

Registration number: 03153641

Omnicom Engineering Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Omnicom Engineering Limited

Contents

Directors' Report	1 to 2
Statement of Directors' Responsibilities	3
Independent Auditor's Report to the members of Omnicom Engineering Limited	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 to 16

Omnicom Engineering Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 December 2018. The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and taking the exemption from preparing a Strategic Report.

Principal activity

The principal activity was that of the development, installation and maintenance of computer equipment, software and services for the management of assets and infrastructure.

Financial statements and dividends

The results for the period are shown in the Profit and Loss account on page 6. The retained profit for the period is £390,000 (2017 - £1,179,000). The Company did not pay a dividend (2017 - £Nil).

Directors of the Company

The directors who held office during the year were as follows:

M W Bullock

N D Claxton

I K Morgan

M Rayner

Principal risks and uncertainties

The risks that this Company and the Balfour Beatty group are subject to, and how they are managed, in the context of the Balfour Beatty Group as a whole is provided in the Balfour Beatty plc published annual report for the year ended 31 December 2018.

Going concern

The Company's principal activity of trade has come to an end in 2018. All new contracts from Balfour Beatty's acquisition of this Company on 30 September 2016 have been taken on by Balfour Beatty Group Limited. Therefore, the financial statements have been prepared on a non-going concern basis.

Employment

The Company has no employees as they are employed by Balfour Beatty Group Employment Limited which was established as the employing entity for the Balfour Beatty Group's UK businesses.

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that ought to have been taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Omnicom Engineering Limited

Directors' Report for the Year Ended 31 December 2018 (continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 15 August 2019 and signed on its behalf by:



.....
M W Bullock
Director

Registered office 5 Churchill Place
Canary Wharf
London
E14 5HU

Omnicom Engineering Limited

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing 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 they elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless 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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Omnicom Engineering Limited

Opinion

We have audited the financial statements of Omnicom Engineering Limited (the 'Company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of Omnicom Engineering Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Nicholas Willis (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square
Canary Wharf
London
E14 5GL

Date: 15 August 2019

Omnicom Engineering Limited

Profit and Loss Account for the Year Ended 31 December 2018

		31 December 2018 £ 000	1 September 2016 to 31 December 2017 £ 000
	Note		
Turnover	2	493	2,560
Cost of sales		<u>(103)</u>	<u>(1,233)</u>
Gross profit		390	1,327
Administrative expenses		<u>-</u>	<u>(148)</u>
Operating profit	3	<u>390</u>	<u>1,179</u>
Profit before tax		390	1,179
Taxation	7	<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>390</u></u>	<u><u>1,179</u></u>

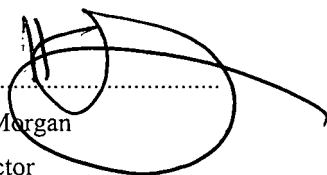
The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above.

Omnicom Engineering Limited
(Registration number: 03153641)
Balance Sheet as at 31 December 2018

	Note	31 December 2018 £ 000	31 December 2017 £ 000
Fixed assets			
Tangible assets	8	-	95
Current assets			
Debtors	9	4,224	3,861
Cash at bank and in hand		140	193
		<u>4,364</u>	<u>4,054</u>
Creditors: Amounts falling due within one year	10	<u>-</u>	<u>(175)</u>
Net current assets		<u>4,364</u>	<u>3,879</u>
Net assets		<u>4,364</u>	<u>3,974</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		<u>4,363</u>	<u>3,973</u>
Total equity		<u>4,364</u>	<u>3,974</u>

These financial statements were approved and authorised by the Board on 15 August 2019:

.....

