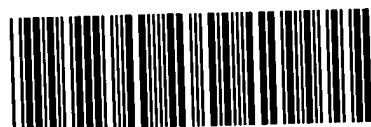


Company Number: 02326885

**BMT Limited**  
(Formerly BMT Defence and Security UK Limited)  
**ANNUAL REPORT AND ACCOUNTS**

**30 SEPTEMBER 2022**

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COMPANIES HOUSE

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**DIRECTORS**

S L Kenny OBE

P G Metcalfe

**COMPANY SECRETARY**

A Conway

**AUDITOR**

BDO LLP

55 Baker Street

London

W1U 7EU

**REGISTERED OFFICE**

Part Level 5 Zig Zag Building

70 Victoria Street

London

SW1E 6SQ

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**STRATEGIC REPORT**

The Directors submit their Strategic Report along with the Statutory Directors' Report & Accounts for BMT Limited ("the Company"), a wholly owned subsidiary of BMT Group Limited.

**STRATEGIC OBJECTIVES**

Our vision is to be a global leader in 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'.

We deliver on our ambition through the implementation of our strategy. That is, to retain and grow market share in our core business areas, build powerful collaborative relationships that draw value from the full breadth of our global capability, and drive innovation that is closely aligned to our customers' and industries' current and future needs.

We summarise this as:

- Sustain the Core
- Growth through Collaboration
- Exploit and invest in Innovation

**REVIEW OF THE BUSINESS**

We delivered a solid performance in the reporting period, despite macroeconomic and geopolitical challenges, and as a result, we were able to invest in our future and reward our employees with a total profit distribution of £2.5m (2021: £2.7m).

The UK defence and security sector is the Company's largest market and, after a period of stasis, as a result of the pandemic and economic uncertainty, we saw greater activity during the latter part of the reporting year, enabling BMT to grow revenue from that market.

Revenue increased by £10.3m to £83.7m (2021: £73.4m) in part due to the acquisition of trade at the beginning of the year from a fellow subsidiary of BMT Group Limited (see note 16), but profit before tax decreased by £0.4m to £6.4m (2021: £6.8m). The reduction in profit, despite the increase in turnover, was in part due to cost inflation, which we addressed through carefully managing overheads and discretionary spend. However, we also saw our productivity hindered, largely due to delays in the placement of a small number of large orders, which we had staffed in anticipation of delivery.

Pleasingly, the orders lag caught up towards the end of the reporting period. Of particular note was the announcement in late 2022 that the UK Ministry of Defence (MoD) had selected BMT (in a consortium with Navantia and Harland & Wolff) as preferred bidder to design and build three new support ships for the Royal Navy's aircraft carriers. The Fleet Solid Support (FSS) ships contract, which was awarded early in 2023, is the biggest in BMT's history and will span 10 years, securing skilled jobs across the organisation but most especially in the field of naval architecture, engineering and support.

## BMT Limited (Formerly BMT Defence and Security UK Limited)

## STRATEGIC REPORT (Continued)

## KEY PERFORMANCE INDICATORS

The Company's key operating performance metrics, whose purpose is improving economic sustainability are:

Target Description	2022	2021
Turnover	£83.7m	£73.4m
Turnover per employee	£123k	£129k
Order Book (months of turnover)	9	8
Receivables (weeks of turnover)	12	9

## PRINCIPAL RISK AND UNCERTAINTIES

The Company considers all material risks and while some are outside the immediate control of the Company, over the last couple of years we have demonstrated resilience in responding to significant market shocks including COVID-19, the breakout of war in Europe, and volatile economic and political conditions in our core markets.

With many governments nursing high debt levels, and facing a global 'poly-crisis', we understand that the timing and scope of government and commercial spending may be impacted. While we remain heavily weighted towards the UK Defence market, we continue to enjoy the status of critical engineering delivery partner (EDP) due to our proven track record on delivery and the quality of our designs and capabilities.

