

Rear Crew Training Limited
Registered number 06931355

Directors' report and financial statements
Year ended 31 March 2022

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Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2022.

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 delivery of training on the Rear Crew programme to the Ministry of Defence ("MoD").

Business review

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.

Rear Crew Training Limited'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.

Directors

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

Name

N G Misell
K J Garvey
P Craig
T I Bradley
P N Livingston
C J McIntosh

The Company maintains Directors' and Officers' liability insurance. The insurance was in force during the financial year and at the date of approval of the financial statements.

Proposed dividend

The directors do not recommend the payment of a dividend (2021: £Nil).

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 cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides in the trading environment, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Specifically, the directors have considered if, in modelled severe but plausible downside scenarios, the level of operational performance of the Company would lead to performance deductions being awarded against the Company in accordance with the terms of the Company's contract with Ministry of Defence. To date there has been no material adverse impact on the Company's cashflows, or the service levels provided and no indication of heightened risk of subcontractor failure. As a result, the cashflow forecasts indicate that, even in downside scenarios, the Company will be able to meet its liabilities as they fall due.

Directors' report *(continued)*

Going concern (continued)

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.

Employees

The Company has no employees (2021: Nil). All employees of the Ascent Group are employed by Ascent Flight Training (Management) Limited, a fellow subsidiary undertaking.

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

Political contributions

The Company made no political donations nor incurred any political expenditure during the year (2021: £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

27 September 2022

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 Rear Crew Training Limited

Opinion

We have audited the financial statements of Rear Crew Training Limited ("the Company") for the year ended 31 March 2022 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 2022 and of its result 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. 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

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

Identifying and responding to risks of material misstatement due to fraud (continued)

- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to turnover recognition as the entity has recognised no turnover.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test for all components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, and employment law, recognising the nature of the Company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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, take advantage of the small companies exemption in preparing the directors' report 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.

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

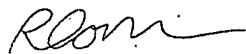
Auditor's responsibilities

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.



Richard Lomax (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

28 September 2022

Profit and loss account and other comprehensive income
for the year ended 31 March 2022

The company did not trade during the current or prior year. There are no other items of comprehensive income or expense.

The accompanying notes form part of these financial statements.

Balance sheet

as at 31 March 2022

	<i>Note</i>	2022 £000	2021 £000
Current assets			
Cash at bank and in hand		16	106
		<hr/>	<hr/>
Creditors: amounts falling due within one year	5	(15)	(105)
		<hr/>	<hr/>
Net assets		1	1
		<hr/>	<hr/>
Capital and reserves			
Share capital	6	1	1
Profit and loss account		-	-
		<hr/>	<hr/>
Shareholders' Funds		1	1
		<hr/>	<hr/>

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 27 September 2022 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

	Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 April 2020	1	-	1
Total comprehensive income for the year	-	-	-
Balance at 31 March 2021	1	-	1
Balance at 1 April 2021	1	-	1
Total comprehensive income for the year	-	-	-
Balance at 31 March 2022	1	-	1

The accompanying notes form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Rear Crew Training Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 06931355 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 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 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. In the opinion of the directors there are no significant judgements or accounting estimates applied in these financial statements

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.

The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides in the trading environment, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Specifically, the directors have considered if, in modelled severe but plausible downside scenarios, the level of operational performance of the Company would lead to performance deductions being awarded against the Company in accordance with the terms of the Company's contract with Ministry of Defence. To date there has been no material adverse impact on the Company's cashflows, or the service levels provided and no indication of heightened risk of subcontractor failure. As a result, the cashflow forecasts indicate that, even in downside scenarios, the Company will be able to meet its liabilities as they fall due. 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

Cash

Cash comprises cash balances at the bank and cash in hand.

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.

1.3 Related party transactions

The group discloses transactions with related parties which are not wholly owned within the Ascent group. It does not disclose transactions with members of the Ascent group which are wholly owned.

Notes (continued)

2 Note to the profit and loss account

Amounts receivable by the auditors in respect of their audit of these financial statements were £2,000 (2021: £1,150). The audit fee is paid by another group company.

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 ultimate parent, Ascent Flight Training (Holdings) Limited.

3 Remuneration of directors

Directors' emoluments for the year amounted to £Nil (2021: £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 the company is non-complex and requires very limited director involvement.

4 Staff numbers and costs

The Company had no employees in either year.

5 Creditors: amounts falling due in one year

	2022 £000	2021 £000
Owed to group undertakings	15	105

6 Capital and reserves

Share capital

	2022 £000	2021 £000
<i>Authorised, allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1	1

Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

7 Ultimate controlling party

The Company is a subsidiary undertaking of Rear Crew Training Holdings Limited which is the immediate parent company incorporated in England and Wales, which in turn is owned by 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 office is 33 Wigmore Street, London W1U 1QX. The smallest group in which the results are consolidated is that headed by Rear Crew Training Holdings Limited whose registered office is 33 Wigmore Street, London W1U 1QX. The consolidated financial statement of these groups are available to the public and may be obtained from 33 Wigmore Street, London W1U 1QX.