
Flagship Fire Fighting Training Limited

Annual report and financial statements

For the year ended 31 March 2023

Registered number: 03700728

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COMPANY INFORMATION

Directors	N Borrett S Doherty J Parker J Rayson
Company secretary	Babcock Corporate Secretaries Limited
Registered Number	03700728
Registered office	33 Wigmore Street London W1U 1QX

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Strategic report for the year ended 31 March 2023

The Directors present their Strategic report on the Company for the year ended 31 March 2023.

Principal activities

The principal activity of the Company was previously a contract which provided firefighting training services, including the design, operation, construction and maintenance of firefighting units to the Naval Training Command (NTC). This contract ended in January 2021. Subsequently the Company has not traded in year ended 31 March 2023 and is expected to be liquidated in due course.

Business review

	2023	2022
	£000	£000
Turnover	-	-
(Loss)/profit for the financial year	4	(18)

The profit for the year represents interest received.

The Directors consider the financial position of the Company to be in line with expectations.

Principal risks and uncertainties

The Company's ultimate controlling parent is Babcock International Group PLC. Risks are managed at a group level in accordance with the risk management framework of Babcock International Group PLC. The principal risks and uncertainties of Babcock International Group PLC are discussed in its Annual Report for the year ended 31 March 2023.

Since the contract ended in January 2021, there are no key trading risks attributable to the Company directly.

Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 87 to 103 of the annual report of Babcock International Group PLC, which does not form part of this report.

Key performance indicators

The Company's activities are managed on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company.

The company's activities are managed on a divisional basis. The growth and performance of the Land division, a division of Babcock International Group PLC, which includes the Company, is discussed on pages 48 to 51 of the annual report of Babcock International Group PLC, which does not form part of this report.

S172(1) statement and stakeholder engagement

This statement contains an overview of how the Directors have performed their duty to promote the success of the Company as set out in Section 172(1) of the Companies Act 2006. That section requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of the shareholders. In doing this, the director must have regard, amongst other matters, to:

Strategic report for the year ended 31 March 2023 *(continued)*

S172(1) statement and stakeholder engagement *(continued)*

- a) the likely consequences of any decision in the long term,
- b) the impact of the Company's operations on the community and the environment,
- c) the desirability of the Company maintaining a reputation for high standards of business conduct, and
- d) the need to act fairly as between members of the Company.

The Directors have acted in a way that they consider, in good faith, to be most likely to promote the long-term success of the Company for the benefit of the Shareholders as a whole while having regard for all stakeholders. Stakeholder engagement is managed in accordance with Group policies and procedures which are discussed on pages 56,57, and 115 of the annual report of Babcock International Group PLC, which does not form part of this report.

The community and environment

Sustainability is an integral part of our corporate strategy and how we do business and it underpins our corporate Purpose: to create a safe and secure world, together. We have done a lot in the past year to drive our sustainability programme across the Group, ensure progress towards our corporate commitments and deliver our five ESG priorities shown below.

- 1. We will reduce emissions and set science-based targets to get to net zero across our estate, assets and operations by 2040.
- 2. We will integrate environmental sustainability into programme design to minimise waste and optimise resources.
- 3. We will ensure the safety and wellbeing of all our people.
- 4. We will make a positive difference to the communities we're proud to be part of and provide high-quality jobs that support local economies.
- 5. We will be a collaborative, trusted partner across the supply chain, helping to tackle common challenges.

These activities form part of the company's implementation of the Group-wide ESG Strategy as described on pages 58-86 of the annual report of Babcock International Group PLC which does not form part of this report.

Climate action is a key focus: we are continuing to progress our Group-wide decarbonisation programme (Plan Zero 40). Aligned with the Plan Zero 40 pathway announced last year, we commenced baselining our carbon footprint and are on track to submit carbon reduction targets to the Science-Based Targets initiative by April 2023. These are to be achieved by 2030 and will set us on course for decarbonising our estate, assets and operations to reach our overarching goal of net zero emissions by 2040. Further information is included on pages 58 to 86 of the annual report of Babcock International Group PLC.

This report was approved by the board on 19th December 2023 and signed on its behalf



Mr J Parker
Director

Directors' report for the year ended 31 March 2023

The Directors present their report and the financial statements of the Company for the year ended 31 March 2023.