To achieve our growth strategy, we take a balanced approach to risk. In areas including pipeline growth, organisational and digital transformation, and innovation we are willing to accept a higher level of risk and return. In matters of compliance, ethics, cybersecurity, financial management, and safety - our risk appetite remains low, with a cautious approach to management.

The principal business and financial risks facing the Company are:

Risk	Link to our Strategy	Why it Matters	How we Manage it
Programmes and Project Delivery Risks	Sustain the Core  Grow through Collaboration  Exploit and invest in Innovation	We contract and deliver to a wide range of customers across many geographies. Our reputation and performance are at risk if we do not manage our diverse project portfolio consistently and effectively.  Failure to assess adequately the contractual, technical, and delivery risks at the outset, could result in financial losses, legal claims and material damage to our reputation and brand, and potential onerous contracts.	Our business and project lifecycle processes are controlled by relevant policies, procedures and management systems and reinforced by reviews. We have enhanced our commercial, technical, financial, and legal oversight of potential risks during bidding.  Current organisational change activities are focused on optimising our delivery function and strengthening our technical assurance. Through establishing a Global PMO we aim to ensure more consistent project management processes across our diverse portfolio.

## BMT Limited (Formerly BMT Defence and Security UK Limited)

## STRATEGIC REPORT (Continued)

Risk	Link to our Strategy	Why it Matters	How we Manage it
People: Attraction & Retention, Health & Safety	Sustain the Core  Grow through Collaboration  Exploit and Invest in Innovation	We achieve success through our people, and we need to be able to recruit and retain the requisite skills to meet our customers' needs and to drive the business forward.  We also need to manage the health, safety, and wellbeing of our people and third parties.	Targeted recruitment campaigns help us attract the best people, and we benchmark our performance and Employee Value Proposition against other companies. We have increased our talent acquisition capability and campaigns. We access the Group's Global Careers Map to enable opportunities for development and progression. We provide several platforms for training and employee engagement.  We encourage a safety-first culture, investing in our Health & Safety policies, procedures, training and risk reporting. Many of our customers require our engineers to undertake bespoke Health & Safety training programmes. We continue to make concerted efforts including investment to promote wellbeing awareness and support mechanisms across the business.
Macroeconomic factors – inflation, volatility in supply chain (including energy), in FX and interest rates, ongoing global pandemic and geopolitical tensions.	Sustain the Core	The combination of several external factors driving economic uncertainty could lead to changes in the type, scope, and timing of customer orders.  Our ability to deliver on schedule and on budget could be impacted by external market factors.	Our annual integrated strategic planning exercises are stress tested for a range of outcomes across all our markets. We continually monitor market movements and the likely impact on our customers and suppliers. We focus on cost control and maintain cash reserves in response to business or market volatility. We adapt our ways of working to minimise the delivery risks and safety of our employees and other stakeholders and adopt crisis management planning techniques where needed.
Physical and Data Security Risks	Sustain the Core  Exploit and Invest in Innovation	A breach of physical or data security, cyber-attack or system failure could adversely impact our business and our stakeholders, and may lead to a breach of regulations, exposing the Company to financial and reputational losses.	We adopt a multi-layered approach, using physical and network security measures to protect our systems and data. Software tools monitor and support our data and systems security. All employees undertake mandatory training, and we have a perpetual cycle of refresher training.
Innovation – new technologies and digitalisation; market disruptors	Exploit and Invest in Innovation  Grow through Collaboration	New technologies and industry trends change how our customers operate, and constant innovation is required to stay competitive and relevant.	We invest in innovation that is aligned with our overall strategy. Through targeted spending programmes and by working closely with our customers we continue to mature our approach to delivering more advanced solutions.  We launched a digitalisation strategy to help drive efficiencies and sustain the skills necessary to support our customers.

