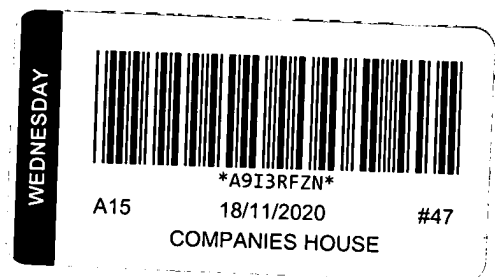


Rotary Wing Training Limited
Directors' report and financial
statements
Registered number:10029148
Year ended 31 March 2020



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2020.

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

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.

Proposed dividend

The directors do not recommend the payment of a dividend (2019: £nil).

Directors

The directors who held office during the period were as follows:

Name

R A Hardy	Resigned 31 March 2020
P Craig	Appointed 1 April 2020
N G Misell	
K J Garvey	Appointed 13 January 2020
T I Bradley	
K V Hayzen-Smith	Resigned 13 January 2020
P N Livingston	
A L Gowder Graban	Resigned 22 April 2020

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The Directors have prepared forecasts and projections covering a period of at least 18 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Those forecasts are dependent on the underlying customer (the Ministry of Defence) continuing to meet its obligations under the contract. In making this assessment, the Directors have considered the potential impact of the emergence and spread of COVID-19.

The Company's operating cash inflows are largely dependent on Training Service Availability Payment receipts receivable from the customer and the Directors expect these amounts to be received even in severe but plausible downside scenarios. The Company continues to provide the assets and services in accordance with the contract and these are available to be used by the customer. As a result, the Company does not believe there is any likelihood of a material impact to these contracted revenue streams and associated cash flows.

The Directors have assessed the risk of supply chain failure in respect of the Company's main sub-contractors which include its own joint venture shareholders. Based upon the most recent information available, the Directors have concluded the risk of supply chain failure as remote. To date, there has been no material adverse impact on the services provided by the Company or its sub-contractors arising from COVID-19. However, in the unlikely event of external sub-contractor failure, the Directors are satisfied that this will not impact the going concern assessment of the Company due to the underlying contractual terms.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Directors' report

Employees

The Company has no employees (2019: 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 year (2019: £nil).

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

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 J Garvey
Director

33 Wigmore Street
London
W1U 1QX

29 September 2020

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 year. 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 judgements and estimates that are reasonable and prudent; and
- 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 ("the company") for the year ended 31 March 2020, which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; 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; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Matthew Britton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

29 September 2020

Profit and loss account and other comprehensive income
for the year ended 31 March 2020

	<i>Note</i>	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Turnover	2	7,809	7,652
Cost of sales		(7,710)	(7,555)
Gross profit		99	97
Administrative expenses		(74)	(72)
Operating profit	3-5	25	25
Profit before taxation		25	25
Tax on profit	6	(5)	(5)
Profit for the financial year		20	20
Total comprehensive income for the year		20	20

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

The accompanying notes form part of these financial statements.

Balance sheet
as at 31 March 2020

	Note	2020 £000	£000	2019 £000	£000
Current assets					
Debtors : amounts falling due within one year	7	-		381	
Cash at bank and in hand		525		25	
		<hr/>		<hr/>	
			525		406
Creditors: amounts falling due within one year	8		(446)		(347)
			<hr/>		<hr/>
Net assets			79		59
			<hr/>		<hr/>
Capital and reserves					
Share capital	9		1		1
Profit and loss account			78		58
			<hr/>		<hr/>
Shareholders' funds			79		59
			<hr/>		<hr/>

These financial statements have been prepared in accordance with the provision available to the Companies subject to the small companies regime.

These financial statements were approved by the board of directors on 29 September 2020 and were signed on its behalf by:



K J Garvey
Director

The accompanying notes 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 1 April 2018	1	38	39
Total comprehensive income for the year			
Profit for the year	-	20	20
Balance at 31 March 2019	1	58	59
Balance at 1 April 2019	1	58	59
Total comprehensive income for the year			
Profit for the year	-	20	20
Balance at 31 March 2020	1	78	79

The accompanying notes form part of these financial statements.