Dividends

No interim dividend payments have been made for this financial year (2022: *£nil*). No final dividend for the year ended 31 March 2023 is proposed by the Directors (2022: *£nil*).

Directors and their interests

The Directors who held office during the year and up to the date of signing the annual report were as follows:

N Borrett
S Doherty (appointed 31/05/2022)
J Parker (appointed 19/07/2022)
J Rayson
I Urquhart (resigned 31/05/2022)

The Board is not aware of any contract of significant in relation to the Company in which any Director has, or has had, a material interest.

Future Developments

Following the end of its contracted term to provide firefighting training in January 2021, the Company no longer trades and will be liquidated in due course. As a result, these financial statements have been prepared on a basis other than going concern (see Note 2).

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to meet its liabilities as they fall for the foreseeable future. However, as the Company has ceased trading in the prior year and is expected to be liquidated in due course, the Directors have not adopted the going concern basis in preparing these financial statements. There has been no change to the carrying value of assets or liabilities as a result of adopting a basis of preparation other than going concern.

Financial risk management

The applicable financial risk management policies and exposure to financial risks including price, credit, liquidity and cash flows are discussed in detail with the annual report for Babcock International Group PLC.

Energy and carbon reporting

The Company has taken advantage of the exemption granted under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as this information is disclosed on the annual report for the year ended 31 March 2023 of its ultimate parent, Babcock International Group PLC.

Directors' report for the year ended 31 March 2023 *(continued)*

Environment

The Company recognises its responsibility to minimise so far as reasonably possible the potential for adverse impacts from its operations. It aims to achieve the highest standards in environmental management and seek accreditation to appropriate standards.

The Company has developed and implemented an environmental policy to ensure that the impact of its activities on the environment is limited to the minimum level practicable.

Qualifying third party indemnity provisions

Babcock International Group PLC provides protections for directors of companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third party indemnity provisions (as defined by Companies Act 2006) for the benefit of members of Babcock International Group PLC, including, where applicable, in their capacity as a director of the Company and other companies within the Group. These indemnities came into force in 2012 and remain in force.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

This report was approved by the board and signed on its behalf:



J Parker

Director

19th December 2023

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, 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 the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). 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 accounting 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Flagship Fire Fighting Training Limited

Income statement

for the year ended 31 March 2023

	<i>Note</i>	2023 £000	2022 £000
Revenue		-	-
Cost of sales		-	(18)
Gross profit		-	(18)
Administrative expenses		-	-
Operating profit	4	-	1,387
Finance Cost		-	-
Finance Income	5	4	
(Loss)/profit before tax	4	4	(18)
Tax charge on profit		-	-
(Loss)/profit for the financial year		4	(18)

The contract has ended and the Company is to be liquidated in due course.

There have been no other comprehensive gains/losses during either the current or prior year other than as disclosed in the income statement and therefore no separate statement of comprehensive income has been presented.

Flagship Fire Fighting Training Limited

Statement of Financial Position

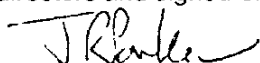
as at 31 March 2023

	Note	2023 £000	2022 £000
Current assets			
Debtors: amounts falling due within one year	8	9,000	9,003
Cash at bank and in hand		202	195
Total current assets		9,202	9,198
 Creditors: amounts falling due within one year	9	(369)	(369)
Net current assets		8,833	8,829
 Total assets less current liabilities		8,833	8,829
 Net assets		8,833	8,829
 Capital and reserves			
Called up share capital	10	50	-
Share premium account		-	50
Retained earnings		8,783	8,779
 Total Shareholders' funds		8,833	8,829

The notes on pages 11 to 18 are an integral part of these financial statements.

For the year ending 31 March 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 8 to 18 were approved and authorised for issue by the board of directors and signed on its behalf by:



J Parker
Director
19th December 2023

Flagship Fire Fighting Training Limited

Statement of changes in equity
for the year ended 31 March 2023

	Called up share capital	Share premium account	Retained earnings	Total Shareholders ' funds
	£000	£000	£000	£000
Balance at 1 April 2021	-	50	8,797	8,847
Loss for the financial year	-	-	(18)	(18)
Balance at 31 March 2022	-	50	8,779	8,829
Balance at 1 April 2022	-	50	8,779	8,829
Profit for the financial year	-	-	4	4
Balance at 31 March 2023	-	50	8,783	8,833

Notes to the financial statements

1 General information

Flagship Fire Fighting Training Limited is a private company limited by shares which is incorporated and domiciled in England and Wales, UK. The address of the registered Office is 33 Wigmore Street, London W1U 1QX.