I K Morgan
Director

Omnicom Engineering Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 September 2016	1	(402)	3,196	2,795
Profit for the period	-	-	1,179	1,179
Transfers *	-	402	(402)	-
At 31 December 2017	<u>1</u>	<u>-</u>	<u>3,973</u>	<u>3,974</u>
	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	1	-	3,973	3,974
Profit for the year	-	-	390	390
At 31 December 2018	<u>1</u>	<u>-</u>	<u>4,363</u>	<u>4,364</u>

* Transfer of Other Reserves relating to the Company's Employee Benefit Trust. Refer to Note 12.

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies

Omnicom Engineering Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK. The registered number is 03153641 and the registered address is 5 Churchill Place, Canary Wharf, London, E14 5HU.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to related party transactions with wholly-owned members of the Group headed by Balfour Beatty plc.

The Company’s ultimate parent undertaking, Balfour Beatty plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Balfour Beatty plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Balfour Beatty plc, 5 Churchill Place, Canary Wharf, London, E14 5HU, and on the Balfour Beatty website: www.balfourbeatty.com. They may be also viewed at the Companies House website at www.beta.companieshouse.gov.uk and via the National Storage Mechanism, which is located at www.morningstar.co.uk/uk/NSM. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Balfour Beatty plc include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There have been no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

Measurement convention

The financial statements are prepared on the historical cost basis.

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

1 Accounting policies (continued)

Going concern

The financial statements have been prepared on a non-going concern basis, refer to the Directors Report on page 2.

Turnover

Turnover is stated net of VAT and trade discounts.

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

The Company's turnover recognition and margin recognition policies are central to how the Company values the work it has carried out in each financial year. These policies require forecasts to be made of the outcomes of long-term contracts, which require assessments and judgements to be made on the recovery of pre-contract costs, changes in work scope, contract programmes, defects and maintenance liabilities and changes in costs.

Tax

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. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Tangible assets

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure associated with bringing the asset to its operating location and condition.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	50% straight line
Office equipment	25% straight line
Motor vehicles	25% straight line
Short leasehold land and buildings	over the term of the lease

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due in accordance with the original terms of the receivables.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2 Revenue

The analysis of the Company's turnover for the year by market is as follows:

	Year ended 31 December 2018	1 September 2016 to 31 December 2017
	£ 000	£ 000
UK	<u>493</u>	<u>2,560</u>

3 Operating profit

Arrived at after charging/(crediting)

	Year ended 31 December 2018	1 September 2016 to 31 December 2017
	£ 000	£ 000
Depreciation expense	<u>-</u>	<u>143</u>

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

4 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 December 2018 £ 000	1 September 2016 to 31 December 2017 £ 000
Wages and salaries *	-	83
Pension costs, defined contribution scheme *	-	13
	-	97

* These figures only relate to the month of September 2016.

From 30 September 2016, when the Company was acquired by Balfour Beatty Group Limited, the Company had no employees as they are employed by Balfour Beatty Group Employment Limited (the employing entity for Balfour Beatty Group's UK businesses):

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Other departments	-	3

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 December 2018 £ 000	1 September 2016 to 31 December 2017 £ 000
Remuneration	-	19
Sums paid to third parties for directors' services	-	7
	-	26

During the year the number of directors who were receiving benefits and share incentives was as follows:

	Year ended 31 December 2018 No.	1 September 2016 to 31 December 2017 No.
Accruing benefits under defined benefit pension scheme	-	3

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

5 Directors' remuneration (continued)

In respect of the highest paid director:

	Year ended 31 December 2018 £ 000	1 September 2016 to 31 December 2017 £ 000
Remuneration	-	6
Company contributions to money purchase pension schemes	-	3

All figures above only relate to the month of September 2016. From 30 September 2016, the Directors are employees of Balfour Beatty Group Employment Limited (the employing entity for Balfour Beatty Group's UK businesses) and received no specific remuneration for their services towards the management of this Company.

6 Auditor's remuneration

In both periods, the audit fee payable for audit of the Company's annual accounts was borne by the ultimate parent company.

