

Miro Technologies Limited

Annual report and financial statements

for the year ended 31 December 2020

Registered number: 01781077



Miro Technologies Limited

Annual report and financial statements for the year ended 31 December 2020

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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 2020.

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 not progressed significantly and the company continues to work closely with the Sultanate of Oman to conclude the remaining contract deliverables at the earliest opportunity.

The Company has generated a loss in the year as the Oman contract trade debtors have been provided for, all other UK contracts continue to be profitable. In 2019, the Company made a net profit. The UK contracts generated a profit, whilst the utilization of the Oman reach forward loss provision against the contract costs meant the Oman branch generated a small loss.

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 for the year ending 31 December 2019, 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. In the current year 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.

Brexit

The company carried out extensive Brexit risk mitigation and management as part of preparations for any outcome, including no deal. The company has not yet observed any significant business impact resulting from Brexit since the end of the transition period, including across the identified key risk areas of supply chain, regulatory (aviation safety, chemicals, data), movement of people and trade controls. The Company is continuing to monitor for new or emergent risks as the EU and UK continue to work through the details of their new relationship, and as the aviation and aerospace sectors recover from the global pandemic.

Miro Technologies Limited

Directors' report (continued)

Directors

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

RS Mills

SJ Burnell

PM Woodfield

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 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 2021 with no direct financial impact from the COVID-19 virus. Management have considered the impact of the COVID-19 virus on overall business operations and do not see any significant risks, the primary customers of the company are intercompany or contracts with Governments that constitute low-risk, the company is also in receipt of a letter of financial support to ensure it has the necessary resources to mitigate any timing impacts of the pandemic. 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 2021 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)

Climate change

Boeing recognises climate change is a fundamental global challenge, and as we enable people to move freely across the planet we recognise the need to reduce the impact of flying. We are reducing carbon emissions and using resources efficiently through innovative solutions across our product life cycle, in our factories and at work sites.

Boeing's 2020 Global Environment Report includes our Global 2025 Strategy for Environmental Leadership and metrics and targets for emissions, water and electricity consumption and waste reductions.

<https://www.boeing.com/principles/environment/report/index.page>

Going concern

At 31 December 2020 the Company has net liabilities of £12,491,530 and is dependent on the continued financial support of The Boeing Company ("Ultimate parent company"). The directors have obtained confirmation that The Boeing Company will continue to provide financial support for the company's continued operations for a period of not less than 12 months from 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 appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General.

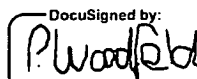
This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the Board and signed on its behalf by:

P M Woodfield
Director

24th September 2021

Building 630 The Crescent, Bristol Business Park, Bristol, BS16 1EJ

DocuSigned by:

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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

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements of Miro Technologies Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited 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 qualified opinion

The company has faced continued challenges on the completion of its principal contract with the Sultanate of Oman. For the year ended 31 December 2019, following the uncertainties on the cost and time to complete the principal contract, we were unable to obtain sufficient appropriate audit evidence to conclude on amounts recoverable on long term contracts included within debtors at carrying value of £7.7 million and on the completeness of the provision for onerous contracts carried at £3.8 million within provision for liabilities on the balance sheet. Because of the significance of this matter we did not issue an opinion on the financial statements for the year ended 31 December 2019.

Consequently we were unable to determine whether there was any consequential effect on the statement of profit or loss or other comprehensive income for the year ended 31 December 2020. Our audit opinion on the financial statements for the year ended 31 December 2020 is therefore qualified in respect of this.

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 Financial Reporting Council's (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 qualified opinion.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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:

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 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.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities and no instances of non-compliance or fraud have been identified.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Arising solely from the limitation on scope 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
- we were unable to determine whether adequate accounting records had been kept by the parent company.

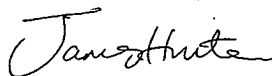
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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.



James Hunter, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Bristol, United Kingdom

24 September 2021

Miro Technologies Limited

Profit and loss account

For the year ended 31 December 2020

		2020	2019
	Note	£	£
Turnover		830,087	6,501,267
Cost of sales		(1,182,810)	(3,828,840)
Gross (loss) / profit		(352,723)	2,672,427
Administrative expenses		(1,261,474)	(1,001,804)
Bad debt expense		(5,636,418)	-
Operating (loss) / profit		(7,250,615)	1,670,623
Finance cost (net)	3	(220,154)	(300,993)
(Loss) / profit on ordinary activities before taxation	4	(7,470,769)	1,369,630
Tax on (loss) / profit on ordinary activities		72,340	(324,142)
(Loss) / profit for the financial year attributable to the equity shareholder of the Company		(7,398,429)	1,045,488

All results have been derived from continuing operations.

Miro Technologies Limited

Statement of comprehensive income For the year ended 31 December 2020

	2020	2019
	£	£
(Loss) / profit for the financial year	(7,398,429)	1,045,488
Other comprehensive income:		
Gain arising on translation of OMR branch assets and liabilities	828,731	608,626
Total comprehensive (loss) / income attributable to the equity shareholder of the Company	(6,569,698)	1,654,114

Miro Technologies Limited

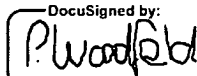
Balance sheet

As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	2,118	7,740
Current assets			
Debtors	7	3,144,235	10,806,807
Cash at bank and in hand		5,710,771	5,196,396
		8,855,006	16,003,203
Creditors: amounts falling due within one year	8	(3,157,587)	(18,975,376)
Net current liabilities		5,697,419	(2,972,173)
Total assets less current liabilities		5,699,537	(2,964,433)
Creditors: amounts falling greater than one year	8	(17,097,234)	-
Provisions	9	(1,093,833)	(2,957,395)
Net liabilities		(12,491,530)	(5,921,828)
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(12,491,630)	(5,921,928)
Total shareholder's deficit		(12,491,530)	(5,921,828)

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 24th September 2021. They were signed on its behalf by:

DocuSigned by:

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P M Woodfield
 Director

Miro Technologies Limited

Statement of changes in equity As at 31 December 2020

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 January 2019	100	(7,576,042)	(7,575,942)
Profit for the financial year	-	1,045,488	1,045,488
Other comprehensive income for the year	-	608,626	608,626
At 31 December 2019	100	(5,921,928)	(5,921,828)
Loss for the financial year	-	(7,398,429)	(7,398,429)
Other comprehensive income for the year	-	828,727	828,727
At 31 December 2020	100	(12,491,630)	(12,491,530)

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.

