

Company Number: 02326888

**BMT UK 2 Limited**  
**REPORT AND ACCOUNTS**  
**30 SEPTEMBER 2019**

MONDAY



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16/03/2020

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COMPANIES HOUSE

**DIRECTOR**

D Bright  
G Tomlinson  
P Wilkinson

**JOINT COMPANY SECRETARIES**

K Sellick  
H Stone

**AUDITOR**

RSM UK Audit LLP  
One London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

**BANKERS**

Barclays Bank Plc  
Heathrow Airport Branch  
Cardinal Point  
Newall Road  
Heathrow Airport  
Hounslow  
TW6 2AH

**SOLICITORS**

Stevens & Bolton  
Wey House  
Farnham Road  
Guildford  
Surrey  
GU1 4YD

**REGISTERED OFFICE**

1 Park Road  
Teddington  
Middlesex  
TW11 0AP

**REPORT AND ACCOUNTS**  
for the year ended 30 September 2019

<b>CONTENTS</b>	<b>PAGE</b>
Directors' report	3
Directors' responsibilities in the preparation of the financial statements	4
Auditor's report	5
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the accounts	10

## DIRECTORS' REPORT

The directors submit their report and financial statements for BMT UK 2 Limited, company number 02326888, for the year ended 30 September 2019.

### PRINCIPAL ACTIVITIES

During the year the company's principal activities are consultancy, software development and contract research in wind engineering, naval architecture and environmental assessment for the offshore, civil engineering, defence and transport industries and government. The company has continued to conduct its business in the areas of fluid and structural mechanics, specialist marine consultancy and environmental assessment.

Subsequent to the year end the company transferred the majority of its trade and associated assets to a fellow subsidiary of BMT Group Limited. The remaining contracts of the company will complete during the year to 30 September 2020, at which point the company will cease trading.

### RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £889k (2018: loss £2,006k). No dividend was paid during the year (2018: £nil).

### RESEARCH AND DEVELOPMENT

The company is active in research and development. During the year, the company had fully funded research and development projects. The company also benefits from significant investment in research and development over a wide range of technologies by BMT Group Limited.

### DIRECTORS

The directors since 1 October 2018 were as follows:

D Bright

P Wilkinson

G Tomlinson

### ELECTIVE RESOLUTION

The company has filed an elective resolution with the Registrar of Companies to dispense with the laying of accounts and reports before any general meeting.

### AUDITOR

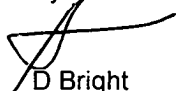
The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated their willingness to continue in office.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board,



D Bright

Director

Dated: 18 December 2019

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BMT UK 2 LIMITED**

### **Opinion**

We have audited the financial statements of BMT UK 2 Limited (the 'company') for the year ended 30 September 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter – non-going concern basis of accounting**

We draw attention to note 1 of the financial statements, which describes the preparation of the financial statements on a non-going concern basis. As described in note 1, on 1 October 2019 the company sold the majority of its trade and associated assets to a fellow subsidiary of BMT Group Limited. The remaining contracts of the company will complete during the year to 30 September 2020, at which point the company will cease trading. As such, the directors have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BMT UK 2 LIMITED (CONTINUED)

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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.

*RSM UK Audit LLP*

Christopher Hurren BA FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3rd Floor, One London Square  
Cross Lanes, Guildford  
Surrey, GU1 1UN

**20** December 2019

STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 September 2019

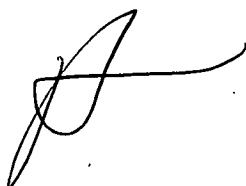
	Notes	2019 £'000	Restated 2018 £'000
<b>Turnover</b>	2	4,537	3,283
Other operating income		574	9
Raw materials and consumables		(1,704)	(881)
Staff costs	5	(2,965)	(2,781)
Other operating charges		(1,491)	(1,645)
Depreciation		(50)	(420)
<b>OPERATING LOSS</b>		(1,099)	(2,435)
Interest payable	6	(81)	(22)
<b>LOSS BEFORE TAXATION AND PROFIT SHARING SCHEME</b>		(1,180)	(2,457)
Profit sharing scheme	5	(9)	-
<b>LOSS BEFORE TAXATION</b>	3	(1,189)	(2,457)
Taxation	7	300	451
<b>LOSS AFTER TAXATION FOR THE YEAR</b>		(889)	(2,006)
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		(889)	(2,006)



