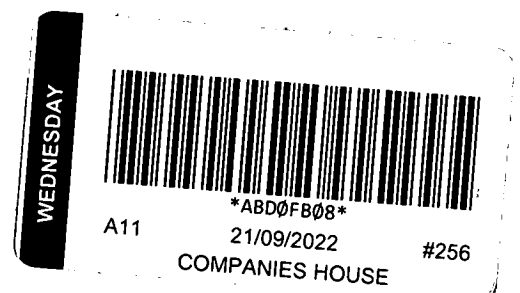


Registered No: 03598617

HMT Vehicles Limited

Annual Report and Financial Statements

31 December 2021



HMT Vehicles Limited

Directors

M Diamond
G Campbell
P Livingston

Secretary

J Fasick

Auditors

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

Bankers

Citibank
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Solicitors

MacRae & Co LLP
100 Cannon Street
London
EC4N 6EU

Registered Office

HMT Vehicles Limited
C/O Lockheed Martin Legal Counsel
Reddings Wood
Amphill
Bedfordshire
MK45 2HD

Registered No. 03598617

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Results for the year

The Income Statement of the Company is set out on page 8. The directors do not recommend the payment of any dividends.

The Company made a profit before and after tax of £30,000 (2020 : £149,000 loss).

Principal activity

The principal activity of the company is specialist research and development of defence related vehicles.

Future Developments

HMT Vehicles Limited will continue to engage with its Licensees and Customers in maintaining the existing HMT Vehicle Fleet whilst establishing further sales opportunities.

Going Concern

HMT Vehicles expects to maintain its positive net asset and net cash position for the foreseeable future. HMT Vehicles Limited participates in group centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiary undertakings, and it has received a confirmation that parental support will continue for the period to 30th September 2023 which will enable the company to meet its liabilities as they fall due throughout this period. The directors, having assessed HMT Vehicles Limited, have no reason to believe that a material uncertainty exists that casts significant doubt over HMT Vehicles Limited ability to continue as a going concern or jeopardise its ability to continue with the current banking arrangements. On the basis of their assessment of the company's financial position and of the enquiries made, the directors expect that the company will be able to continue in operational existence over the period to 30 September 2023 being the directors selected assessment period for going concern purposes (the assessment period). Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In making this assessment, the directors have given sufficient consideration to the current external, social, political and economic environment, including the implications of COVID-19, which is set out in Note 2 of the financial statements. The Directors of HMT Vehicles Limited have considered the impact of COVID-19 on the business and the parent undertaking who provide the parental support confirmation. With reference to the Company's Principal Activities and Future Developments, it is not felt that COVID-19 has had any significant impact on operations, nor will have within the assessment period to 30th September 2023.

Post balance sheet event

In 2022 HMT Vehicles Ltd sold its intellectual property. Future options for the business are being explored.

Directors

The directors of the Company during the period to the date of this report were:

M Diamond

P Ruddock (resigned 31st July 2021)

G Campbell

P Livingston (appointed 26th August 2021)

The secretary of the Company during the period to the date of this report was:

J Fasick

Directors' report (continued)

Directors' liabilities

The company has indemnified the directors of against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the directors' report.

Directors' statement as to disclosure of information to Auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

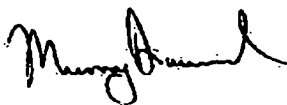
- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

The directors have taken advantage of the small companies exemption provided by Section 415a of the Companies Act 2006.

By order of the Board



M Diamond
Director

Date 15/09/2022

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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 HMT VEHICLES LIMITED

Opinion

We have audited the financial statements of HMT Vehicles Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity and the related notes 1 to 14 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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 to 30 September 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HMT VEHICLES LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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 frameworks that are applicable to the company and determined that the most significant to be those relating to the United Kingdom General Accepted Accounting Practice, the Companies Act 2006, and the United Kingdom direct and indirect tax regulations. In addition, owing to the sector the company operates in, we considered laws and regulations that had a fundamental effect on the operations of the company, including in respect of export controls; defence contracting and anti-bribery and corruption legislation. Finally, the company must comply with operational and employment laws and regulations including health and safety regulations, environmental regulations and GDPR.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HMT VEHICLES LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (cont.)

