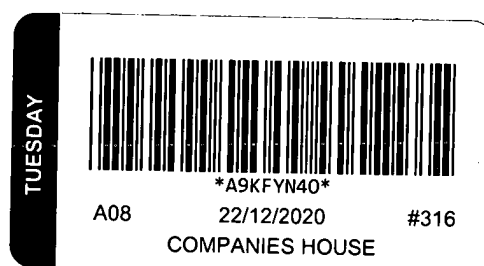


**Miro Technologies Limited**

**Annual report and financial statements**

**for the year ended 31 December 2019**

Registered number: 01781077



## **Miro Technologies Limited**

### **Annual report and financial statements for the year ended 31 December 2019**

#### **CONTENTS**

	<b>Page</b>
Directors' report.....	1
Directors' responsibilities statement.....	4
Independent auditor's report to the member of Miro Technologies Limited.....	5
Profit and loss account.....	8
Statement of comprehensive income.....	9
Balance sheet .....	10
Statement of changes in equity .....	11
Notes to the financial statements.....	12

## **Miro Technologies Limited**

### **Directors' report**

The directors present their report and financial statements for Miro Technologies Limited (the "Company") for the year ended 31 December 2019.

#### **Review of the business**

The principal activity of the Company is custom software development and system integration solutions, primarily around its core suite of GOLDesp software products. The products provide MRO (maintenance, repair & overhaul), supply chain, asset, and logistics solutions. The Company's operations support both external and internal customer contracts. The Company's consolidated financial results include the activity reported for its branch registered in Oman as Miro Technologies Limited – Oman branch.

The activity for the year on the Company's principal contract with the Sultanate of Oman has continued to progress in line with management expectations. The company continues to work closely with the Sultanate of Oman to complete the contract deliverables at the earliest opportunity.

The Company has generated a profit in the year as the Oman contract reach forward loss provision was utilised against the Oman contract costs incurred in the period, the other UK contracts continue to be profitable. In 2018, the Company made a loss due to recognising an increased estimate of total costs to complete on the Oman contract.

Activity on all other contracts is in line with management expectations.

#### **Audit opinion**

The directors are aware of Deloitte's inability to express an opinion on the financial statements, we understand it to be based on the uncertainty surrounding the Oman contract. We recognise that the Oman contract balances are a significant part of the overall Miro UK financial statements. We have performed a rigorous assessment of the contract balances and reviewed the applicable accounting guidance, the directors believe the treatment gives the best reasonable estimate of the position of the contract.

Due to known control and process deficiencies in prior year's preparation of financial statements, we are aware that the auditor's opinion was modified for the year ending 31 December 2018. Following a prior year change in management responsibility and a diligent process to accurately reconstruct the prior year financial statements, no further changes to prior year reported numbers have since been identified. The company now has stability in the preparation of its financial statements. Please refer to Note 2 for further details.

#### **Brexit**

The Company has assessed the potential impact of Brexit if and when the UK leaves the European Union and has mitigated all known major risks which have been identified as regulatory, barriers to trade, and supply chain.

## **Miro Technologies Limited**

### **Directors' report (continued)**

#### **Directors**

The directors who served throughout the year and subsequently, except as noted, were as follows:

DDM Turner (resigned 29 March 2019)

RS Mills

SJ Burnell

TK Pickett (resigned 18 January 2019)

PM Woodfield (appointed 13 September 2019)

#### **Director's indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **COVID-19**

The onset of COVID-19 in early 2020 and associated travel restrictions have delayed the planned discussions with the customer to finalise the schedule and tasking required to complete the remaining milestones on the Oman contract (Jadwal contract). It is expected that discussions will resume in early 2021 with no direct financial impact from the COVID-19 virus. Management considers this outbreak to be a non-adjusting post reporting date event and continues to closely monitor the performance of the Branch.

#### **Future developments and events after the balance sheet date**

The Directors' expectations are that there will be ongoing dialogue with the Sultanate of Oman on the primary contract to complete the deliverables of this contract at the earliest opportunity, progress however has been slowed during 2020 due to the COVID-19 pandemic.

All other contracts are expected to perform to in line with management expectations.

