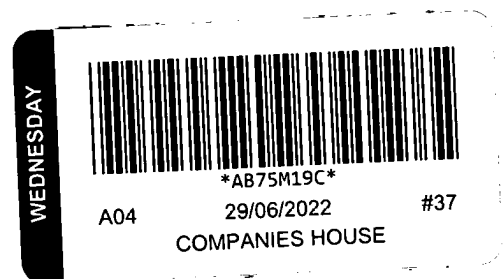


Company Number: 02326885

BMT Defence and Security UK Limited
REPORT AND ACCOUNTS

30 SEPTEMBER 2021



DIRECTORS

S Kenny OBE
D McSweeney

COMPANY SECRETARY

A Conway

AUDITOR

BDO LLP
55 Baker Street
London
W1U 7EU

REGISTERED OFFICE

Third Floor
1 Park Road
Teddington
Middlesex
TW11 0AP

CONTENTS	PAGE
Strategic Report	3
Directors' Report	8
Directors' responsibilities in the preparation of the accounts	11
Auditor's report	12
Statement of comprehensive income	16
Statement of financial position	17
Statement of changes in equity	18
Notes to the accounts	19 - 30

STRATEGIC REPORT

The Directors submit their Strategic Report along with the Statutory Directors' Report & Accounts for BMT Defence and Security UK Limited ("the Company"), which is an engineering design and technology consultancy, working primarily in the defence sector, mainly in the UK.

STRATEGIC OBJECTIVES

Our vision is to be a global leader in delivering design, innovation, and other solutions to the most important and impactful engineering challenges of our time. We want to be recognised for our collaborative and partnering approach, investing not only in our future, but in the futures of others through our work in communities, education, and the environment.

Through the lens of our core business and our strategic growth campaigns, our vision translates as:

'A global force in ship design'; and

'A credible digital competitor, transforming asset life cycle and environmental services'

Investing in Research & Development is a key pillar supporting the delivery of our Vision.

The Company continues to prosecute its strategic priorities of:

1. Sustain the Core:
 - Success in our core market earns us the right to compete and grow.
2. Grow Through Collaboration:
 - Enabling all customers to benefit from the full range of BMT's capabilities.
3. Invest in and Exploit Innovation:
 - Market led and customer focused innovation programmes in line with strategic objectives.

REVIEW OF THE BUSINESS

The focus this year has been to understand the impact a global pandemic has had on our markets and our operations and continue to build on the strength of the focused UK defence and security business to realise the future long-term profitability and growth ambitions of the business. Investment in IT infrastructure and flexible ways of working continued, enabling the business to manage the impacts of the global pandemic while maintaining the health and well-being of our people and continuing to deliver our outputs to customers.

The business delivered a profit before BMT Profit sharing scheme and tax of £9.4m (2020: £10.8m) on a turnover of £73.4m (2020: £74.9m). The performance in the year is reflected in the maintained cash balance of £11.8m (2020: £11.9m) and increased Net Assets of £12.6m (2020: £12.1m).

The directors remain committed to ensuring the long-term success of the business and delivering sustainable growth operating in the defence and security markets in the UK and, in partnership with BMT's global defence and security businesses, to develop international opportunities.

During the financial year, the Company secured significant sales which included support to the UK Ministry of Defence through its part in the Engineering Delivery Partner contract (a 10 year £-multi million contract secured in 2018) and growth in its business with the UK MoD's Defence Digital organisation. A focus on securing consultancy work in wider government markets, saw the business secure multiple Lots on the UK Government's Management Consultancy Framework contract (MCF3). Other significant contracts won in the financial year included ship design work in collaboration with other parts of BMT, in defence internationally and commercially in the UK, and contracts supporting new technologies in autonomy, simulation and digitisation.

STRATEGIC REPORT (Continued)

The Company continued to deliver on the Royal Navy's Type-45 destroyer Propulsion Improvement Programme, Type-31 frigate programme, supported the UK's in-service submarine fleet, played a key role in the contract to deliver support to the MOD's Battlefield and Tactical Communications & Information Systems programme and delivered project and programme management services to enable the delivery of a transformation programme to the Metropolitan Police Service.

