wing Training Limited's ('RWT') purpose, acting as agent for other Ascent Group companies, is to operate the infrastructure and Ground Based Training Environment for H135 and H145 trainers ("GBTE") for training of Royal Navy rear crew personnel at FAR Shawbury and RAF Valley. All trading activity is performed by a fellow subsidiary undertaking, Ascent Flight Training (Management) Limited.

Rotary Wing Training Limited's purpose is to operate Training Building Infrastructure, Information Communications Technology and Ground Based Training Equipment to the Ministry of Defence (MoD). These services are part of the delivery of the Rotary Wing Training Programme in connection with the United Kingdom Military Flying Training System (Contract No: UKMFTS/2008/02 between The Secretary of State for Defence and Ascent Flight Training (Management) Ltd).

#### **Key performance indicators**

The key performance indicators of the business are:

- the transition of new operational training Rotary Wing packages from legacy training;
- to safely deliver the required number of fully trained students during the period within a prescribed time frame;
- manage total business within agreed financial targets.

#### **Review of developments and performance during the period**

The company was incorporated on 26 February 2016 and in May 2016 the MoD awarded RWT a 17 year contract for the provision of Rotary Wing training. Following contract award the company has commenced on the transition of Rotary Wing training from the legacy services in conjunction with the provision of Training Building Infrastructure (first Ready For Training Use "RFTU" for hanger 2 at RAF Shawbury being achieved at 31<sup>st</sup> March 2017), Information Communications Technology and Ground Based Training Equipment which are being provided under a separate Direct Agreement with the MOD, which will be used to deliver a service to the MoD.

#### **Proposed dividend**

The directors do not recommend the payment of a dividend.

## Directors' report (continued)

### Directors

The directors who held office during the period and to the date of this report were as follows:

Name	Appointed	Resigned
J C McCarthy		27 July 2016
E A Narey		5 April 2016
P W Ruddock		6 December 2016
J P Rambeau		6 December 2016
I S Urquhart		6 December 2016
R A Hardy		
N G Misell	5 April 2016	
T I Bradley	27 July 2016	
K V Hayzen-Smith	6 December 2016	
P N Livingston	6 December 2016	
A L Gowder Graban	6 December 2016	

### Employees

The Company has no employees (2016: Nil). All employees of the Ascent Group are employed by Ascent Flight Training (Management) Limited, a fellow subsidiary undertaking.

### Political contributions

The Company made no political donations nor incurred any political expenditure during the period.

### Disclosure of information to auditor

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

### Auditor

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

By order of the board



K V Hayzen-Smith  
Director

33 Wigmore Street  
London  
W1U 1QX

14<sup>th</sup> September 2017

## **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Rotary Wing Training Limited**

### **Opinion**

We have audited the financial statements of Rotary Wing Training Limited for the year ended 31 March 2017. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A of FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Andrew Campbell-Orde (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
66 Queen Square  
Bristol  
BS1 4BE  
United Kingdom

15 September 2017

**Profit and loss account and other comprehensive income  
for the 13 month period ended 31 March 2017**

	<i>Note</i>	<b>2017 £000</b>
<b>Turnover</b>	<b>2</b>	<b>78</b>
<b>Cost of sales</b>		<b>-</b>
<b>Gross profit</b>		<b>78</b>
<b>Administrative expenses</b>		<b>(54)</b>
<b>Operating profit</b>	<b>3-5</b>	<b>24</b>
<b>Profit before taxation</b>		<b>24</b>
<b>Tax on loss on ordinary activities</b>	<b>6</b>	<b>(5)</b>
<b>Profit for the financial period</b>		<b>19</b>
<b>Total comprehensive income for the period</b>		<b>19</b>

The results for the period were entirely derived from continuing operations.

The notes on pages 9 to 13 form part of these financial statements.