- We understood how HMT Vehicles Limited is complying with those frameworks by making inquiries of senior finance personnel and those charged with governance and gaining an understanding of the entity level controls of the company in respect to these areas and the controls in place to reduce opportunity for fraudulent transactions.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management, and those charged with governance to understand where it considered there was susceptibility of fraud. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. Based on the procedures performed, we did not identify a specific fraud risk associated with the company. We remained aware of the presumed risk of management override in the performance of our procedures.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
 - o Enquiring of management, those charged with governance and internal legal counsel as to any fraud identified or suspected in the period, any actual or potential litigation or claims or breaches of significant laws or regulations applicable to the company;
 - o Reading board meeting minutes and relevant approval documents;
 - o Challenging the judgements made by management through corroborating the basis for those judgements and considering contradicting evidence; and
 - o Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Fraser Bull (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

15 September 2022

Income Statement

for the year ended 31 December 2021

	Notes	2021 £000	2020 £000
Turnover	3	147	50
Cost of sales		-	-
Gross profit		147	50
Administrative expenses		(116)	(203)
Operating profit		31	(153)
Interest receivable	5	-	4
Interest payable	6	(1)	-
Profit on ordinary activities before taxation		30	(149)
Tax on profit ordinary activities	7	-	-
Profit for the financial year		30	(149)

All amounts relate to continuing operations.

Statement of Comprehensive Income

for the year ended 31 December 2021

	2021 £000	2020 £000
Profit for the financial year	30	(149)
Other comprehensive income	-	-
Total comprehensive profit for the financial year	30	(149)

Statement of Financial Position

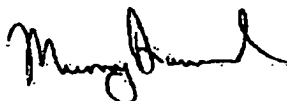
as at 31 December 2021

Registered No.03598617

	Notes	2021 £000	2020 £000
Fixed assets			
Intangible assets	8	<u>-</u>	<u>3</u>
		<u>-</u>	<u>3</u>
Current assets			
Debtors	9	68	4
Cash at bank and in hand		<u>3,006</u>	<u>3,068</u>
		3,074	3,072
Creditors: amounts falling due within one year	10	<u>(50)</u>	<u>(81)</u>
Net current assets		3,024	2,991
Total assets less current liabilities		<u>3,024</u>	<u>2,994</u>
Net assets		<u>3,024</u>	<u>2,994</u>
Capital and Reserves			
Share Capital	11	1,101	1,101
Share Premium		399	399
Profit and loss account		1,524	1,494
Shareholder's funds		<u>3,024</u>	<u>2,994</u>

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

Approved by the Board signed on its behalf by:



M Diamond
Director

Date... 15/09/2022

Statement of Changes in Equity

as at 31 December 2021

	Issued share capital	Share premium account	Profit and Loss Account	Total
	£000	£000	£000	£000
Balance at 1 January 2020	1,101	399	1,643	3,143
Loss for the year	-	-	(149)	(149)
Other comprehensive income	-	-	-	-
Balance at 31 December 2020	1,101	399	1,494	2,994
Profit for the year	-	-	30	30
Other comprehensive income	-	-	-	-
Balance at 31 December 2021	1,101	399	1,524	3,024

Notes to the financial statements

as at 31 December 2021

1 Accounting policies

Statement of compliance

HMT Vehicles Limited is a Private limited liability company incorporated and domiciled in England. The registered office is Reddings Wood, Ampthill, Bedfordshire, MK45 2HD.

The financial statements of HMT Vehicles Limited were authorised for issue by the Board of Directors on the date shown on the Statement of Financial Position (page 9).

The financial statements have been prepared on the historical cost basis and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and with the Companies Act 2006.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £000.

Turnover

Turnover represents license fees and royalties receivable excluding VAT.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit. This normally starts with commercial production of the project.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling of the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the statement of financial position date, dividends have been accrued as receivable;

Notes to the financial statements

as at 31 December 2021

1 Accounting policies (cont.)

Deferred taxation (cont.)

- Where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination, a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Intangible assets

Intangible assets are initially recorded at cost.

Intangible assets are amortised on a straight line basis over the estimated useful life of the asset. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.

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

The directors continue to adopt the going concern basis in preparing the accounts as, having considered the principal risks and uncertainties and the uncertainties in the current economic environment, they are satisfied that the Company has adequate resources to continue in operation for a period to 30 September 2023, being the directors' selected assessment period for going concern purposes (the assessment period).

In making this assessment the directors have given sufficient consideration to the current external social, political and economic environment, and the impact that may have on the operational and financial performance of the company and the parent entity providing the parental support for the company assessment period to 30 September 2023. The implications of COVID-19 have been considered in arriving at this conclusion. The current COVID-19 pandemic does not alter the directors' assessment of the Company's ability to continue as a going concern.

