

Rear Crew Training Holdings Limited
Annual report and consolidated
financial statements
Registered number 06931579
Year ended 31 March 2017

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Directors' Report

The directors present their directors' report and consolidated financial statements for the year 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.

Principal activities

The Company acts as a holding company for the Rear Crew Training Group, comprising Rear Crew Training Limited.

The Group's principal activity is the delivery of training on the Rear Crew programme to the Ministry of Defence ("MoD").

Business review

Overview

The Rear Crew Training Group is part of the Ascent Group of companies. 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. The Ascent Group is operating a 25 year contract with the MoD to deliver The UK Military Flight Training System ("UKMFTS").

Rear Crew Training Group's purpose, acting as agent for other Ascent Group companies, is to procure and operate the infrastructure and Ground Based Training Environment ("GBTE") for the training of Royal Navy rear crew personnel at RNAS Culdrose. All trading activity is performed by a fellow subsidiary undertaking, Ascent Flight Training (Management) Limited.

Proposed dividend

The directors do not recommend the payment of a dividend (2016: £Nil).

Directors

The directors who held office during the year 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	

The registered address of the company is 33 Wigmore Street, London, W1U 1QX

Directors' report *(continued)*

Employees

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

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 thereafter continue in office.

By order of the board



K V Hayzen-Smith

Director

33 Wigmore Street
London
W1U 1QX
14th 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 year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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 Rear Crew Training Holdings Limited

We have audited the financial statements of Rear Crew Training Holdings Limited for the year ended 31 March 2017 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2017 and of the group's result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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 for which the financial statements are prepared 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 Strategic Report and the Director's Report:

- we have not identified material misstatements in those reports; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Rear Crew Training Holdings Limited *(continued)*

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 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

Consolidated profit and loss account and other comprehensive income
for the year ended 31 March 2017

The Group did not trade during the current or prior period. There are no recognised gains and losses for the year other than those recorded in the profit and loss account.

The notes on pages 12 to 14 form part of these financial statements.

Consolidated Balance Sheet
as at 31 March 2017

	<i>Note</i>	2017 £000	2016 £000
Current assets			
Cash at bank and in hand		<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Share capital	6	<u>1</u>	<u>1</u>
Profit and loss account		<u>-</u>	<u>-</u>
Shareholders' funds		<u>1</u>	<u>1</u>

These financial statements were approved by the board of directors on 13th September 2017 and were signed on its behalf by:



K V Hayzen-Smith
Director

The notes on pages 12 to 14 form part of these financial statements.

Company Balance Sheet as at 31 March 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investments	5	1	1
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Share capital	6	1	1
Profit and loss account		-	-
Shareholders' funds		<u>1</u>	<u>1</u>

These financial statements were approved by the board of directors on 13th September 2017 and were signed on its behalf by:



K V Hayzen-Smith
Director

The notes on pages 12 to 14 form part of these financial statements.

Consolidated statement of changes in equity

	Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 April 2015	1	-	1
Total comprehensive income for the period	-	-	-
	<u>1</u>	<u>-</u>	<u>1</u>
Balance at 31 March 2016	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>
Balance at 1 April 2016	1	-	1
Total comprehensive income for the period	-	-	-
	<u>1</u>	<u>-</u>	<u>1</u>
Balance at 31 March 2017	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

Company statement of changes in equity

	Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 April 2015	1	-	1
Total comprehensive income for the period	-	-	-
Balance at 31 March 2016	1	-	1
Balance at 1 April 2016	1	-	1
Total comprehensive income for the period	-	-	-
Balance at 31 March 2017	1	-	1

Consolidated Cash Flow Statement
for the year ended 31 March 2017

There were no cash flows in either the current or prior financial year.

Notes

(forming part of the financial statements)

1 Accounting policies

Rear Crew Training Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 06931579 and the registered address is 33 Wigmore Street, London, W1U 1QX.

These Group company financial reporting statements were prepared in accordance with 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 parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exceptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.

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

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except for the derivative financial instruments that are measured at fair value.

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.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2017. A subsidiary is an entity that is controlled by the parent.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Notes (continued)

1 Accounting policies (continued)

1.4 Basic financial instruments

Investments in ordinary shares

Investments in equity instruments are measured initially at cost. Subsequent to initial recognition investments are measured at cost less impairment in the profit or loss.

Cash and cash equivalents

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

2 Notes to the profit and loss account

Amounts receivable by the auditor in respect of their audit of these financial statements were £1,000 (2016: £1,000).

Amounts receivable by the Company's auditor and its associates in respect of service 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.

3 Remuneration of directors

Directors' emoluments for the year amounted to £Nil (2016: £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.

4 Staff numbers and costs

The Group and Company have no employees (2016: None).

5 Fixed asset investment

	Company	
	2017 £000	2016 £000
At beginning and end of year	1	1

The company in which the Company's interest at the period end is more than 20% are as follows:

	Registered Address	Principal activity	Class and percentage of shares held
Rear Crew Training Ltd	33 Wigmore Street, London, W1U 1QX	Agent for training services	100% of ordinary shares

Notes (continued)

6 Capital and reserves

Share capital

	2017 £000	2016 £000
<i>Authorised, allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1	1

7 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Ascent Flight Training (Holdings) Limited which is the ultimate parent company incorporated in England and Wales, which in turn 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.