Its ultimate controlling party is disclosed in note 14. The principal activity of the Company is set out in the Strategic Report on page 3. These financial statements, which have been prepared in accordance with the Companies Act 2006, are presented in pounds sterling and, unless stated otherwise, rounded to the nearest thousand.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework (FRS 101)'. The Company applies the recognition, measurement and disclosure requirements in accordance with the international accounting standards and FRS 101, but makes amendments where necessary in order to comply with the Companies Act 2006.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the Company applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the UK, but makes amendments where necessary in order to comply with the Companies Act 2006 and sets out below where advantage of the FRS 101 disclosure exemptions has been taken:

- a) IFRS 7, 'Financial instruments: Disclosures'.
- b) Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information in respect of:
 - paragraph 79(a) (iv) of IAS 1 Share capital and reserves;
- c) Paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- d) IAS 7, 'Statement of cash flows'
- e) Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation.
- f) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

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

The Company intends to continue to prepare its financial statements in accordance with FRS 101.

The financial statements have been prepared under the historical cost convention.

Flagship Fire Fighting Training Limited

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies *(continued)*

Adoption of new and revised standards

There are no amendments to accounting standards that are effective for the year ended 31 March 2023 that have a material impact on the Company's financial statements.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to meet its liabilities as they fall for the foreseeable future. However, as the Company has ceased trading in the prior year and will be liquidated in due course, the directors have not adopted the going concern basis in preparing these financial statements. There has been no change to the carrying value of assets or liabilities as a result of adopting a basis of preparation other than going concern.

Contingent liabilities

A contingent liability is a possible obligation arising from past events whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Company's control, or a present obligation that is not recognised because it is not probable that an outflow of economic benefits will occur, or the value of such outflow cannot be measured reliably. A provision is recognised for any amounts that the Directors consider may become payable.

Taxation

a) Current income tax

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantively enacted, by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies *(continued)*

Taxation *(continued)*

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are recognised where deferred tax liabilities exist and are expected to reverse in the same period as the deferred tax asset or in periods into which a loss arising from a deferred tax asset can be carried forward or back. In the absence of sufficient deferred tax liabilities, deferred tax assets are recognised where it is probable that there will be future taxable profits from other sources against which a loss arising from the deferred tax asset can be offset. In assessing the availability of future profits, the Company uses profit forecasts consistent with those used for goodwill impairment testing. Profits forecast beyond the Company's five-year budget cycle are risk-weighted to reflect commercial uncertainties.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Tax is recognised in the income statement except to the extent that it relates to items recognised directly in either other comprehensive income or in equity.

Financial instruments

a) Financial assets and liabilities at amortised cost

Cash and cash equivalents, trade receivables, amounts due from related parties and other receivables are classified as financial assets held at amortised cost as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. Trade receivables, contract assets and lease receivables include a provision for expected credit losses. The Company measures the provision at an amount equal to lifetime expected credit losses, estimated by reference to past experience and relevant forward-looking factors. For all other financial assets carried at amortised cost, including loans to joint ventures and associates and other receivables, the Company measures the provision at an amount equal to 12-month expected credit losses.

Trade and other payables, amounts due to related parties, other payables, accruals and bank loans and overdrafts are classified as financial liabilities held at amortised cost.

Cash and cash equivalents

Company cash and cash equivalents consist of cash at bank and cash in hand, together with short-term deposits with an original maturity of three months or less and money market funds.

Dividends

Dividends are recognised as a liability in the Company's financial statements in the period in which they are approved. Interim dividends are recognised when paid.

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies *(continued)*

Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Sterling, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the year-end exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at exchange rates ruling at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Trade and other receivables

Trade and other receivables are stated at their cost less provision for bad debts. A provision for bad debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The Company writes off a trade receivable when there is objective evidence that the debtor is in significant financial difficulty and there is no realistic prospect of recovery.