These financial statements include the consolidated results of the branch Miro Technologies Limited – Oman Branch. The branch's functional currency is Omani Real (OMR).

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 2020 the Company has net liabilities of £12,491,530 and is dependent on the continued financial support of the Ultimate parent company. The directors have obtained confirmation that The Boeing Company will continue to provide financial support for the company's continued operations for a period of not less than 12 months from 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.

Miro Technologies Limited

Notes to the financial statements

2 Accounting policies (continued)

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 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.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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.

Miro Technologies Limited

Notes to the financial statements

1 Accounting policies (continued)

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).

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.

Miro Technologies Limited

Notes to the financial statements

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

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. Of the amount reported as outstanding £5,689,938 (2019: £ 7,714,863), £5,558,262 has been provided for (2019: £Nil).

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 £1,686,271 (2019: £3,820,878) with an in year release of £2,359,946 (2019: net charge of £ 2,082,370).

Prior year disclaimer of opinion

In 2019 Deloitte were unable to express an opinion on the financial statements based on the uncertainty surrounding the Oman contract. The Oman contract balances are a significant part of the overall Miro UK financial statements. The Directors 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.

The two areas where Deloitte were unable to obtain sufficient appropriate audit evidence about the carrying value were:

- Amounts recoverable on long term contracts, valued at £7.7 million relating to unbilled revenue
- The provision for onerous contracts valued at £3.8 million.

Miro Technologies Limited

Notes to the financial statements

3 Finance cost (net)

	2020	2019
	£	£
Bank interest receivable and similar income	5,324	23,701
Unwinding of discount on provisions (see note 9)	(225,478)	(324,694)
Net finance cost	(220,154)	(300,993)

4 Loss / (profit) on ordinary activities before taxation

	2020	2019
	£	£
(Loss) / profit on ordinary activities before taxation) is stated after charging:		
Depreciation	5,622	4,999
Foreign exchange loss	731,755	405,105
Operating leases	54,230	51,679
Auditor's remuneration – audit fees (no other services provided)	138,199	173,000

5 Employees

The average monthly number of employees (including executive directors) during the year was 28 (2019: 29).

Their aggregate remuneration comprised:

	2020	Restated 2019
	£	£
Wages and salaries	1,866,389	1,959,683
Social security costs	169,236	171,050
Other pension costs	39,962	37,352
	2,075,587	2,168,085

There is no directors' remuneration within the current year because they were remunerated by other companies in the group (2019: £nil).

Miro Technologies Limited

Notes to the financial statements

6 Tangible fixed assets

	Leasehold improvements	Office equipment	Total
	£	£	£
Cost			
At 1 January 2020	15,471	75,585	91,056
At 31 December 2020	15,471	75,585	91,056
Accumulated depreciation			
At January 2020	11,344	71,972	83,316
Charge for the year	4,127	1,495	5,622
At 31 December 2020	15,471	73,467	88,938
Net book value:			
At 31 December 2020	-	2,118	2,118
At 31 December 2019	4,127	3,613	7,740

Miro Technologies Limited

Notes to the financial statements

7 Debtors

Amounts falling due within one year:	2020	2019
	£	£
Trade debtors	5,689,937	-
Bad debt provision	(5,558,262)	-
Amounts owed by group undertakings	2,571,499	2,567,286
Corporation tax receivable	372,907	281,353
Other debtors	28,429	30,722
Prepayments	39,725	212,583
Amounts recoverable on long term contracts	-	7,714,863
	3,144,235	10,806,807

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

8 Creditors

	2020	2019
amounts falling due within one year	£	£
Trade creditors	47,166	55,373
Amounts owed to group undertakings	35,782	17,359,577
Provisions (see note 9)	605,230	876,136
Other taxes and social security	618,098	312,136
Other creditors	119,322	74,981
Contract liability	1,534,063	-
Accruals and deferred income	197,926	297,173
	3,157,587	18,975,376
amounts falling greater than one year		
Amounts owed to group undertakings	17,097,234	-

All intercompany creditors are unsecured and interest free, have no fixed date of repayment. Amounts due to Miro US are repayable after 1 year.

Miro Technologies Limited

Notes to the financial statements

9 Provisions for liabilities

	Onerous Contract	Dilapidations	Total 2019
	£	£	£
Balance as at 1 January 2020			
- Current	876,136	-	876,136
- Non-current	2,944,742	12,653	2,957,395
Released to the profit & loss account	(2,359,946)	-	(2,359,946)
Unwinding of discounts	225,340	138	225,478
Balance as at 31 December 2020	1,686,272	12,791	1,699,063
- Current (see note 8)	592,439	12,791	605,230
- Non-current	1,093,833	-	1,093,833

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:

	2020	2019
	£	£
Within one year	45,050	35,203
Between one and five years	35,176	-
Total: land and buildings	80,226	35,203

Miro Technologies Limited

Notes to the financial statements

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.

<http://investors.boeing.com/investors/financial-reports/>

12 Subsequent events

There were no events post year end.