## BMT Limited (Formerly BMT Defence and Security UK Limited)

## STRATEGIC REPORT (Continued)

Risk	Link to our Strategy	Why it Matters	How we Manage it
Business Transformation – Organisational Design, and ERP System Implementation	Sustain the Core  Grow through Collaboration  Exploit and invest in Innovation	We are working through a significant business transformation and organisational change management programme, including the rollout of a global ERP system.	Oversight and governance by our senior leadership team ensures investment decisions are aligned with our strategy. We invest in targeted innovation that will give us a competitive advantage and optimise the return from our existing product portfolio.  We apply a range of change management programme disciplines supported by external consultants. We are strengthening our business change management efforts to accelerate the introduction of new technologies.

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.

Key decisions made within the year included providing additional funding towards completion of the initial concept design for FSS to ensure BMT had the strongest chance of gaining contract award for the larger detailed design and ILS support contract, and the contract was awarded to BMT in early 2023. Having made the decision mid 2021 to acquire the majority of the assets and trade of a fellow subsidiary company, BMT UK Limited, the transfer was completed successfully at the start of the year, this move resulting in a simple and efficient operating structure in the UK. Following on from this, the decision was made to change the company name to BMT Limited since the nature of the business has diversified beyond the areas of defence and security.

**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. In the current year, the Board was involved in deciding to make significant investment in staff in anticipation of the FSS ships contract and other larger orders.

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**STRATEGIC REPORT (Continued)**

**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 owners.

This year the focus on the employees has continued to be at the forefront of Board decisions with remuneration, wellbeing and career development recognised as vital enablers to the success of the organisation. This has led to continued high levels of employee engagement, which between biennial surveys we evaluate qualitatively through the Employee Engagement Group (EEG).

Throughout the year, the board have ensured they understand the views of the employees through engagement with the EEG. Every month the employees are provided with an overview of business performance via a dedicated intranet site, and once per quarter the Group CEO provides 'townhall' briefings via videoconference globally. These media include a narrative describing the financial and economic factors affecting performance of the business, as well as an overview of any key events or trends such as the business exits and the rationale.

**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.

**Our Wider Community**

The Board fully support community engagement, recognising the strategic importance of delivering value and having a positive impact in 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. 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 focusing 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.



**BMT Limited (Formerly BMT Defence and Security UK Limited)****STRATEGIC REPORT (Continued)****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.

<b>Why they matter to us</b>	<b>Their interests</b>	<b>How BMT Engages with its stakeholders</b>
<b>Customers &amp; Partners:</b> We aspire to be our customers' trusted partner helping to solve their most complex challenges.	<ul style="list-style-type: none"> <li>• Delivery</li> <li>• Safety</li> <li>• Innovation</li> <li>• Relationship</li> </ul>	<ul style="list-style-type: none"> <li>• We build long-term customer relationships and collaborations to understand their needs and create enduring value</li> </ul>
<b>Employees:</b> We strive to ensure our long-term sustainability for the people who drive our success: our employees.	<ul style="list-style-type: none"> <li>• Remuneration and reward</li> <li>• Learning and development</li> <li>• Health and Safety</li> <li>• Diversity &amp; Inclusion (D&amp;I)</li> <li>• Wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>• Global Induction</li> <li>• Comprehensive learning and development opportunities</li> <li>• Career framework</li> <li>• Globally benchmarked remuneration and benefits</li> <li>• Employee Engagement Group and other employee networks</li> <li>• D&amp;I and Wellbeing strategies</li> </ul>
<b>Industry bodies:</b> We maintain positive and constructive relationships with industry bodies to be able to understand, shape and influence our industries.	<ul style="list-style-type: none"> <li>• Regulations, policies, and standards</li> <li>• Thought leadership</li> <li>• Skills deficit</li> </ul>	<ul style="list-style-type: none"> <li>• Memberships &amp; In-kind support</li> <li>• Employees actively engaged in meetings and committees</li> <li>• Technical papers</li> <li>• Promoting professional accreditation and memberships</li> </ul>
<b>Supply chains:</b> 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"> <li>• Long term relationships</li> <li>• Timely payment</li> <li>• Clear parameters</li> </ul>	<ul style="list-style-type: none"> <li>• Good working relationships</li> <li>• Prompt payment</li> <li>• Supplier Code of Conduct</li> <li>• Supplier due diligence</li> </ul>
<b>Communities:</b> We understand that we depend on the communities where we operate and have a responsibility towards them.	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Health &amp; Safety</li> <li>• Environment</li> <li>• Community investment</li> <li>• Education</li> </ul>	<ul style="list-style-type: none"> <li>• Sponsorship</li> <li>• Charitable giving and volunteering</li> <li>• University partnerships</li> <li>• STEM Ambassadors</li> </ul>