As noted above, the global economy is currently experiencing significant adverse impacts due to the COVID-19 pandemic, however due to the nature of the contracts and customers for the company's services we do not anticipate the pandemic having any significant effect on overall trade. We closely monitor the current and potential future economic impacts of COVID-19 to the global economy, the aerospace sector, and our Company.

There have been no other significant events since the financial year end up to the date of signing of this report that require disclosure in these financial statements.

## **Miro Technologies Limited**

### **Directors' report (continued)**

#### **Going concern**

At 31 December 2019 the Company has net liabilities of £5,921,828 and is dependent on the continued financial support of the Ultimate parent company. The directors have obtained confirmation that they will continue to provide financial support for its continued operations for a period of not less than one year since the date of approval of these financial statements. Based on this support, the directors have a reasonable expectation that the Company will continue in operation for the foreseeable future and therefore have prepared the financial statements on the going concern basis.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

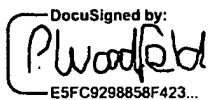
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

Approved by the Board and signed on its behalf by:

DocuSigned by:  
  
E5FC9298858F423...

**P M Woodfield**

**Director**

17 December 2020

Building 330 The Crescent, Bristol Business Park, Bristol, BS16 1EJ

## **Miro Technologies Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

## **Independent auditor's report to the member of Miro Technologies Limited**

### **Report on the audit of the financial statements**

#### **Disclaimer of opinion**

We do not express an opinion on the accompanying financial statements of Miro Technologies Ltd (the 'company') for the year ended 31 December 2019. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for disclaimer of opinion**

The company has faced continued challenges on the completion of its principal contract with the Sultanate of Oman. This has resulted in uncertainties on the cost and time to complete the contract and on the company's ability to recover unbilled revenue recognised on the contract as explained below.

Amounts recoverable on long term contracts are included within debtors and are carried on the balance sheet at £7.7 million relating to unbilled revenue on a contract. We were unable to obtain sufficient appropriate audit evidence about the carrying value of amounts recoverable on long term contracts because we were unable to verify management's assertion that this amount is recoverable.

The provision for onerous contracts is included within provisions for liabilities and carried on the balance sheet at £3.8 million. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of this provision for onerous contracts because we were unable to verify management's assertion that the amount was complete.

As a result of the matters noted above and which relate to the company's principal contract which is with the Sultanate of Oman, we were unable to determine whether any adjustments to the financial statements were necessary for the year ended 31 December 2019.

Additionally, we were unable to obtain sufficient and appropriate audit evidence to support the opening balances at 1 January 2018 and any potential effect on the profit and loss account for the year ended 31 December 2018 and our audit opinion was modified accordingly for the year ended 31 December 2018.

## **Independent auditor's report to the member of Miro Technologies Limited (continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 responsibility is to conduct our audit in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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 Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Report on other legal and regulatory requirements**

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

Notwithstanding our disclaimer of an opinion on the financial statements, 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.

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified any material misstatements in the directors' report.

#### **Matters on which we are required to report by exception<sup>2</sup>**

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and



## **Independent auditor's report to the member of Miro Technologies Limited (continued)**

### **Matters on which we are required to report by exception (continued)**

- we were unable to determine whether adequate accounting records have been kept.

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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
- the directors were entitled to prepare the financial statements in accordance with the small companies regime and have taken **advantage of the small companies' exemptions** in preparing the directors' report and from the requirement to prepare a strategic report

We have nothing to report in respect of these matters.

### **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.



Sonya Butters, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Bristol, United Kingdom

17 December 2020

## Miro Technologies Limited

### Profit and loss account

For the year ended 31 December 2019

		2019	2018
	Note	£	£
<b>Turnover</b>		<b>6,501,267</b>	4,423,391
Cost of sales		<b>(3,828,840)</b>	(8,537,753)
<b>Gross profit / (loss)</b>		<b>2,672,427</b>	(4,114,362)
Administrative expenses		<b>(1,001,804)</b>	(459,914)
<b>Operating profit / (loss)</b>		<b>1,670,623</b>	(4,574,276)
Finance cost (net)	3	<b>(300,993)</b>	(189,906)
<b>Profit / (loss) on ordinary activities before taxation</b>	4	<b>1,369,630</b>	(4,764,182)
Tax on profit / (loss) on ordinary activities		<b>(324,142)</b>	(778,297)
<b>Profit / (loss) for the financial year attributable to the equity shareholder of the Company</b>		<b>1,045,488</b>	(5,542,479)

All results have been derived from continuing operations.