7 Taxation

Tax charged/(credited) in the income statement

	Year ended 31 December 2018 £ 000	1 September 2016 to 31 December 2017 £ 000
Tax expense/(receipt) in the income statement	-	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.44%).

The differences are reconciled below:

	Year ended 31 December 2018 £ 000	1 September 2016 to 31 December 2017 £ 000
Profit before tax	390	1,179
Corporation tax at standard rate	74	229
Tax decrease arising from group relief	(74)	(229)
Total tax charge/(credit)	-	-

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

7 Taxation (continued)

The Company earns its profits primarily in the UK, therefore the tax rate used for tax on profit on ordinary activities is the current UK corporation tax rate of 19% (2017 - 19.44%).

For the period end 31 December 2018, a corporation tax rate of 19% has been applied in line with rates enacted by the Finance Act 2016. The Finance Act 2016, which was substantively enacted on 6 September 2016, provides for a reduction in the main rate of UK corporation tax to 19% effective from 1 April 2017 and a further reduction to 17% from 1 April 2020.

Unrecognised deferred tax

There are £51,000 of unused tax credits (2017 - £43,000) relating to the difference between depreciation and capital allowances claimed for which no deferred tax asset is recognised in the Balance Sheet.

8 Tangible assets

	Land and buildings £ 000	Motor vehicles £ 000	Property, plant and equipment £ 000	Total £ 000
Cost or valuation				
At 1 January 2018	121	37	2,688	2,846
Transfers	<u>(121)</u>	<u>(37)</u>	<u>(2,688)</u>	<u>(2,846)</u>
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation				
At 1 January 2018	81	37	2,633	2,751
Transfers	<u>(81)</u>	<u>(37)</u>	<u>(2,633)</u>	<u>(2,751)</u>
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount				
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>40</u>	<u>-</u>	<u>55</u>	<u>95</u>

Included within the net book value of land and buildings above is £Nil (2017 - £40k) in respect of short leasehold land and buildings.

During the year the company transferred all of the fixed assets to Balfour Beatty Group Limited at book cost.

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

9 Debtors

	31 December 2018 £ 000	31 December 2017 £ 000
Trade debtors	3	207
Amounts owed by group undertakings	4,212	3,650
Prepayments	9	4
	<u>4,224</u>	<u>3,861</u>

Amounts owed by group undertakings are repayable on demand and are interest free.

10 Creditors

	31 December 2018 £ 000	31 December 2017 £ 000
Social security and other taxes	-	54
Accrued expenses	-	121
	<u>-</u>	<u>175</u>

11 Share capital

Allotted, called up and fully paid shares

	31 December 2018 No. 000	£ 000	31 December 2017 No. 000	£ 000
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12 Related party transactions

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to related party transactions between wholly-owned member companies of Balfour Beatty plc.

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

12 Related party transactions (continued)

Summary of transactions with other related parties

During 2016, Mr P Harkness and Mr S Kimkeran were trustees of the Company's employee benefit trust, and both were directors and major stakeholders at 31st August 2016. Mr Harkness and Mr Kimkeran had absolute discretion over the funds held within the trust. As a result, the funds held within the trust at 31st August 2016 were included within the balance sheet of the Company.

At 30th September 2016, all the shares in the employee benefit trust were transferred to Balfour Beatty Group Limited, following its acquisition of the Company.

13 Parent and ultimate parent undertaking

The Company's immediate parent is Balfour Beatty Group Limited, incorporated in England and Wales.

The ultimate parent is Balfour Beatty plc, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Balfour Beatty plc. These financial statements are available upon request from Balfour Beatty plc, 5 Churchill Place, Canary Wharf, London, E14 5HU, and on the Balfour Beatty website: www.balfourbeatty.com. They may be also viewed at the Companies House website at www.beta.companieshouse.gov.uk and via the National Storage Mechanism, which is located at www.morningstar.co.uk/uk/NSM.

14 Subsequent events

There have been no post balance sheet events.