**FUTURE DEVELOPMENT OF THE BUSINESS**

We continue to develop the business to enhance the value we create for our customers, employees, and all stakeholders. We will continue to invest in new technologies, ways of working and innovation to maintain and grow our market position.

Employees have always been at the heart of our business model and will continue to be so. Competitive remuneration and benefits will help attract and retain talent. Meaningful profit distributions will connect everyone to our shared success. Fundamental to that success is the importance of providing employees with the professional development, challenging work, and opportunities to build careers at BMT.

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**STRATEGIC REPORT (Continued)**

These elements combined with an already strong employee value proposition will help to ensure we secure the best talent in all areas of our business. We will continue to actively create a more diverse workforce bringing a wide range of thinking in an inclusive and safe environment that promotes employee wellbeing.

The order book and contracted work for the year has, again, held up well, reflecting the confidence of our customers and value of our offerings in our core markets. The strength of the order book positions us well for the following year.

By order of the Board,

DocuSigned by:  
  
103315401C9E410...  
S L Kenny OBE  
Director  
29 June 2023

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**DIRECTORS' REPORT**

The directors submit their report and financial statements for BMT Limited, company number 02326885, for the year ended 30 September 2022.

**PRINCIPAL ACTIVITIES**

The Company is focused on the provision of multi-disciplinary engineering and technology consultancy, specialising in design, design support and risk and contract management across the defence, energy and environment and marine transport market sector with defence being the largest of these sectors. We are a people business, and our success is a reflection of the hard work and dedication of our team of experts who seek technical excellence and innovation in all aspects of the business.

On 1 October 2021, 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 expanded 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. All employees of the fellow subsidiary were transferred to the Company under TUPE regulations.

On 27 October 2022, the Company changed its name from BMT Defence and Security UK Limited to BMT Limited.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation amounted to £5,031k (2021: £5,491k) and total dividends of £5,000k were paid during the year (2021: £5,000k). No further dividends have been recommended.

**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  
P G Metcalfe

(resigned 28 February 2023)  
(appointed 28 February 2023)

**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.

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**DIRECTORS' REPORT (Continued)**

**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 Group is 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 ownership structure of BMT. 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.

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 our diversity and inclusion strategy and awareness raising activities throughout the 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 Group endeavours to continue their employment, provided there are duties the employee is capable of performing. When acquiring or modifying properties, the Group endeavours to make the property accessible to individuals with a disability.

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**DIRECTORS' REPORT (Continued)**

***Health and Safety ("H&S")***

As well as integrating health and safety into our everyday work environment, we strive to work with our clients and supply chains to improve H&S performance continuously and collectively; thus, enabling H&S 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 local wardens and representatives are supported by qualified health and safety leadership in every operating entity.

Our overall approach to health and safety is underpinned by our H&S Policy, which sets our principles for delivering a healthy and safe environment. We also track health and safety performance, including the total recordable injury rate (TRIR) of our employees.

***Wellbeing***

BMT believes that a proactive approach to health and wellbeing of our employees is fundamental to the success of our business. This means that we adopt a positive mindset and total commitment to understand and address health and wellbeing inside our organisation.

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 wellbeing approach addresses 5 key topics:

1. Health - this includes employee mental, physical and financial health;
2. Work - having good line management, health and safety at work, improving our working environments;
3. Values - living our values, understanding our purpose, the direction of the organisation, diversity and inclusion;
4. Collaboration - ensuring we have employee voice, and have positive working relationships; and
5. 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.