**Miro Technologies Limited****Statement of comprehensive income  
For the year ended 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit / (loss) for the financial year</b>	<b>1,045,488</b>	<b>(5,542,479)</b>
Other comprehensive income:		
Gain / (loss) arising on translation to presentation currency	<b>608,626</b>	<b>(1,040,611)</b>
<b>Total comprehensive income / (loss) attributable to the equity shareholder of the Company</b>	<b>1,654,114</b>	<b>(6,583,090)</b>

No interim dividend was paid and the directors recommend no final dividend for the period (2018: £nil).

## Miro Technologies Limited

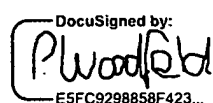
### Balance sheet

As at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	6	7,740	8,254
<b>Current assets</b>			
Debtors	7	10,806,807	10,587,105
Cash at bank and in hand		5,196,396	3,935,074
		16,003,203	14,522,179
Creditors: amounts falling due within one year	8	(18,975,376)	(19,643,551)
<b>Net current liabilities</b>		(2,972,173)	(5,121,372)
<b>Total assets less current liabilities</b>		(2,964,433)	(5,113,118)
Creditors: amounts falling greater than one year			
Provisions	9	(2,957,395)	(2,462,824)
<b>Net liabilities</b>		(5,921,828)	(7,575,942)
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		(5,921,928)	(7,576,042)
<b>Total shareholder's deficit</b>		(5,921,828)	(7,575,942)

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of Miro Technologies Limited, registered number 01781077, were approved by the Board of Directors and authorised for issue on 17 December 2020. They were signed on its behalf by:

DocuSigned by:  
  
 E5FC9298858F423...

**P M Woodfield**  
**Director**

**Miro Technologies Limited****Statement of changes in equity  
As at 31 December 2019**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2018</b>	<b>100</b>	<b>(992,952)</b>	<b>(992,852)</b>
Loss for the financial year	-	(5,542,479)	(5,542,479)
Other comprehensive loss for the year	-	(1,040,611)	(1,040,611)
<b>At 31 December 2018</b>	<b>100</b>	<b>(7,576,042)</b>	<b>(7,575,942)</b>
Profit for the financial year	-	1,045,488	1,045,488
Other comprehensive income for the year	-	608,626	608,626
<b>At 31 December 2019</b>	<b>100</b>	<b>(5,921,928)</b>	<b>(5,921,828)</b>

# Miro Technologies Limited

## Notes to the financial statements

### 1 Accounting policies

The Company's principal accounting policies, which have been applied consistently in the current and preceding year, are summarised below.

#### a. General information and basis of accounting

Miro Technologies Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 3.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

#### b. Going concern

At 31 December 2019 the Company has net liabilities of £5,921,828 and is dependent on the continued financial support of the Ultimate parent company. The directors have obtained confirmation that they will continue to provide financial support for its continued operations for a period of not less than one year since the date of approval of these financial statements. Based on this support, the directors have a reasonable expectation that the Company will continue in operation for the foreseeable future and therefore have prepared the financial statements on the going concern basis.

#### c. Tangible fixed assets

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

Leasehold improvements	5 years
Office equipment	3 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

# Miro Technologies Limited

## Notes to the financial statements

### 1 Accounting policies (continued)

#### d. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value unless the arrangement constitutes a financing transaction.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### e. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### *Financial assets*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

# Miro Technologies Limited

## Notes to the financial statements

### 1 Accounting policies (continued)

#### e. Impairment of assets (continued)

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### f. 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 tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### g. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the supply of services



## **Miro Technologies Limited**

### **Notes to the financial statements**

#### **1 Accounting policies (continued)**

##### **g. Turnover (continued)**

represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a service contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

##### **h. Employee benefits**

The Company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are included as either accruals or prepayments in the balance sheet.