The Company continued to invest in the professionalism of its people and in research and development aligned to its business strategy, focused on a broad range of digital technologies and services that enhance its core offerings and help build a sustainable future. Enabled by wider restructuring across BMT, the Company will continue to pursue international opportunities by working with established BMT businesses overseas. Overall, the directors believe that the Company is strongly positioned to return an ongoing solid financial performance in the year ahead and sustainable growth in the long term.

KEY PERFORMANCE INDICATORS

Company performance against strategic targets for the year is as follows:

KPI Purpose	Target Description	Target	Achieved 2021	Achieved 2020
Improve economic sustainability	Turnover	£85.4m	£73.4m	£74.9m
	Turnover per employee	£165k	£129k	£132k
	Order Book (months of turnover)	8	8	10
	Receivables (weeks of turnover)	11	9	8
Meet stakeholders' expectations	Direct customer feedback – ('good' or 'excellent' responses)	>90%	97%	99%

PRINCIPAL RISKS AND UNCERTAINTIES

The principal business and financial risks facing the Company are:

- A breach of physical or data security, cyber-attack or system failure could adversely impact our business and potentially our stakeholders; we adopt a multi-layered approach, using physical & network security measures to protect our systems and data.
- Short- and long-term impacts on staff health and well-being as a result of the global pandemic and, shortage of suitably qualified and experienced people to meet the demands of a growing business heightened through the 'war on talent'
- Ongoing uncertainty in the defence & security industry, as the government struggles to deal with the health and economic impacts of a global pandemic in parallel with Brexit
- Inflation, credit and liquidity risk. The ability to pass on rising costs, avoiding becoming uncompetitive but not sacrificing margins; we also assess the credit quality of each customer using a combination of external ratings agencies and past experience for trade and other receivables and we closely monitor payment performance both at individual project and client level.

The directors believe that the most appropriate mitigating strategy continues to be the drive to remain a growing company that delivers excellence to its clients across a broader range of services and markets, reducing our reliance on a single sector, while continuing to invest in people and to offer fulfilling, rewarding careers in a safe, supportive environment.

STRATEGIC REPORT (Continued)

BMT Group Limited manages its investments, including BMT Defence and Security UK Limited ("the Company"), on a more functional basis. The principal risks facing the group as a whole and how they are managed are detailed in the consolidated accounts of BMT Group Limited in the Risks & Uncertainties section of the Strategic report.

SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors. We describe how they have done so below by main stakeholder groups.

As part of the Board's decision-making process, the Board and applicable senior management consider the potential impact of decisions on relevant stakeholders whilst also having regard to broader factors, including the impact of the Company's operations on the community and environment, responsible business practices, reputational risks and the likely long-term consequences of its decisions.

Emerging risks & opportunities

Emerging risks and opportunities are those that are developing or are changing, with the full impact being evaluated. While the consequences of COVID-19 may continue to weigh on global economic outlook, more sophisticated cyber threats by state and non-state actors, together with the wider geopolitical risks will feed into investment decisions by governments and their suppliers, as witnessed most recently with the war in Ukraine and associated economic sanctions.

Our Customers & Partners

The Board has defined long-term collaborative relationships with customers as a central part of our strategy, putting them at the heart of our vision and approach to innovation. Key Account Managers ensure the needs and voice of our customers is heard and understood in planning and decision making.

Our employees

Our ability to deliver our strategy and the desired outcomes for our customers requires competent and empowered people working safely together across BMT. Actions the Board has taken to position the business for profitable growth create long-term values for our employees as the beneficiaries of our Employee Benefit Trustee ownership model.

This year the focus on the employees has continued to be at the forefront of Board decisions more than ever before, including the reinstatement of full pay since Q4 for FY 2019/20, with wellbeing and career development recognised as vital enablers to the success of the organisation. This has led to continued high levels of employee engagement.

Throughout the year, the board have ensured they understand the views of the employees through engagement with the Employee Engagement Group (EEG) and as well as less formal channels. The Board also supports and listens to feedback obtained from senior leaders around the business to fully inform the rich picture of employee engagement where necessary.