Our ability to grow organically is dependent on attracting and retaining the best and brightest individuals from around the world – and from a broad range of cultures and backgrounds – who wish to pursue our aims and our commitment to a sustainable business.

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**DIRECTORS' REPORT (Continued)**

**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.

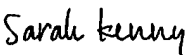
**AUDITOR**

The auditor, BDO LLP, has indicated its willingness to continue in office.

**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,

DocuSigned by:  
  
103315401C9E410...

S L Kenny OBE  
Director  
29 June 2023

**BMT Limited**

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**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.

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMT 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 2022 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 Limited ("the Company") for the year ended 30 September 2022 which comprise 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 Other Information, 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



**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMT LIMITED**

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.

**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 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.

*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:

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMT LIMITED (Continued)**

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 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.

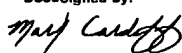
BMT Limited (Formerly BMT Defence and Security UK Limited)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMT 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:  
  
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Mark Cardiff (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
30 June 2023

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

**BMT Limited (Formerly BMT Defence and Security UK Limited)****STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 September 2022

	Notes	2022 £'000	2021 Restated £'000
<b>Turnover</b>	2	83,683	73,351
Operating costs	3	(74,841)	(63,968)
<b>OPERATING PROFIT</b>		8,842	9,383
Interest receivable and similar income	7	63	34
<b>PROFIT BEFORE BMT PROFIT SHARING SCHEME AND TAXATION</b>		8,905	9,417
BMT profit sharing scheme	6	(2,465)	(2,657)
<b>PROFIT BEFORE TAXATION</b>		6,440	6,760
Taxation	8	(1,409)	(1,269)
<b>PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR</b>		5,031	5,491
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		5,031	5,491

The prior year comparatives have been restated to reflect the change format presentation explained in note 1.

**BMT Limited (Formerly BMT Defence and Security UK Limited) Company number 02326885**

**STATEMENT OF FINANCIAL POSITION**  
**at 30 September 2022**

	Notes	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>			
Intangible assets	10	1,073	-
Tangible assets	11	<u>1,248</u>	<u>810</u>
		2,321	810
<b>CURRENT ASSETS</b>			
Stocks		18	-
Debtors	12	23,441	16,406
Cash at bank and in hand		<u>7,347</u>	<u>11,798</u>
		30,806	28,204
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(20,011)</u>	<u>(16,136)</u>
<b>NET CURRENT ASSETS</b>		<u>10,795</u>	<u>12,068</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		13,116	12,878
<b>PROVISIONS FOR LIABILITIES</b>	14	<u>(498)</u>	<u>(291)</u>
<b>NET ASSETS</b>		<u>12,618</u>	<u>12,587</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	384	384
Profit and loss account		<u>12,234</u>	<u>12,203</u>
<b>TOTAL EQUITY</b>		<u>12,618</u>	<u>12,587</u>

The financial statements on pages 19 to 35 were approved by the board of directors and authorised for issue on 29 June 2023 and are signed on its behalf by:

DocuSigned by:  
  
 103315401C9E410...  
**S L Kenny OBE**  
 Director

## BMT Limited (Formerly BMT Defence and Security UK Limited)

STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 September 2022

	Share capital £'000	Profit and loss account £'000	Total £'000
<b>Balance at 1 October 2020</b>	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)
<b>Balance at 30 September 2021</b>	384	12,203	12,587
Profit for the year and total comprehensive income for the year	-	5,031	5,031
Transactions with owners in their capacity as owners: Equity dividends paid	-	(5,000)	(5,000)
<b>Balance at 30 September 2022</b>	384	12,234	12,618

## BMT Limited (Formerly BMT Defence and Security UK Limited)

NOTES TO THE ACCOUNTS  
at 30 September 2022**1. PRINCIPAL ACCOUNTING POLICIES****General Information**

BMT Limited is a private company limited by share capital, domiciled and incorporated in England. On 27<sup>th</sup> October 2022, the Company changed its name from BMT UK Defence and Security UK Limited to BMT Limited.