STATEMENT OF FINANCIAL POSITION  
at 30 September 2019

	Notes	2019 £'000	Restated 2018 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	<u>67</u>	<u>28</u>
<b>CURRENT ASSETS</b>			
Debtors	9	1,870	2,123
Cash at bank		<u>223</u>	<u>-</u>
		2,093	2,123
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>(3,347)</u>	<u>(2,449)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,254)</u>	<u>(326)</u>
<b>NET LIABILITIES</b>		<u>(1,187)</u>	<u>(298)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	844	844
Profit and loss account		<u>(2,031)</u>	<u>(1,142)</u>
<b>TOTAL EQUITY</b>		<u>(1,187)</u>	<u>(298)</u>

The accounts on pages 7 to 21 were approved by the board of directors and authorised for issue on 18 December 2019 and are signed on its behalf by:



D Bright  
Director

STATEMENT OF CHANGES IN EQUITY  
at 30 September 2019

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 October 2017 (as originally stated)	844	667	1,511
Prior period adjustment (note 20)	-	197	197
	<hr/>	<hr/>	<hr/>
Balance at 1 October 2017 (as restated)	844	864	1,708
Loss for the year and total comprehensive income for the year (as restated)	-	(2,006)	(2,006)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2018 (as restated)	844	(1,142)	(298)
Loss for the year and total comprehensive income for the year	-	(889)	(889)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2019	<u>844</u>	<u>(2,031)</u>	<u>(1,187)</u>

NOTES TO THE ACCOUNTS  
at 30 September 2019

**1. PRINCIPAL ACCOUNTING POLICIES**

**General Information**

BMT UK 2 Limited ("the Company") is a private company limited by share capital, domiciled and incorporated in England.

The address of the Company's registered office is 1 Park Road, Teddington, Middlesex TW11 0AP. The address of the Company's principal place of business is 1 Park Road, Teddington, Middlesex TW11 0AP.

The Company's principal activities are set out on page 3.

**Basis of accounting**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

The group operates a profit sharing scheme, which is based on the overall results of the group and is a reward for staff loyalty. In view of the basis of this share of profit, the directors have modified the format of the statement of comprehensive income and present it separately, as a charge immediately above 'Loss on ordinary activities before Tax'. The directors believe this presentation better reflects the nature of this benefit enjoyed by the employees of the company and is required in order to show a true and fair view.

**Non-going concern basis of accounting**

Subsequent to the year end, the company sold the majority of its trade and associated assets to a fellow subsidiary of BMT Group Limited. The remaining contracts of the company will complete during the year to 30 September 2020, at which point the company will cease trading. As such, the Directors have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting.

**Reduced disclosures**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of BMT Group Limited. The consolidated financial statements of BMT Group Limited are available from its registered office, 1 Park Road, Teddington, Middlesex, TW11

NOTES TO THE ACCOUNTS  
at 30 September 2019  
OAP.

**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Functional and Presentational Currencies**

The financial statements are presented in sterling which is also the functional currency of the Company.

**Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

**Turnover**

***Revenue recognition***

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

***Sale of professional services***

Turnover from contracts for the provision of professional consulting services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

***Software***

Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and reward of ownership have been transferred to the customer. Sales of software are recognised when goods are delivered, and legal title has passed, and the Company has no continuing managerial involvement associated with ownership or effective control of the goods sold. This is generally when goods have been checked and accepted by the customer on delivery at the specified location.

NOTES TO THE ACCOUNTS  
at 30 September 2019

**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life to the business, as follows:

Computers and instruments	over 3 years
Other equipment	over 3 - 10 years
Leasehold improvements	over the term of the lease

**Impairments of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the statement of comprehensive income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

**Taxation**

Current tax, including UK corporation tax and foreign 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 balance sheet date.

Deferred taxation is provided in full on timing differences at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Timing differences arise from the inclusion of items of income and expenditure in the taxation computations in periods different from those in which they are included in the financial statements.

A deferred tax asset is only recognised when it is more likely than not that it will be recoverable in the foreseeable future. Deferred tax assets and liabilities recognised have not been discounted.

**Leases**

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the periods of the leases, net of any lease incentives.

**Retirement Benefits**

The group operates two multi-employer pension schemes in the UK, one being a defined benefit scheme (which was closed to future accrual with effect from 31 January 2011) and a second defined contribution scheme.