Our Suppliers

The Board recognise the importance of mutually beneficial relationships with suppliers, including our contractors, in the successful delivery of our strategy. The Board also recognise the importance of delivering this success in a manner compliant with ethical business practices.

To support both objectives, BMT seeks the continuous promotion of due diligence and the transparent application of our Supplier Code of Conduct. This helps suppliers to ensure they comply with all relevant policies, laws and regulations covering topics such as bribery, slavery, human rights and Health & Safety and, has placed particular emphasis on due diligence during this uncertain time.

STRATEGIC REPORT (Continued)

SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT (continued)

The Board periodically review and approve BMT's approach to supplier and customer engagement, actively taking a role in strategic decisions representing exceptionally high-risk to the business.

Our Wider Community

The Board fully support community engagement and recognise the importance of delivering value and making a real difference to our local communities. Our approach to encouraging volunteering and engaging with charities and community partnerships creates real and enduring value for BMT and those we work with, in particular this year during the COVID-19 pandemic, where we have seen BMT employees going to great lengths to contribute to wider social challenges.

We apply our expertise in delivering environmental projects and minimising detrimental impacts of our operations. We inspire the future workforce of BMT by supporting national and local initiatives such as STEM and are targeting growth by focussing on a sustainable future.

Group pension scheme

The Company makes contributions to group defined benefit scheme (The "British Maritime Technology Pension and Life Assurance Scheme") that is accounted for by BMT Group Limited. Full details of the pension scheme, including its valuation and obligations, are set out in the accounts of BMT Group Limited.

Our Industry Bodies

The Board encourages a strategic approach to industry relationships that create benefits for BMT. We actively engage with many professional bodies and trade associations to positively influence and shape the future of our industries.

Why they matter to us	Their interests	How BMT Engages with its stakeholders
Customers & Partners We aspire to be our customers' trusted partner helping to solve their most complex challenges.	<ul style="list-style-type: none"> • Delivery • Safety • Innovation • Relationship 	<ul style="list-style-type: none"> • We build long-term customer relationships and collaborations to understand their needs and create enduring value
Employees The parent company is owned by an Employee Benefit Trust (EBT), we therefore strive to ensure our long-term sustainability for the people who drive our success: our employees.	<ul style="list-style-type: none"> • Remuneration and reward • Learning and development • Health and Safety • Diversity & Inclusion (D&I) • Wellbeing 	<ul style="list-style-type: none"> • Global Induction • Comprehensive learning and development opportunities • Career framework • Globally benchmarked remuneration and benefits • Employee Engagement Group and other employee networks • D&I and Wellbeing strategies
Supply chains Our suppliers are critical enablers of the effective delivery of our business and vital partners in ensuring compliance and minimising impacts.	<ul style="list-style-type: none"> • Long term relationships • Timely payment • Clear parameters 	<ul style="list-style-type: none"> • Good working relationships • Prompt payment • Supplier Code of Conduct • Supplier due diligence

STRATEGIC REPORT (Continued)

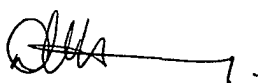
SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT (continued)

Why they matter to us	Their issues	How BMT Engages with its stakeholders
<p>Communities</p> <p>We understand that we depend on the communities where we operate and have a responsibility towards them.</p>	<ul style="list-style-type: none"> • Employment • Health & Safety • Environment • Community investment • Education 	<ul style="list-style-type: none"> • Sponsorship • Charity and volunteering • University partnerships • STEM Ambassadors
<p>Industry bodies</p> <p>We maintain positive and constructive relationships with industry bodies to be able to understand, shape and influence our industries.</p>	<ul style="list-style-type: none"> • Regulations, policies, and standards • Thought leadership • Skills deficit 	<ul style="list-style-type: none"> • Memberships & In-kind support • Employees actively engaged in meetings and committees • Technical papers • Promoting professional accreditation and memberships

FUTURE DEVELOPMENT OF THE BUSINESS

Despite challenging market and operating conditions in the UK, the Company is confident it can sustain further growth with particular focus on ship design, engineering services and technology and management consultancy in the UK and overseas. This will be achieved by building on the Company's strong reputation and brand with existing clients, actively nurturing, and developing key relationships both with industry partners and end customers, investing in new products and services that increase the value of our offer to our clients and by continuing to invest in innovation and research to sustain longer term growth. The Company promotes professional excellence in its core skills and all its business functions, establishing close links with academia and training accreditations with professional institutions.