The address of the Company's registered office is Part Level 5 Zig Zag Building, 70 Victoria Street, London, United Kingdom, SW1E 6SQ. 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 10.

**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 Group is an Employee Benefit Trust (EBT) and exists to provide benefit to all employees. The Group 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. The Directors have modified the format of the Group Statement of other Comprehensive Income as permitted by FRS 102 paragraph 5.5C, as these profit share payments are different in nature to employee remuneration, which is included within 'Operating profit'. The BMT profit sharing schemes arise from being an EBT and any payments under the arrangement are presented as a charge immediately above 'Profit before tax' and not within 'Operating profit'. The payment of these items is included within 'Financing activities' in the Cash Flow Statement. The Directors believe this presentation better reflects the EBT benefits enjoyed by the employees of the Group.

**Restatement of presentation of Statement of Comprehensive Income**

The directors have decided to change the format of the Statement of Comprehensive Income from the permitted Companies Act 2006 format 2 to format 1, to align presentation with that of the BMT Group Limited financial statements, the Company's immediate parent. The comparatives have been restated accordingly and there is no change to previously reported revenue or profits.

**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.

## BMT Limited (Formerly BMT Defence and Security UK Limited)

NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2022**1. PRINCIPAL ACCOUNTING POLICIES (Continued)****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.

**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.



**BMT Limited (Formerly BMT Defence and Security UK Limited)****NOTES TO THE ACCOUNTS (Continued)**  
**at 30 September 2022****1. PRINCIPAL ACCOUNTING POLICIES (Continued)****Revenue recognition (continued)**

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.

**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.

**Intangible fixed assets - Goodwill**

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 10 years.

**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.

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**NOTES TO THE ACCOUNTS (Continued)**  
**at 30 September 2022****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.

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**NOTES TO THE ACCOUNTS (Continued)**  
**at 30 September 2022**

**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.

**BMT Limited (Formerly BMT Defence and Security UK Limited)****NOTES TO THE ACCOUNTS (Continued)**  
**at 30 September 2022****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:

	2022 £'000	2021 £'000
UK	76,522	71,596
Other European Union	4,957	574
Rest of the world	2,204	1,181
	<u>83,683</u>	<u>73,351</u>

**3. OPERATING COSTS**

	2022 £'000	2021 Restated (Note 1) £'000
Subcontract labour, raw materials and consumables	21,731	18,595
Staff costs before BMT profit sharing schemes 6	44,074	36,020
Depreciation and amortisation	579	473
Other operating charges	8,457	8,880
	<u>74,841</u>	<u>63,968</u>

**4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2022 £'000	2021 £'000
Auditor's remuneration - statutory audit of the Company	95	97
Foreign exchange (gain)/loss	(25)	15
Loss on disposal of tangible fixed assets	-	15
Other operating income	(38)	(55)
Operating lease rentals	295	437
Depreciation on owned assets	467	473
Amortisation of goodwill	112	-
Research and development taxation income	<u>(620)</u>	<u>(314)</u>

BMT Ltd did not receive any government grants for part funded research. All research undertaken was either self-funded by BMT or fully customer funded, and applicable for R&D tax credits under the RDEC scheme. There are no unfulfilled conditions.

**BMT Limited (Formerly BMT Defence and Security UK Limited)****NOTES TO THE ACCOUNTS (Continued)**  
**at 30 September 2022****5. 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.

**6. STAFF COSTS**

	2022 £'000	2021 £'000
Wages and salaries	35,072	28,732
Social security costs	3,848	3,038
Other pension costs	5,154	4,250
Staff costs before BMT profit sharing schemes	<u>44,074</u>	<u>36,020</u>
BMT profit sharing schemes (includes social security costs)	<u>2,465</u>	<u>2,657</u>
Total staff costs	<u>46,539</u>	<u>38,677</u>

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

	2022 No.	2021 No.
Scientific and technical	534	451
Administrative support	<u>146</u>	<u>119</u>
	<u>680</u>	<u>570</u>

On 1<sup>st</sup> October 2021 the Company acquired the majority of the trade and associated assets from a fellow subsidiary of BMT Group Limited. On this date, all employees were transferred to the Company from the same fellow subsidiary of BMT Group Limited under TUPE regulations.