3 Critical accounting judgements and key sources of estimation uncertainty

Given the fact the Company has ceased trading and has only incurred a limited number of transactions in 2023, the Directors do not believe there are any critical accounting estimates or judgements incurred in the preparation of the financial statements.

Notes to the financial statements *(continued)*

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2023	2022
	£000	£000
Audit fee	-	27

The auditors' remuneration for the prior year (£27,000) has been borne by a fellow group company. Fees paid to the Company's auditors, Deloitte LLP and its associates, are disclosed on a consolidated basis in the financial statements of the ultimate parent undertaking, Babcock International Group Plc.

4 Finance Income

	2023	2022
	£000	£000
Bank Interest receivable	4	-
	<u>4</u>	<u>-</u>

6 Directors' remuneration and employee information

None of the Directors received remuneration for their services to the Company as the services provided to the Company are incidental to their wider role in the Group in the current year (2022: *£nil*). The Company employs no staff (2022: *none*).

During the year no (2022: *none*) Directors remunerated by Flagship Fire Fighting Training Limited exercised share options under long term incentive plans and no (2022: *none*) Directors were entitled to receive share options under long term incentive plans. No retirement benefits were accruing to Directors (2022: *none*) under SIPS money purchase scheme.

Notes to the financial statements *(continued)*

7 Tax

	2023	2022
	£000	£000
Profit before taxation	4	(18)
Profit before taxation multiplied by standard UK Corporation tax rate of 19% (2021: 19%)	1	(3)
Effects of:		
Adjustments in respect of deferred tax for prior years	-	-
Group relief for nil consideration	(1)	3
Tax charge for the year	-	-

In 2020 budget, it was announced that the decrease in the UK rate of corporation tax from 19% to 17% was cancelled. On 24 May 2021, the Finance Act 2021 was substantively enacted, increasing the main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023.

8 Trade and other receivables

	2023	2022
	£000	£000
Amounts falling due within one year:		
Taxation & social security	-	3
Amounts owed by group undertakings	9,000	9,000
	9,000	9,003

Amounts owed by group undertakings are unsecured. A £9,000,000 loan with Babcock Marine Training Limited (2022: £9,000,000) is repayable on demand, with no interest charge.

9 Trade and other payables

Amounts due within one year

	2023	2022
	£000	£000
Amounts owed to group undertakings	369	369
Other taxation and social security	-	-
	369	369

Flagship Fire Fighting Training Limited

The amounts due to group undertakings represents UK corporate tax payable borne by other companies in the group.

The Company has access to the Babcock International Group PLC overdraft facility. The Company along with fellow group undertakings has provided cross-guarantees in relation to this facility (see note 13).

10 Called up share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each (2022 : 100)	<u>100</u>	<u>100</u>

11 Dividends

No interim dividend payment has been made for this financial year (2022: £ nil). No final dividend for the year ended 31 March 2023 is proposed by the directors (2022: £nil).

Notes to the financial statements (continued)

12 Guarantees and financial commitments

a) Capital Commitments

At 31st March 2023 the Company had capital commitments of £nil (2022: £nil)

b) Lease Commitments

At 31st March 2023 the Company had lease commitments of £nil (2022: £nil) for leases not yet commenced.

c) VAT liabilities

The company is a member of a wider Babcock VAT group, and as a result is jointly and severally liable with the other members for the VAT asset of the group. At 31 March 2023 the accrued VAT asset of the group was £398,000 (2022: £172,000 asset).

13 Related party disclosures

The Company has taken advantage of the exemptions within FRS 101 not to disclose transactions and balances with Babcock International Group PLC and its wholly owned subsidiaries, on the grounds that the Company itself is a wholly owned subsidiary of Babcock International Group PLC, for which the consolidated financial statements are publicly available.

14 Immediate and ultimate parent undertakings

The Company's immediate parent company is Babcock Marine Training Limited, a limited liability partnership registered in England and Wales. The Company's ultimate parent undertaking and controlling party is Babcock International Group PLC, a company registered in England and Wales. The only Group in which the results of the Company are consolidated is that headed by Babcock International Group PLC.

Copies of Babcock International Group PLC Financial Statements are available from the following address:

The Company Secretary
Babcock International Group PLC
33 Wigmore Street
London
W1U 1QX