By order of the Board,



D K McSweeney
Director
27 June 2022

DIRECTORS' REPORT

The directors submit their report and financial statements for BMT Defence and Security UK Limited, company number 02326885, for the year ended 30 September 2021.

PRINCIPAL ACTIVITIES

The Company is an engineering design and technology consultancy, working primarily in the defence sector.

Subsequent to the year end the Company acquired the majority of the trade and associated assets from a fellow subsidiary of BMT Group Limited for £1,064,132 paid in cash. The acquired trade will expand the Company's activities to include ship design and marine technical services, consultancy, software development and contract research in naval architecture and environmental assessment for the offshore, civil engineering, defence and transport industries and government.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £5,491k (2020: £8,718k) and total dividends of £5,000k were paid during the year (2020: £5,500k).

RESEARCH AND DEVELOPMENT

The Company is active in research and development and the Company also benefits from significant investment in research and development over a wide range of technologies by BMT Group Limited.

DIRECTORS

The directors during the year were as follows:

S L Kenny OBE
D K McSweeney

STRATEGIC REPORT

The Company has chosen in accordance with the Companies Act 2006, s. 414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' report. It has done so in respect of future developments and financial risk management. The information given to meet the requirements of s172 in the Companies Act 2006 has also been included within the strategic report.

ENERGY CARBON REPORTING

Information about the group's Streamlined Energy Carbon Reporting can be found in the consolidated accounts of BMT Group Limited. Data reported there includes data for the Company. In accordance with the Companies Act 2006, and SI 2008/410 'The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' Sch. 7.20A(2)(a) the Company has chosen not to present details of its Emissions and Energy consumption separately in these accounts.

PEOPLE

The Company is part of an independent knowledge-based organisation that sells its technology and expertise. We recognise that the people we employ are our most valuable resource, which is underlined by the unique Trust ownership structure of the BMT Group. We continue to develop the skills of our people through training programmes and encourage employee engagement.

Employee engagement, a key metric for our business, is encouraged in several ways including an active BMT Employee Engagement Group which has regular, direct access to senior leaders in the organisation, and where their views are considered when making decisions that are likely to affect their interests.

DIRECTORS' REPORT (Continued)

PEOPLE (continued)

We recognise the importance of communicating effectively with our staff through many channels including our intranet and digital media. Business performance is shared monthly with staff via a performance dashboard on the corporate intranet.

Ethics are a defining feature of our corporate culture, and all employees are required to conduct themselves in accordance with a Code of Conduct to ensure common standards of ethical behaviour. The objectives of the policy are to:

- encourage people to raise issues and concerns;
- provide clear guidance to all staff on the ethical standards required;
- ensure compliance with relevant legislation, including the 2010 Bribery Act; and
- increase transparency relating to the governance of the business.

We are an equal opportunity employer and strive to set exemplary standards of equality, diversity and inclusion. Our policy framework seeks to ensure that people are treated equally, regardless of their gender, race, colour, age, disability, sexual orientation, religious beliefs, nationality, type of employment or marital status. It applies to all aspects of employment and is reinforced through the promotion of diversity and inclusion strategy and awareness raising activities throughout our business.

Our employment policies seek to create a workplace free from discrimination. Our recruitment practices strive to ensure we give full and fair consideration to applications for employment from disabled persons. Where an employee becomes disabled, the Company endeavours to continue their employment, provided there are duties the employee is capable of performing. When acquiring or modifying properties, the Company endeavours to make the property accessible to individuals with a disability.

Health Safety and Environment ("HS&E")

As well as integrating Health and Safety into our everyday work environment, we strive to work with our clients and supply chains to improve HS&E performance continuously and collectively; thus, enabling HS&E to be fully integrated in the way that we make decisions and conduct our business.