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022 £'000	2021 £'000
Group interest receivable	<u>63</u>	<u>34</u>

## BMT Limited (Formerly BMT Defence and Security UK Limited)

NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2022

## 8. TAXATION

	2022 £000	2021 £000
<b>Current tax:</b>		
Payments for group relief	692	1,193
UK Corporation tax charge	485	87
Adjustment for prior years	285	(14)
<b>Total current tax</b>	<u>1,462</u>	<u>1,266</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	18	(5)
Adjustment for prior years	(57)	10
Effect of changes in tax rates and laws	(14)	(2)
<b>Total deferred tax</b>	<u>(53)</u>	<u>3</u>
<b>Total tax on profit</b>	<u>1,409</u>	<u>1,269</u>

	2022 £000	2021 £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>6,440</u>	<u>6,760</u>
Profit before tax multiplied by the effective rate of UK corporation tax of 19% (2021: 19%)	<u>1,224</u>	<u>1,284</u>
Effects of:		
Non-deductible expenses	(20)	(9)
Adjustment for prior years	228	(4)
Effect of changes in tax rates and laws	(14)	(2)
Other tax adjustments	<u>(9)</u>	<u>-</u>
<b>Total tax charge for the year</b>	<u>1,409</u>	<u>1,269</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 2022 on 24 May 2022. 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.

**BMT Limited (Formerly BMT Defence and Security UK Limited)****NOTES TO THE ACCOUNTS (Continued)**  
**at 30 September 2022****9. DIVIDEND**

	2022 £'000	2021 £'000
Final dividend paid in relation to 2022 – £13.02 per share (in relation to 2021: £13.02 per share)	<u>5,000</u>	<u>5,000</u>
	<u><u>5,000</u></u>	<u><u>5,000</u></u>

**10. INTANGIBLE FIXED ASSETS**

	Goodwill £'000	Total £'000
<b>Cost</b>		
At 1 October 2021	-	-
Additions	<u>1,185</u>	<u>1,185</u>
At 30 September 2022	<u><u>1,185</u></u>	<u><u>1,185</u></u>
<b>Depreciation</b>		
At 1 October 2021	-	-
Charged in the year	<u>112</u>	<u>112</u>
At 30 September 2022	<u><u>112</u></u>	<u><u>112</u></u>
<b>Net book value</b>		
At 30 September 2022	<u><u>1,073</u></u>	<u><u>1,073</u></u>
At 30 September 2021	<u><u>-</u></u>	<u><u>-</u></u>

The additions relate to the acquisition of certain trade and associated assets of BMT UK Limited on 1<sup>st</sup> October 2021. See note 16 for details.

## BMT Limited (Formerly BMT Defence and Security UK Limited)

NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2022

## 11. TANGIBLE FIXED ASSETS

	Computers & instruments £'000	Other equipment £'000	Leasehold improvements £'000	Total £'000
<b>Cost</b>				
At 1 October 2021	1,469	817	936	3,222
On acquisition	96	38	31	165
Additions	709	18	13	740
Disposals	(43)	(146)	-	(189)
At 30 September 2022	<u>2,231</u>	<u>727</u>	<u>980</u>	<u>3,938</u>
<b>Depreciation</b>				
At 1 October 2021	1,117	658	637	2,412
Charged in the year	271	79	117	467
Disposals	(43)	(146)	-	(189)
At 30 September 2022	<u>1,345</u>	<u>591</u>	<u>754</u>	<u>2,690</u>
<b>Net book value</b>				
At 30 September 2022	<u>886</u>	<u>136</u>	<u>226</u>	<u>1,248</u>
At 30 September 2021	<u>352</u>	<u>159</u>	<u>299</u>	<u>810</u>