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 disclosures required by FRS 102.11 Basic Financial Instruments

The accounting policies set out below have, unless otherwise 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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The Directors have prepared forecasts and projections covering a period of at least 18 months from the date of approval of these financial statements, which indicate that, taking account of severe but plausible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Those forecasts are dependent on the underlying customer (the Ministry of Defence) continuing to meet its obligations under the contract. In making this assessment, the Directors have considered the potential impact of the emergence and spread of COVID-19.

The Company's operating cash inflows are largely dependent on Training Service Availability Payment receipts receivable from the customer and the Directors expect these amounts to be received even in severe but plausible downside scenarios. The Company continues to provide the assets and services in accordance with the contract and these are available to be used by the customer. As a result, the Company does not believe there is any likelihood of a material impact to these contracted revenue streams and associated cash flows.

Notes (continued)

1.2 Going concern

The Directors have assessed the risk of supply chain failure in respect of the Company's main sub-contractors which include its own joint venture shareholders. Based upon the most recent information available, the Directors have concluded the risk of supply chain failure as remote. To date, there has been no material adverse impact on the services provided by the Company or its sub-contractors arising from COVID-19. However, in the unlikely event of external sub-contractor failure, the Directors are satisfied that this will not impact the going concern assessment of the Company due to the underlying contractual terms.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Basic financial instruments

Amounts owed by/ to group undertakings

Amounts owed by/ to group undertakings are recognised initially at transaction price less/ plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less any impairment losses in the case of amounts owed by group undertakings.

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, the revenue can be reliably measured and recovery of consideration is considered probable. 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.

Change order are customer orders which relate to one-off or discrete goods and services and which do not alter the existing contractual obligations and are accounted for when the significant risks and rewards of ownership of the goods have been transferred to the customer, the amount of revenue can be reliably measured and it is probable that economic benefits will flow to the company. Where the change order relates to services, 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.

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 date, and any adjustment to tax payable in respect of previous periods.

The Company has no deferred tax.

2 Analysis of turnover

	2020	2019
	£000	£000
Training service availability	7,648	6,969
Change orders	161	683
	<u>7,809</u>	<u>7,652</u>

All turnover originates in the United Kingdom.

Notes (continued)

3 Notes to the profit and loss account

Amounts receivable by the auditor in respect of the audit of these financial statements were £4,000 (2019: £4,000).

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

<i>Analysis of charge in period</i>	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
<i>UK corporation tax</i>		
Current tax on income for the period	5	5
Tax on profit on ordinary activities	<u>5</u>	<u>5</u>
Reconciliation of effective tax rate		
	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Profit for the year	20	20
Total tax expense	5	5
Profit excluding taxation	<u>25</u>	<u>25</u>
Tax using the UK corporation tax rate of 19% (2019: 19%)	5	5
Total tax expense included in profit or loss.	<u>5</u>	<u>5</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. On the 11 March 2020 Budget, it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the company's future tax charge. The deferred tax liability at 31 March 2020 has been calculated based on these rates.

Notes (continued)

7 Debtors

	2020 £000	2019 £000
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	-	365
Other taxation	-	16
	-	381
	-	381

Amounts owed to group undertakings are repayable on demand and have no fixed repayment date.

8 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	3	-
Amounts owed to group companies	20	20
Corporation tax	5	5
Other taxation	16	-
Accruals and deferred income	402	322
	446	347
	446	347

9 Share capital

	2020 £000	2019 £000
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1	1
	1	1

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:

	2020	2019
	£000	£000
Construction services		
- Babcock Group companies	3,789	4,155
- LM Group companies	3,920	3,400
The balances due to them at the period end are:		
- Babcock Group companies	-	32
- LM Group companies	382	283

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 whose registered address is 33 Wigmore Street, London W1U 1QX. The consolidated financial statement of this group are available to the public and may be obtained from 33 Wigmore Street, London W1U 1QX.