We take extra measures to safeguard workers who might be more vulnerable to the risk of work-related injury or ill health, such as workers facing language barriers or having visual or hearing impairments. All our training contains subtitles with no time limits, so individuals can read and undertake Health and Safety training at their own pace. Moving forward employees will also have access to an app which will support those who are visually impaired or colour blind.

As well as training, qualified Health and Safety representatives and fire wardens are accessible in all our offices. These personnel have a responsibility to undertake specific needs risk assessments for people with physical or learning difficulties, young persons (under 18), new mothers and pregnant women. Our wardens and representatives are supported by qualified Health and Safety Leadership.

DIRECTORS' REPORT (Continued)

PEOPLE (continued)

Employee wellbeing

At BMT we aim to integrate wellbeing into all work activities and practices, creating a positive environment that is compatible with promoting staff engagement, performance, and achievement.

Our global approach concerns 5 key topics:

- Health - this includes employee mental, physical, and financial health;
- Work - having good line management, health and safety at work, improving our working environments;
- Values - living our values, understanding our purpose, the direction of the organisation, diversity, and inclusion;
- Collaboration - ensuring we have employee voice, and have positive working relationships; and
- Personal Growth - effective performance management, personal development discussions, access to learning and development.

As well as equipping our employees with adequate resources, to manage the wellbeing of themselves and their colleagues, we also closely monitor Employee Absentee rates across our different departments.

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.

DIRECTORS' INDEMNITIES

As permitted by the Company's Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' Liability Insurance in respect of itself, its directors, and officers.

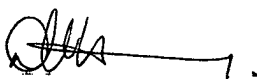
AUDITOR

RSM UK Audit LLP, Chartered Accountants, resigned as auditor of the Company on 20 October 2021 pursuant to section 516 and section 519 of Companies Act 2006. On 26 November 2021, BDO LLP was appointed as auditor of the Company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of 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.

By order of the Board,



D K McSweeney
Director
27 June 2022

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 MEMBERS OF BMT DEFENCE AND SECURITY UK LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of BMT Defence and Security Limited ("the Company") for the year ended 30 September 2021 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 [Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)].

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMT DEFENCE AND SECURITY UK LIMITED (Continued)

Other Companies Act 2006 reporting

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

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

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 Strategic report or 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

Extent to which the audit was 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:

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMT DEFENCE AND SECURITY UK LIMITED (Continued)

evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts, which would be contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be the Companies Act 2006, UK tax legislation and applicable accounting standards and, in addition, other laws and regulations that may have a material effect on the financial statements.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to revenue recognition, posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our tests included, but were not limited to:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring with management and those charged with governance regarding their knowledge of any actual or suspected fraud or allegations of fraudulent financial reporting affecting the Company;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries. We investigated journals determined by key risk characteristics based on our knowledge of the business and material journals.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations.


Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMT DEFENCE AND
SECURITY UK LIMITED (Continued)

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.

DocuSigned by:

232FC03A0B87497...

Mark Cardiff (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
BDO London

28 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

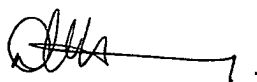
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 September 2021

	Notes	2021 £'000	2020 £'000
Turnover	2	73,351	74,854
Raw materials and consumables		(573)	(1,006)
Other external charges		(18,022)	(18,096)
Staff costs	5	(36,020)	(35,857)
Depreciation		(473)	(533)
Other operating charges		<u>(8,880)</u>	<u>(8,611)</u>
OPERATING PROFIT		9,383	10,751
Interest receivable and similar income	6	<u>34</u>	<u>21</u>
PROFIT BEFORE BMT PROFIT SHARING SCHEME AND TAXATION		9,417	10,772
BMT profit sharing scheme	5	<u>(2,657)</u>	<u>-</u>
PROFIT BEFORE TAXATION		6,760	10,772
Taxation	7	<u>(1,269)</u>	<u>(2,054)</u>
PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR		5,491	8,718
Other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,491</u>	<u>8,718</u>