## 12. DEBTORS

	2022 £'000	2021 £'000
Trade debtors	11,121	9,577
Amounts owed by group undertakings	1,492	758
Other debtors	83	-
Corporation tax receivable	362	227
Deferred tax asset	134	9
Amounts recoverable under contracts	8,552	4,468
Prepayments and accrued income	<u>1,697</u>	<u>1,367</u>
	<u>23,441</u>	<u>16,406</u>



## BMT Limited (Formerly BMT Defence and Security UK Limited)

NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2022**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £'000	2021 £'000
Trade creditors	2,254	2,311
Income in advance	5,506	5,486
Amounts owed to group undertakings	3,629	2,183
Other taxation and social security	2,232	1,614
Other creditors	29	19
Accruals and deferred income	6,361	4,523
	<u>20,011</u>	<u>16,136</u>

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

	Dilapidations Provision £'000
At 1 October 2021	291
Charged to profit or loss	<u>207</u>
At 30 September 2022	<u>498</u>

**15. DEFERRED TAXATION**

	2022 £'000	2021 £'000
At 1 October	9	12
Transfer from profit and loss	<u>125</u>	<u>(3)</u>
At 30 September	<u>134</u>	<u>9</u>

	2022 £'000	2021 £'000
The deferred tax asset comprises:		
- short term timing differences	175	(1)
- capital allowances in excess of depreciation	<u>(41)</u>	<u>10</u>
	<u>134</u>	<u>9</u>

**BMT Limited (Formerly BMT Defence and Security UK Limited)****NOTES TO THE ACCOUNTS (Continued)**  
**at 30 September 2022****16. ACQUISITION**

On 1st October 2021, BMT Defence and Security UK Limited acquired certain trade and associated assets of BMT UK Limited, a fellow subsidiary of BMT Group Limited, for £1,064,132 paid in cash. All employees of BMT UK Limited transferred to the Company under TUPE regulations. The newly acquired trade relates to 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.

The acquisition comprised cash consideration above the value of the net assets acquired and is detailed below, including an intangible asset arising on acquisition.

The split of the assets acquired, and liabilities assumed, were recognised at the carrying value which equated to the market value of these assets.

	£'000
Intangible asset: Goodwill	1,185
Tangible fixed assets	165
Debtors	1,210
Creditors	(1,496)
Net current assets	(286)
Net Assets	<u>1,064</u>
Consideration	<u>1,064</u>

The trade acquired from BMT UK Limited delivered turnover of £4.4m and an operating loss of £1.0m.

The Company's underlying performance generated turnover of £79.3m and an operating profit of £9.9m.

**BMT Limited (Formerly BMT Defence and Security UK Limited)****NOTES TO THE ACCOUNTS (Continued)**  
**at 30 September 2022****17. SHARE CAPITAL AND RESERVES****Share capital**

	2022 £'000	2021 £'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.

**18. COMMITMENTS UNDER OPERATING LEASES**

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

	2022 £'000	2021 £'000
Expiring within one year	278	295
Expiring between two to five years	520	798
	<u>798</u>	<u>1,093</u>

**19. 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:

	2022 £'000	2021 £'000
Defined benefit scheme	2,007	1,563
Defined contributions scheme	<u>3,147</u>	<u>2,687</u>
	<u>5,154</u>	<u>4,250</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 2022 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.

**BMT Limited (Formerly BMT Defence and Security UK Limited)**

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**NOTES TO THE ACCOUNTS (Continued)**  
**at 30 September 2022****20. RELATED PARTY TRANSACTIONS**

During the year the Company had the following transactions and balance at the year end with companies related by common ownership:

	Subsidiaries not wholly owned	
	2022	2021
	£'000	£'000
Sales of services in year	4,302	-
Purchases of services in year	10	-
Amounts owed by related parties at 30 September	1,325	-

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.

**21. ULTIMATE PARENT UNDERTAKING**

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