##### **i. Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

##### **j. Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

##### **k. Provisions**

Where the unavoidable costs of a contract exceed the economic benefit agreed to be received from it, a provision is made for the remaining obligations under the contract. This is released over the remaining contract term.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

## Miro Technologies Limited

### Notes to the financial statements

#### 2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these financial statements, the directors have made the following judgements and estimates:

##### *Critical judgements in applying the Company's accounting policies*

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### *Revenue recognition*

The Company's operations support both external and internal customer contracts. In respect of the Company's external customer activity, the primary contract is a long term service contract operated through its Oman branch, and its associated policies are further explained within the accounting policies notes. The assessment of revenue and margin is supported by a detailed approval process on a quarterly basis, with senior management challenging the key inputs to the Estimate to Completion (EAC) model for the contract's lifecycle. Actual to date results are confirmed against those reported in the Company's accounts. Future revenue and costs require an element of judgement; risks and opportunities are evaluated and management ensure they assess all areas of information available to them when approving each EAC model.

##### *Recoverability of amounts due from third parties*

A significant proportion of the closing debtors balance is due to the Company's primary external contract operated through its Oman branch.

The closing amounts recoverable on long term contracts balance is primarily related to monies due in relation to this contract. The amount reported as outstanding £7,714,863 (2018: £5,776,952), £11,548,890 has been invoiced prior to the date of signing of these financial statements. Management are confident in the recoverability of this asset.

There has been no provision for doubtful debt created in respect of this debt.

# Miro Technologies Limited

## Notes to the financial statements

### 2 Critical accounting judgements and key sources of estimation uncertainty (continued)

#### *Key source of estimation uncertainty – Onerous contracts*

As stated above, the primary external contract revenue reported by the Company is derived from a long term service contract. If the Company has an onerous contract (where unavoidable costs of meeting an obligation exceed the economic benefits expected to be received), the present obligation under the contract should be recognised and measured as a provision.

The Company has previously identified this contract as onerous and has measured the provision at the best estimate of the amount required to settle the contract obligation. The discounted future cash flows of the estimated contract loss has created the value of the provision which is held in provision for liabilities (see note 9) at the end of the year and is valued at £3,820,878 (2018: £5,578,691) with an in year release of £2,082,370 (2018: net charge of £2,831,515).

#### *Re-construction of 2016 balances in Prior Year Financial Statements*

Subsequent to the filling of the 2016 accounts, the management of the Company decided to appoint new auditors to align with other Boeing entities in the UK, and as part of this exercise the management responsibilities for preparing the Financial Statements of the Company was also re-aligned.

As part of the process of closing the books for the year, management performed detailed reconciliations of the assets and liabilities held by the Company. Certain assets and liabilities in the 2016 closing balance sheet could not be supported. A number of the prior year accounting adjustments could not be fully supported, and as a result, additional investigative work was performed on the prior year accounts. This resulted in a restatement to reserves for 2016 of £2.55m.

During preparation of the 2018 financial statements, Management focussed significant and exhaustive effort on preparing a fully reconciled and supported balance sheet as at 31 December 2018 that presented a True and Fair view of the financial position of the Company, and were confident that the 2018 accounts presented a stable basis from which to prepare the 2019 accounts.

There has continued to be a significant focus on the preparation of the 2019 accounts, and in validating the conclusions drawn in the preparation of the 2018 financial statements. Management continue to be confident that the accounts prepared for 2019 present a True and Fair view of the financial position of the Company.

### 3 Finance cost (net)

	2019	2018
	£	£
Bank interest receivable and similar income	23,701	13,937
Unwinding of discount on provisions (see note 9)	(324,694)	(203,843)
Net finance cost	(300,993)	(189,906)

## Miro Technologies Limited

### Notes to the financial statements

#### 4 Profit / (loss) on ordinary activities before taxation

	2019	2018
Profit / (loss) on ordinary activities before taxation) is stated after charging/(crediting):	£	£
Depreciation	4,999	4,127
Foreign exchange loss/(gain)	405,105	(396,417)
Operating leases	51,679	28,184
Auditor's remuneration – audit fees	173,000	172,100

#### 5 Employees

The average monthly number of employees (including executive directors) during the year was 29 (2018: 30).

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	1,695,561	1,687,532
Social security costs	160,334	153,139
Other pension costs	37,352	27,993
	1,893,258	1,868,665

There were no emoluments paid or payable in respect of Directors' services to this Company for this or the preceding year.