STATEMENT OF FINANCIAL POSITION
at 30 September 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	9	<u>810</u>	<u>1,015</u>
CURRENT ASSETS			
Debtors	10	16,406	12,829
Cash at bank and in hand		<u>11,798</u>	<u>11,917</u>
		<u>28,204</u>	<u>24,746</u>
CREDITORS			
Amounts falling due within one year	11	<u>(16,136)</u>	<u>(13,665)</u>
NET CURRENT ASSETS		<u>12,068</u>	<u>11,081</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,878	12,096
PROVISIONS FOR LIABILITIES		(291)	-
NET ASSETS		<u>12,587</u>	<u>12,096</u>
CAPITAL AND RESERVES			
Called up share capital	14	384	384
Profit and loss account		<u>12,203</u>	<u>11,712</u>
TOTAL EQUITY		<u>12,587</u>	<u>12,096</u>

The financial statements on pages 16 to 30 were approved by the board of directors and authorised for issue on 27 June 2022 and are signed on its behalf by:



D K McSweeney
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 September 2021

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 October 2019	384	8,494	8,878
Profit for the year and total comprehensive income for the year	-	8,718	8,718
Transactions with owners in their capacity as owners: Equity dividends paid	-	(5,500)	(5,500)
Balance at 30 September 2020	384	11,712	12,096
Profit for the year and total comprehensive income for the year	-	5,491	5,491
Transactions with owners in their capacity as owners: Equity dividends paid	-	(5,000)	(5,000)
Balance at 30 September 2021	<u>384</u>	<u>12,203</u>	<u>12,587</u>

NOTES TO THE ACCOUNTS
at 30 September 2021

1. PRINCIPAL ACCOUNTING POLICIES

General Information

BMT Defence and Security UK Limited is a private company limited by share capital, domiciled and incorporated in England.

The address of the Company's registered office is Third Floor, 1 Park Road, Teddington, Middlesex, TW11 0AP. The address of the Company's principal place of business is 210 Lower Bristol Road, Bath BA2 3DQ

The Company's principal activities are set out on page 8.

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. Financial Statements have been prepared under historical cost basis.

The financial statements are presented in sterling which is also the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

The Company operates a number of profit-sharing schemes, which are now all based on the overall results of the group, and they are designed to reward performance as well as loyalty. In view of the bases of these shares of profit, the directors have modified the format of the statement of other comprehensive income and present it separately, as a charge immediately above 'Profit before Tax'. The directors believe this presentation better reflects the nature of this benefit enjoyed by the employees of the Company.

Reduced disclosures

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

- 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' – Interest income/expense and net gains/losses for financial instruments not measured at fair value, amount of any impairment loss, risks arising from financial instruments, and transferred financial asset not derecognised, loan defaults or breaches, and descriptions of hedging relationships; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going Concern

At the time of approving the financial statements, the directors have considered forecasts of trading and cash flows for the Company and have determined that the Company has, or can expect to have, sufficient working capital for its needs for at least the next 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate to prepare the accounts on the going concern basis.

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

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

The Company enters into a number of different forms of contracts with clients, the most common being fixed price lump sum contracts and time and materials contracts based on hourly rates.

Revenue is recognised on the majority of the Company's contracts on a percentage completion basis when the outcome of a contract or project can be reasonably foreseen. Under the percentage completion method, the percentage of the total forecast revenue reported at any point in time is calculated based upon the proportion of total costs incurred to date as a percentage of total

forecast costs or, in some cases, based upon the estimated physical per cent complete of the total work to be performed under the contract. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations.

In some cases, a margin provision is then made, depending on how far progressed each project is and the risk profile of the project. In addition, provision is made in full for estimated losses and, where the outcome of a contract cannot be reasonably foreseen, profit is taken on completion.

The Company's contract accounting policy is central to how the Company values the work carried out in each financial period/year. The value of contract work in progress comprises the costs incurred on contracts plus an appropriate proportion of overheads and attributable profit.

Fees invoiced on account are deducted from the value of work in progress and the balance is separately disclosed in trade and other receivables as amounts recoverable on contracts unless such fees exceed the value of the work in progress on any contract in which case the excess is separately disclosed in trade and other payables as income in advance.