Scenario planning and impact analysis has been undertaken with regards to financial impacts, including revenue, profitability and liquidity implications; commercial impacts, including contractual considerations; and supply chain considerations, including monitoring of critical suppliers. These scenarios do not give any indication that the going concern assumption is not appropriate.

Notes to the financial statements

as at 31 December 2021

3 Turnover

There are no significant judgements and estimates made in preparing these financial statements. All turnover originates in the United Kingdom, and is attributable to the company's principal activity as detailed in the Directors' Report. Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

4 Operating profit

Operating profit is stated after charging auditor fees of: £7,500 (2020: £7,500). There is no directors' remuneration payable in respect of qualifying services provided to the company. The company had no employees (2020: nil)

5 Interest receivable and similar income

	2021	2020
	£000	£000
Bank interest receivable	-	4

6 Interest payable and similar charges

	2021	2020
	£000	£000
Bank interest payable	1	-

Notes to the financial statements

as at 31 December 2021

7 Taxation

Current Tax	2021 £000	2020 £000
Total tax per income statement	-	-

The charge for the year can be reconciled to the loss per the income statement as follows:

	2021 £000	2020 £000
Profit on ordinary activities before taxation	30	(149)
Tax on profit at standard UK tax rate of 19.00% (2020 : 19.00%)	6	(28)
Effects of:		
- Effects of group relief/ other reliefs	-	44
-Deferred tax not recognised	(6)	(16)
Income tax expense reported in the income statement	-	-

There is a deferred tax asset of £13K as at the balance sheet date which has not been recognised (2020: nil). In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). With the 25% rate now substantively enacted then deferred tax assets and liabilities have been calculated at this rate.

8 Intangible assets

	Intellectual property £000	Development expenditure £000	Total £000
Cost:			
At 1 January 2021	25	1,561	1,586
Additions	-	-	-
At 31 December 2021	25	1,561	1,586
Amortisation:			
At 1 January 2021	22	1,561	1,583
Provided during the year	3	-	3
At 31 December 2021	25	1,561	1,586
Carrying amount at 31 December 2021	-	-	-
Carrying amount at 1 January 2021	3	-	3

Development costs are amortised over their expected useful economic lives of 10 years.

Intellectual property is being amortised evenly over its useful life of 5 years.

Notes to the financial statements

as at 31 December 2021

9 Debtors

	2021	2020
	£000	£000
Amounts falling due within one year		
Trade debtors	66	-
Corporation Tax	2	2
Other Taxes	-	2
	<u>68</u>	<u>4</u>

10 Creditors

	2021	2020
	£000	£000
Amounts falling due within one year		
Trade creditors	4	3
Other taxes	7	-
Intercompany creditors	9	31
Accruals	30	47
	<u>50</u>	<u>81</u>

11 Called up share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid:		
Ordinary shares at £1 each	<u>1,101</u>	<u>1,101</u>

Voting rights – Shares rank equally for voting purposes, on a poll each member has one vote per share and on a show of hands each member has one vote. Dividend Rights – Each share ranks equally for any dividend declared. Distribution rights – On a winding up of the company each share equally for any distribution made. Redemption Rights – The shares are not redeemable.

Notes to the financial statements

as at 31 December 2021

12 Capital Commitments

There were no contracted or non-contracted capital commitments at 31 December 2021 (2020: £nil).

13 Post balance sheet events

In 2022 HMT Vehicles Ltd sold its intellectual property. Future options for the business are being explored.

14 Related parties and controlling party

The directors regard Lockheed Martin Corporation, a company registered in the USA, as the ultimate parent company and controlling party. Copies of the ultimate parent's consolidated financial statements may be obtained from Lockheed Martin Investor Department, 6801 Rockledge Drive, Bethesda, Maryland, 28017, USA. Lockheed Martin Corporation is the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company is a member.

The company's immediate parent undertaking is Lockheed Martin UK Holdings Limited. Copies of the financial statements of this company may be obtained from its registered office, Lockheed Martin UK Limited, C/o Legal Counsel, Building 7000 Langstone Technology Park, Havant, Hampshire, PO9 1SW.

The Company has utilised the exemption under FRS102 33.1A as a subsidiary undertaking not to disclose transactions with other entities that are wholly owned parts of, or investors of, the Lockheed Martin Corporation group. There were no other related party transactions.