

Ascent Flight Training (Services) Limited
Directors' report and financial statements
Registered number 06522487
31 March 2019



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2019.

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 to support the other Ascent Group companies in the development and delivery of courses under the UK Military Flight Training System ("UKMFTS") contract.

Business review

The Ascent Group is operating a 25 year contract with the Ministry of Defence (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.

Ascent Flight Training (Services) Limited acts in an agent capacity within the Ascent Group.

Proposed dividend

The directors do not recommend the payment of a dividend (2018: £Nil).

Directors

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

Name

R A Hardy
N G Misell
T I Bradley
K V Hayzen-Smith
N P Livingston
A L Gowder Graban

Employees

The Company has no employees (2018: Nil). All employees of the Ascent Group are employed by Ascent Flight Training (Management) Limited, 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.

Directors' report *(continued)*

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

26 September 2019

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;
- 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 Ascent Flight Training (Services) Limited

We have audited the financial statements of Ascent Flight Training (Services) Limited ("the company") for the year ended 31 March 2019, 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, 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. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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, including the impact of Brexit, 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.

Independent auditor's report to the members of Ascent Flight Training (Services) Limited (continued)

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.

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.

Independent auditor's report to the members of Ascent Flight Training (Services) Limited (continued)

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.



Matt Britton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
United Kingdom

30 September 2019

Profit and loss account and other comprehensive income
for the year ended 31 March 2019

	<i>Note</i>	2019 £000	2018 £000
Turnover	2	52	49
Cost of sales		-	-
		<hr/>	<hr/>
Profit before taxation	3-5	52	49
Tax on profit	6	(10)	(9)
		<hr/>	<hr/>
Profit for the financial year		42	40
		<hr/>	<hr/>
Total comprehensive income for the year		42	40
		<hr/>	<hr/>

There was no other comprehensive income for the current or preceding year other than that included in the profit and loss account

The results for each year were entirely derived from continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

Balance sheet

as at 31 March 2019

	Note	2019 £000	£000	2018 £000	£000
Current assets					
Debtors	7	682		586	
Cash at bank and in hand		117		152	
			799		738
Creditors: amounts falling due within one year	8		(562)		(543)
Net assets			237		195
Capital and reserves					
Called up share capital	9		30		30
Profit and loss account			207		165
Shareholders' funds			237		195

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the board of directors on 26 September 2019 and were signed on its behalf by:



K V Hayzen-Smith
 Director

The notes on pages 10 to 14 form part of these financial statements.

Statement of changes in equity

	Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 April 2017	30	125	155
Total comprehensive income for the period			
Profit for the financial year	-	40	40
Balance at 31 March 2018	30	165	195
Balance at 1 April 2018	30	165	195
Total comprehensive income for the period			
Profit for the financial year	-	42	42
Balance at 31 March 2019	30	207	237

The accompanying notes form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Ascent Flight Training (Services) Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

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 ultimate 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 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

Turnover represents retained services fees from Ascent Flight Training (Management) Limited, a fellow subsidiary undertaking.

1.5 Taxation

Tax on the profit or loss for the year 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 year using tax rates enacted or substantively enacted at the balance sheet dated, and any adjustment to tax payable in respect of previous years.

The company has no deferred tax.

Notes (continued)

2 Turnover

	2019 £000	2018 £000
<i>Analysis of turnover by activity</i>		
Service revenue	52	49

All turnover is generated in the United Kingdom

3 Note to the profit and loss account

Amounts receivable by the auditors in respect of their audit of these financial statements were £1,000 (2018: £1,000). These were borne by Ascent Flight Training (Management) Limited, a fellow subsidiary undertaking in both years.

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 year amounted to £Nil (2018: £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 in either year.

Notes (continued)

6 Taxation

Total tax expense recognised in the profit and loss account

	2019 £000	2018 £000
<i>Current tax</i>		
Current UK corporation tax on profit for the year	10	9
	<hr/>	<hr/>
Tax on profit on ordinary activities	10	9
	<hr/>	<hr/>
Reconciliation of effective tax rate		
	2019 £000	2018 £000
Profit for the year	42	40
Total tax expense	10	9
	<hr/>	<hr/>
Profit excluding taxation	52	49
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2018: 20%)	10	9
	<hr/>	<hr/>
Total tax charge for the year	10	9
	<hr/>	<hr/>

A reduction in the UK corporation tax rate from 19% to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 March 2019 has been calculated based on these rates.

Notes (continued)

7 Debtors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed by group companies	682	582
Prepayments	-	4
	<u>682</u>	<u>586</u>

8 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	551	533
Corporation tax	11	10
	<u>562</u>	<u>543</u>

9 Capital and reserves

Share capital

	2019 £000	2018 £000
<i>Authorised, allotted, called up and fully paid</i> 30,000 ordinary shares of £1 each	30	30
	<u>30</u>	<u>30</u>

10 Ultimate controlling party

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