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (continued)

Software

Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and rewards of ownership have been transferred to the customer. Sales of software are recognised when goods are delivered, and legal title has passed, and the Group 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

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	3 - 7 years
Other equipment	3 - 7 years
Leasehold improvements	5 – 10 years

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.

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Taxation (continued)

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.

Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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.

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.

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial Instruments (continued)

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.

Government Grants

Government grants relating to research and development are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received. They are credited to other operating charges in the period to which they relate.

Research and development

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

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

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 of 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.

Provisions for liabilities and charges

Provisions are recognised at the balance sheet date at management's best estimate of the expenditure required to settle the present obligation. Non-current amounts are discounted at a rate intended to reflect the time value of money. Provisions are recognised in the period in which an obligation arises, and the amount can be reasonably estimated. The carrying amounts of provisions are regularly reviewed and adjusted for new facts.

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

2. TURNOVER

Turnover comprises the value of services provided net of value added tax. In the directors' opinion, the Company carried on a single continuing business.

An analysis of turnover by geographical market is given below:

	2021 £'000	2020 £'000
UK	71,596	74,205
Other European Union	574	145
Rest of the world	1,181	504
	<u>73,351</u>	<u>74,854</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2021 £'000	2020 £'000
Auditor's remuneration - statutory audit of the Company	97	55
Foreign exchange loss	15	-
Loss on disposal of tangible fixed assets	15	-
Other operating income	(55)	(232)
Operating lease rentals	437	660
Depreciation on owned assets	473	533
Research and development taxation income	<u>(314)</u>	<u>(299)</u>

4. DIRECTORS' REMUNERATION

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.

5. STAFF COSTS

	2021 £'000	2020 Restated £'000
Wages and salaries	28,732	29,124
Social security costs	3,038	2,830
Other pension costs	<u>4,250</u>	<u>3,903</u>
	36,020	35,857
 BMT Profit sharing scheme	 <u>2,657</u>	 <u>-</u>
	<u>38,677</u>	<u>35,857</u>

A reclassification has been made in the 2020 comparatives, please see Note 21 for further information.

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

5. STAFF COSTS (continued)

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

	2021 No.	2020 No.
Scientific and technical	451	447
Administrative support	119	120
	<u>570</u>	<u>567</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £'000	2020 £'000
Group interest receivable	<u>34</u>	<u>21</u>

7. TAXATION

	2021 £000	2020 £000
Current tax:		
Payments for group relief	1,193	1,973
UK Corporation tax charge	87	43
Adjustment for prior years	(14)	-
Total current tax	<u>1,266</u>	<u>2,016</u>
Deferred tax:		
Origination and reversal of timing differences	(5)	42
Adjustment for prior years	10	2
Effect of changes in tax rates and laws	(2)	(6)
Total deferred tax	<u>3</u>	<u>38</u>
Total tax on profit	<u>1,269</u>	<u>2,054</u>

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

7. TAXATION (continued)

	2021 £000	2020 £000
Factors affecting tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:		
Profit before tax	<u>6,760</u>	<u>10,772</u>
Profit before tax multiplied by the effective rate of UK corporation tax of 19% (2020: 19%)	<u>1,284</u>	<u>2,047</u>
Effects of:		
Non-deductible expenses	(9)	11
Adjustment for prior years	(4)	2
Effect of changes in tax rates and laws	(2)	(6)
Other tax adjustments	<u>-</u>	<u>-</u>
Total tax charge for the year	<u>1,269</u>	<u>2,054</u>

The UK government has signalled its intention to increase the main rate of corporation tax to 25% from 19% with effect from 1 April 2023. This change was substantially enacted following the third reading of the Finance Act 2021 on 24 May 2021. As a result, deferred tax has been calculated at a rate of 19% on any assets and liabilities which are expected to unwind prior to 1 April 2023 and at a deferred tax rate of 25% on all other assets and liabilities which are expected to be realised after that date.