NOTES TO THE ACCOUNTS  
at 30 September 2019

**1. PRINCIPAL ACCOUNTING POLICIES (continued)**

The costs of defined contribution schemes are charged to the profit and loss account in the year in which they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The company accounts for contributions to the defined benefit scheme in accordance with FRS 102 Chapter 28 'Employee Benefits'. The company continues to contribute to the recovery plan of the defined benefit scheme. In accordance with the standard, the company treats contributions to the closed defined benefit scheme as though they were contributions to a defined contributions scheme. This is due to the underlying assets and liabilities of the defined benefit scheme covering a number of the group's UK undertakings and therefore cannot be readily split between each undertaking on a consistent and reliable basis.

Full details of the pension scheme and the valuations are set out in the accounts of BMT Group Limited.

**Financial Instruments**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 in full to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

*Basic Financial assets*

Basic financial assets, which include trade and other receivables, are initially recognised at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing arrangement, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

*Basic financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans and intercompany loans are recognised at transaction price, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

**Research and development**

Expenditure on research and development is written off against profits as it is incurred.

**Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Revenue recognition*

Significant estimation and judgement is applied when determining the amounts of revenue recognised based upon the estimated cost to complete a contract. Revenue is recognised to reflect the partial performance of contractual obligations. The amount recognised reflects any uncertainties as to the amount of revenue to be received.

NOTES TO THE ACCOUNTS  
at 30 September 2019

**2. TURNOVER**

Turnover comprises services sold net of value added tax. In the opinion of the directors the company carried on a single continuing business.

An analysis of turnover by geographical market is given below:

	2019	Restated 2018
	£'000	£'000
UK	2,415	1,603
Other European Union	710	531
Rest of the world	1,412	1,149
	<u>4,537</u>	<u>3,283</u>

**3. OPERATING LOSS**

Operating loss is stated after charging:

	2019	Restated 2018
	£'000	£'000
Auditors' remuneration - statutory audit of the company	34	10
Operating lease rentals – Buildings	217	193
Depreciation on owned assets	50	120
Impairment of tangible fixed assets	18	300
Exchange losses	-	12
	<u>-</u>	<u>12</u>

**4. DIRECTORS' REMUNERATION**

	2019	2018
	£'000	£'000
Aggregate emoluments	-	122
Company defined contribution pension scheme	-	19
	<u>-</u>	<u>141</u>

In the year to 30 September 2019 the directors received no remuneration for their services to the company as they are remunerated for their services to the group headed by BMT Group Limited as a whole and it is not possible to separately identify the element attributable to the company.

NOTES TO THE ACCOUNTS  
at 30 September 2019

**5. STAFF COSTS**

	2019 £'000	Restated 2018 £'000
Wages and salaries	2,283	2,185
Social security costs	240	197
Other pension costs	442	399
	<u>2,965</u>	<u>2,781</u>
Profit sharing scheme:		
Wages and salaries	8	-
Social security costs	1	-
	<u>2,974</u>	<u>2,781</u>

The average monthly number of employees during the year was made up as follows:

	2019 No.	Restated 2018 No.
Scientific and technical	36	54
Administrative support	9	19
	<u>45</u>	<u>73</u>

**6. INTEREST PAYABLE**

	2019 £'000	2018 £'000
Group interest payable	<u>81</u>	<u>22</u>



NOTES TO THE ACCOUNTS  
at 30 September 2019

7. TAXATION

	2019	2018
	£'000	£'000
<b>Current tax:</b>		
Payment re Group relief	259	470
Adjustment to prior years	-	11
<b>Total current tax</b>	<u>259</u>	<u>481</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(5)	(7)
Adjustment for prior years	50	(24)
Effect of changes in tax rates and laws	(4)	1
<b>Total deferred tax</b>	<u>41</u>	<u>(30)</u>
<b>Total tax on profit on ordinary activities</b>	<u>300</u>	<u>451</u>

	2019	Restated 2018
	£'000	£'000
<b>Factors affecting tax charge for the year</b>		

The tax assessed for the year is lower than the standard rate of corporation tax in the UK 19%. The differences are explained below:

Loss on ordinary activities before tax	<u>(1,189)</u>	<u>(2,457)</u>
Loss on ordinary activities before taxation multiplied by the effective rate of UK corporation tax of 19% (2018: 19%).	226	467
Effects of:		
Items not deductible for tax purposes	4	(6)
Adjustment from prior years	50	(13)
Effect of changes in tax rates and laws	(5)	1
Other tax adjustments	25	2
<b>Total tax charge for the period</b>	<u>300</u>	<u>451</u>

The corporation tax rate for the UK Company profits was 19% at the year end. The rate will reduce at 1 April 2020 to 17%. Deferred tax has been recognised at a rate of 17%, which is the rate that was substantively enacted at the year end.