There were no Directors accruing benefits under Company pension schemes in this or the preceding year.

The emoluments of the Directors for their services to the Company were borne by Boeing United Kingdom Limited and Boeing Defence UK Limited.

## Miro Technologies Limited

### Notes to the financial statements

#### 6 Tangible fixed assets

	Leasehold improvements	Office equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2019	15,471	71,100	86,571
Additions	-	4,485	4,485
<b>At 31 December 2019</b>	<b>15,471</b>	<b>75,585</b>	<b>91,056</b>
<b>Accumulated depreciation</b>			
At January 2019	7,217	71,100	78,317
Charge for the year	4,127	872	4,999
<b>At 31 December 2019</b>	<b>11,344</b>	<b>71,972</b>	<b>83,316</b>
<b>Net book value:</b>			
<b>At 31 December 2019</b>	<b>4,127</b>	<b>3,613</b>	<b>7,740</b>
At 31 December 2018	8,254	-	8,254

## Miro Technologies Limited

### Notes to the financial statements

#### 7 Debtors

Amounts falling due within one year:	2019	2018
	£	£
Trade debtors	-	1,732,841
Amounts owed by group undertakings	2,567,286	1,647,369
Corporation tax receivable	281,353	1,322,664
Other debtors	30,722	31,584
Prepayments	212,583	75,695
Amounts recoverable on long term contracts	7,714,863	5,776,952
	<b>10,806,807</b>	<b>10,587,105</b>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

#### 8 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	55,373	55,308
Amounts owed to group undertakings	17,359,577	15,847,326
Provisions (see note 9)	876,136	3,128,383
Other taxes and social security	312,136	93,006
Other creditors	74,981	124,836
Accruals and deferred income	297,173	394,692
	<b>18,975,376</b>	<b>19,643,551</b>

All intercompany creditors are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## Miro Technologies Limited

### Notes to the financial statements

#### 9 Provisions for liabilities

	Onerous Contract	Dilapidations	Total 2018
	£	£	£
Balance as at 1 January 2019			
- Current	3,128,383	-	3,128,383
- Non-current	2,450,308	12,516	2,462,824
Released to the profit & loss account	(2,082,370)	-	(2,082,370)
Addition in year	-	-	-
Unwinding of discounts	324,557	137	324,694
<b>Balance as at 31 December 2019</b>	<b>3,820,878</b>	<b>12,653</b>	<b>3,833,531</b>
- Current (see note 8)	876,136	-	876,136
- Non-current	2,944,742	12,653	2,957,395

Provisions for liabilities primarily relates to the loss recognised on the Company's primary external revenue contract. The provision is denominated in the currency of the contract and any foreign exchange translation of the provision balance is included within the balance charged to other comprehensive income. The contract loss has been further described in note 2.

Dilapidations are the provision of cost to restore leasehold properties to the required conditions stated in the lease.

#### 10 Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Within one year	35,203	45,050
Between one and five years	-	35,203
<b>Total: land and buildings</b>	<b>35,203</b>	<b>80,253</b>

## **Miro Technologies Limited**

### **11 Ultimate parent company and controlling party**

The smallest group of which the Company is a member for which group accounts are prepared is Tapestry Solutions Inc., a company incorporated in California, USA. The address of Tapestry Solution Inc.'s registered office is 5643 Copley Drive, San Diego, California, 92111, USA.

The ultimate parent company, controlling party and largest group of which the Company is a member for which group accounts are prepared is The Boeing Company, a company incorporated in the State of Delaware, USA. Copies of the group consolidated accounts can be obtained from the registered address of The Boeing Company, 100 North Riverside Plaza, Chicago, Illinois, 60606, USA.

### **12 Subsequent events**

The onset of COVID-19 in early 2020 and associated travel restrictions have delayed the planned discussions with the customer to finalise the schedule and tasking required to complete the remaining milestones on the Oman contract (Jadwal contract). It is expected that discussions will resume in early 2021 with no direct financial impact from the COVID-19 virus. Management considers this outbreak to be a non-adjusting post reporting date event and continues to closely monitor the performance of the Branch.