8. DIVIDEND

	2021 £'000	2020 £'000
Interim dividend paid – £nil (2020: £781.25)	-	3,000
Final dividend paid in relation to 2021 – £1,302.08 per share (in relation to 2020: 651.04 pence per share)	<u>5,000</u>	<u>2,500</u>
	<u>5,000</u>	<u>5,500</u>

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

9. TANGIBLE FIXED ASSETS

	Computers & instruments £'000	Other equipment £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 October 2020	1,294	920	1,327	3,541
Additions	226	14	43	283
Disposals	(51)	(117)	(434)	(602)
At 30 September 2021	1,469	817	936	3,222
Depreciation				
At 1 October 2020	900	686	940	2,526
Charged in the year	268	89	116	473
Disposals	(51)	(117)	(419)	(587)
At 30 September 2021	1,117	658	637	2,412
Net book value				
At 30 September 2021	352	159	299	810
At 30 September 2020	394	234	387	1,015

10. DEBTORS

	2021 £'000	2020 £'000
Trade debtors	9,577	7,142
Amounts owed by group undertakings	758	445
Other debtors	-	58
Corporation tax receivable	227	471
Deferred tax asset	9	12
Amounts recoverable under contracts	4,468	3,447
Prepayments and accrued income	1,367	1,254
	<u>16,406</u>	<u>12,829</u>

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade creditors	2,311	1,651
Income in advance	5,486	2,897
Amounts owed to group undertakings	2,183	3,167
Other taxation and social security	1,614	2,355
Other creditors	19	-
Corporation tax	-	-
Accruals and deferred income	<u>4,523</u>	<u>3,595</u>
	<u>16,136</u>	<u>13,665</u>

12. PROVISIONS FOR LIABILITIES

	Dilapidations Provision £'000
At 1 October 2020	-
Charged to profit or loss	<u>291</u>
At 30 September 2021	<u>291</u>

13. DEFERRED TAXATION

	2021 £'000	2020 £'000
At 1 October	12	50
Transfer from profit and loss	<u>(3)</u>	<u>(38)</u>
At 30 September	<u>9</u>	<u>12</u>
The deferred tax asset comprises:	2021 £'000	2020 £'000
- short term timing differences	(1)	30
- capital allowances in excess of depreciation	<u>10</u>	<u>(18)</u>
	<u>9</u>	<u>12</u>

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

14. SHARE CAPITAL AND RESERVES

Share capital

	2021 £'000	2020 £'000
Allotted, issued and fully paid: 384,000 Ordinary shares of £1 each	<u>384</u>	<u>384</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.

15. COMMITMENTS UNDER OPERATING LEASES

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

	2021 £'000	2020 £'000
Expiring within one year	295	417
Expiring between two to five years	798	1,112
Expiring after five years	-	-
	<u>1,093</u>	<u>1,529</u>

16. 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 future accrual with effect from 31 January 2011.

During the year, the Company contributed to the pension schemes as follows:

	2021 £'000	2020 Restated £'000
Defined benefits scheme	1,563	1,494
Defined contributions scheme	<u>2,687</u>	<u>2,409</u>
	<u>4,250</u>	<u>3,903</u>

The date of the last actuarial valuation of the defined benefit scheme (The "British Maritime Technology Pension and Life Assurance Scheme") operated by the group was 5 April 2019. The 2021 actuarial valuation is currently being agreed with the Trustee. Full details of the pension scheme and the valuation are set out in the accounts of BMT Group Limited.

NOTES TO THE ACCOUNTS (Continued)
at 30 September 2021

16. PENSION COMMITMENTS (continued)

Included in pension and post retirement costs in the prior year was an amount of £1,440,000 relating to salary sacrifice pension contributions, which should have been included within wages and salaries and has been reclassified within the note.

17. RELATED PARTY TRANSACTIONS

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.

18. ULTIMATE PARENT UNDERTAKING

BMT Group Limited, is the immediate parent, and is the smallest and largest group for which consolidated accounts including BMT Defence and Security UK 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.

19. POST BALANCE SHEET EVENTS

Subsequent to the year end the Company acquired the majority of the trade and associated assets from a fellow subsidiary of BMT Group Limited for £1,064,132 paid in cash.

20. RESTATEMENTS

The accounts contain an amendment within note 5 Staff Costs. Included in pension and post retirement costs in the prior year was an amount of £1,440,000 relating to salary sacrifice pension contributions, which should have been included within wages and salaries and has been reclassified within the note.