**Balance sheet**  
*as at 31 March 2017*

	Note	£000	2017 £000
<b>Current assets</b>			
Debtors : amounts falling due within one year	7	10	
Cash at bank and in hand		36	
		<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>	46
Creditors: amounts falling due within one year	8		(26)
			<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
<b>Net assets</b>			<b>20</b>
			<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
<b>Capital and reserves</b>			
Share capital	10		1
Profit and loss account			19
			<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
<b>Shareholders' funds</b>			<b>20</b>
			<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>

These financial statements were approved by the board of directors on  
 signed on its behalf by:

13<sup>th</sup>

September 2017 and were



K V Hayzen-Smith  
 Director

The notes on pages 9 to 13 form part of these financial statements

## Statement of changes in equity

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 26 February 2016	-	-	-
Issue of Share capital	1	-	1
<b>Total comprehensive income for the period</b>			
Profit for the financial period	-	19	19
<b>Balance at 31 March 2017</b>	<b>1</b>	<b>19</b>	<b>20</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Rotary Wing Training Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 10029148 and the registered address is 33 Wigmore Street, London, W1U 1QX

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland. ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000

The Company's parent undertaking, Ascent Flight Training (Holdings) Ltd, includes the Company in its consolidated financial statements. In these statements the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key management personnel compensation

As the consolidated financial statements of Ascent Flight Training (Holdings) Ltd include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments*

The accounting policies set out below have, unless otherwise been stated, been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. For these reasons they consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.3 Basic financial instruments

##### *Amounts owed by/ to group undertakings*

Amounts owed by/ to group undertakings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances at the bank and cash in hand.

#### 1.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and recovery of consideration is considered probable.

Revenue from services rendered is recognised by reference to the stage of completion of the transaction. Revenue from services provided on a short-term or one-off basis is recognised when the service is complete. The provision of services over a long-term period are accounted for under the principles of construction contracts.

Training Service Availability Payment (TSAP) – revenue is recognised on the satisfaction of contract criteria for the provision of training services and asset delivery and accounted for under the revenue recognition principles of FRS 102.

#### 1.5 Taxation

Tax on the profit or loss for the period comprises current tax. Tax is recognised directly in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rates enacted or substantively enacted at the balance sheet dated, and any adjustment to tax payable in respect of previous periods.

The Company has no deferred tax.

**Notes (continued)**

**2 Analysis of turnover**

All turnover originates in the United Kingdom.

**3 Notes to the profit and loss account**

Amounts receivable by the auditor in respect of the audit of these financial statements were £1,000.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Ascent Flight Training (Holdings) Limited.

**4 Remuneration of directors**

Directors emoluments for the period amounted to £Nil. The directors are employees of the company's shareholders and are not employed directly by the company. No direct recharge is made to the company for the cost of directors as it is not possible to accurately estimate the value of services provided to the company.

**5 Staff numbers and costs**

The Company had no employees. All employees within the Ascent group of companies are employed by Ascent Flight Training (Management) Limited.

**6 Taxation**

*Analysis of charge in period*

	2017 £000
<i>UK corporation tax</i>	
Current tax on income for the period	5
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
Tax on loss on ordinary activities	5
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>

**Reconciliation of effective tax rate**

	Period ended 31 March 2017 £000
Profit for the year	19
Total tax expense	5
Profit excluding taxation	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/> 24
Tax using the UK corporation tax rate of 20% (2016:21%)	4
Effects of:	
Expenses not deductible for tax	1
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
Total tax charge for the year	5
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2016. This will reduce the company's future current tax charge accordingly.

**Notes (continued)**

**7 Debtors**

	2017 £000
<i>Amounts falling due within one year</i>	
Amounts owed by group undertakings	10
	10

**8 Creditors: amounts falling due within one year**

	2017 £000
Amounts owed to group companies	18
Corporation tax	-5
Other taxation and social security	1
Accruals and deferred income	2
	26

**9 Called up share capital**

	2017 £000
<i>Authorised</i>	
1,000 ordinary shares of £1 each	1
	1
<i>Allotted, called up and fully paid</i>	
1,000 ordinary shares of £1 each	1
	1

During the period the Company issued 1,000 ordinary shares at par.

**Notes (continued)**

**10 Related party disclosures**

During the period, the Company had transactions with its shareholders and their wholly owned Group companies which are summarised below:

	2017 £000
Construction services	
- Babcock Group companies	101
- LM Group companies	-
The balances due to them at the period end are:	
- Babcock Group companies	-
- LM Group companies	-

**11 Ultimate parent company**

The Company is a subsidiary undertaking of Ascent Flight Training (Holdings) Limited. Ascent Flight Training (Holdings) Limited is jointly owned by Lockheed Martin UK Holdings Ltd, a company registered in England and Wales, and Babcock Defence and Security Investments Ltd, a company registered in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Ascent Flight Training (Holdings) Limited.