NOTES TO THE ACCOUNTS  
at 30 September 2019

**8. TANGIBLE FIXED ASSETS**

	Computers & instruments	Other equipment	Leasehold improvements	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 October 2018	200	267	578	1,045
On acquisition	19	-	45	64
Additions	36	8	-	44
Disposals	(222)	(267)	(578)	(1,067)
At 30 September 2019	<u>33</u>	<u>8</u>	<u>45</u>	<u>86</u>
<b>Depreciation</b>				
At 1 October 2018	175	264	578	1,017
Charged in the year	44	-	6	50
Impairment losses	18	-	-	18
Disposals	(224)	(264)	(578)	(1,066)
At 30 September 2019	<u>13</u>	<u>-</u>	<u>6</u>	<u>19</u>
<b>Net book value</b>				
At 30 September 2019	<u>20</u>	<u>8</u>	<u>39</u>	<u>67</u>
At 30 September 2018	<u>25</u>	<u>3</u>	<u>-</u>	<u>28</u>

**9. DEBTORS**

	2019	Restated 2018
	£'000	£'000
Trade debtors	417	429
Amounts owed by Group Undertakings	950	1,269
Other debtors	130	65
Amounts recoverable on contracts	269	144
Prepayments and accrued income	104	216
	<u>1,870</u>	<u>2,123</u>

Other debtors include a deferred tax asset of £78,000 (2018: £38,000) – see note 12

NOTES TO THE ACCOUNTS  
at 30 September 2019

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £'000	2018 £'000
Bank overdraft	-	1,761
Trade creditors	257	256
Income in advance	151	177
Amounts owed to group undertakings	2,542	18
Other taxation and social security	37	22
Other creditors	-	215
Accruals and deferred income	360	-
	<u>3,347</u>	<u>2,449</u>

**11. PROVISIONS FOR LIABILITIES**

Provision for deferred tax has been made as follows:	2019 £'000	2018 £'000
Asset at 1 October	38	68
Transfer from profit and loss	<u>40</u>	<u>(30)</u>
Asset at 30 September	<u>78</u>	<u>38</u>
Provision for deferred tax has been made as follows:		
Excess of tax allowances over depreciation	<u>78</u>	<u>38</u>

**12. ACQUISITIONS**

On 1st October 2018, BMT UK 2 Limited acquired the trade and assets of

BMT Ship & Coastal Dynamics Limited  
BMT Cordah Limited  
BMT WBM Limited  
BMT Surveys (London) Limited

The acquisitions comprised cash consideration which was equivalent to the net assets acquired and is detailed below. Hence there was no goodwill arising on acquisition.

NOTES TO THE ACCOUNTS  
at 30 September 2019

**12. ACQUISITIONS (Continued)**

The split of the assets acquired and liabilities assumed were recognised at their fair values to the company, as set out below.

	BMT Ship & Coastal Dynamics Ltd £'000	BMT Cordah Ltd £'000	BMT WBM Ltd £'000	BMT Surveys London Ltd £'000	Total £'000
Tangible Fixed Assets	56	0	8	1	65
Debtors incl Petty Cash	365	227	101	97	790
Creditors	(197)	(86)	(97)	(17)	(397)
Net Assets	<u>224</u>	<u>141</u>	<u>12</u>	<u>81</u>	<u>458</u>
Consideration	<u>224</u>	<u>141</u>	<u>12</u>	<u>81</u>	<u>458</u>

**13. SHARE CAPITAL**

	2019 £'000	2018 £'000
<b>Share capital</b>		
Allotted, issued and fully paid: 844,000 ordinary shares of £1 each	<u>844</u>	<u>844</u>

*Ordinary share rights*

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meeting of the Company.

**Reserves**

*Profit and loss reserve*

Cumulative profit and loss net of distributions to owners.

**14. COMMITMENTS UNDER OPERATING LEASES**

The total future minimum lease payments under non-cancellable operating leases are:

	2019 £'000	2018 £'000
<b>Land and buildings:</b>		
Expiring within one year	1	31
Expiring between two to five years	-	-
Expiring after more than five years	-	-
	<u>1</u>	<u>31</u>

NOTES TO THE ACCOUNTS  
at 30 September 2019

**15. PENSION COMMITMENTS**

The group operates two multi-employer pension schemes in the UK, a defined benefit scheme and a defined contributions scheme. The defined benefits scheme was closed to future accrual with effect from 31 January 2011.

During the year the company contributed to the pension schemes as follows:

	2019 £'000	2018 £'000
Group defined benefits scheme	198	171
Group defined contributions scheme	244	219
	<u>442</u>	<u>390</u>

The date of the latest actuarial valuation on the defined benefit scheme (The "BMT Pension and Life Assurance Scheme") was 5 April 2018. The current actuarial valuation is being prepared and agreed but has not yet been formally completed.

Full details of the pension scheme and the valuation are set out in the accounts of BMT Group Limited.

**16. RELATED PARTY TRANSACTIONS**

During the year the company made purchases of £378k from a company related by common shareholders. £78k was outstanding at the year end in relation to these transactions.

During the year the company made sales of £141k from companies related by common shareholders; of which £37k was outstanding at the end of the year.

The Company has taken advantage of the exemption provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

**17. ULTIMATE PARENT UNDERTAKING**

BMT Group Limited, is the immediate parent, and is the smallest and largest group for which consolidated accounts including BMT UK 2 Limited are prepared. Copies of the group accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party are the trustees of the BMT Employee Benefit Trust.

**18. POST BALANCE SHEET EVENTS**

On 1 October 2019 the company entered into a binding sale agreement to dispose off certain trades and associated assets to BMT UK Limited, a fellow subsidiary of BMT Group Limited. The net current assets of £1,118k were transferred and fixed assets of £67k which equates to the market value of these assets.

The remaining contracts of the company will complete during the year to 30 September 2020, at which point the company will cease trading.

NOTES TO THE ACCOUNTS  
at 30 September 2019

**19. CONTINGENT LIABILITIES**

The company is included in the group registration for VAT purposes and is therefore jointly and severally liable for all other participating group undertakings' unpaid debts in this connection.

**20. PRIOR YEAR ADJUSTMENT**

As part of a group wide restructuring, the directors noted that an overseas operation, previously accounted for as a branch of the UK 2 Limited business, had been incorporated on 1 October 2016 and therefore required separate accounting as an individual legal entity. As a result, the opening total equity on 1 October 2017 has been increased by £197k. Adjustments made to the Statement of Comprehensive Income and Statement of Financial Position for the year ended 30 September 2018 have been detailed below.

<b>Year ended 30 September 2018</b>			
	<b>As originally reported</b>	<b>Adjustment</b>	<b>As restated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Turnover	3,477	(194)	3,283
Other operating income	9	-	9
Raw materials and consumables	(881)	-	(881)
Staff Costs	(3,089)	308	(2,781)
Other operating charges	(1,844)	199	(1,645)
Depreciation	(420)	-	(420)
Operating Loss	<b>(2,748)</b>	<b>313</b>	<b>(2,435)</b>
Interest payable	(22)	-	(22)
Loss before taxation	<b>(2,770)</b>	<b>313</b>	<b>(2,457)</b>
Taxation	451	-	451
Loss after taxation for the year	<b>(2,319)</b>	<b>313</b>	<b>(2,006)</b>

<b>As at 30 September 2018</b>			
	<b>As originally reported</b>	<b>Adjustment</b>	<b>As restated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Tangible Assets	28	-	28
Debtors:			
Trade debtors	429	-	429
Amounts owed by Group Undertakings	759	510	1,269
Other debtors	65	-	65
Amounts recoverable on contracts	144	-	144
Prepayments and accrued income	216	-	216
Creditors due within one year	<b>(2,449)</b>	<b>-</b>	<b>(2,449)</b>
Net Assets	<b>(808)</b>	<b>510</b>	<b>(298)</b>
Called up share Capital	844	-	844
Profit and loss account	<b>(1,652)</b>	<b>510</b>	<b>(1,142)</b>
Total equity	<b>(808)</b>	<b>510</b>	<b>(298)</b>