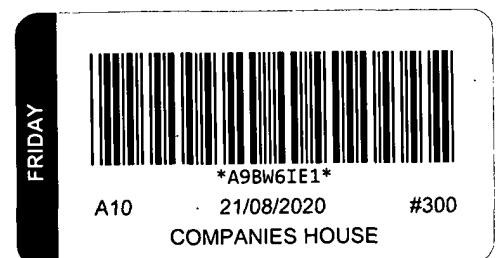


Registration number: 03153641

Omnicom Engineering Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



Omnicom Engineering Limited

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Omnicom Engineering Limited

Directors' Report for the Year Ended 31 December 2019

The Directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 December 2019. 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. The trade ceased during 2018, with all new contracts being taken on by a fellow group undertaking; Balfour Beatty Group Limited.

Financial statements and dividends

The audited financial statements of the Company appear on pages 6 to 13. The loss for the period is £11k (2018: profit of £390k). The Company did not pay a dividend (2018: £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

Going concern

The Company's trade ceased in 2018. All new contracts have been taken on by Balfour Beatty Group Limited. Therefore, the financial statements have been prepared on a non-going concern basis.

Principal risks and uncertainties

The risks that this Company and its fellow subsidiary and associates (together 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 2019.

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 2019 (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 18 August 2020 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 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 2019, 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 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 have not been 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: 19 August 2020

Omnicom Engineering Limited

Profit and Loss Account for the Year Ended 31 December 2019

		31 December 2019 £ 000	31 December 2018 £ 000
	Note		
Turnover		-	493
Cost of sales		<u>-</u>	<u>(103)</u>
Gross profit		-	390
Administrative expenses		<u>(11)</u>	<u>-</u>
Operating (loss)/profit		<u>(11)</u>	<u>390</u>
(Loss)/profit before tax		(11)	390
Taxation	6	<u>-</u>	<u>-</u>
(Loss)/profit for the financial year		<u><u>(11)</u></u>	<u><u>390</u></u>

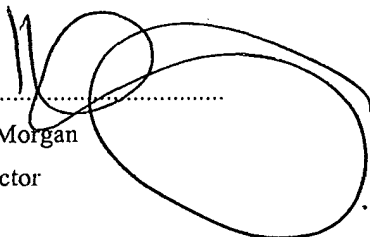
The above results were derived from discontinued operations.

There are no items of other comprehensive income in either period other than those reflected in the Profit and Loss Account. Accordingly no separate statement of Other Comprehensive Income is presented.

Omnicom Engineering Limited
(Registration number: 03153641)
Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Current assets			
Debtors	7	4,353	4,224
Cash at bank and in hand		-	140
		<u>4,353</u>	<u>4,364</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		<u>4,352</u>	<u>4,363</u>
Total equity		<u>4,353</u>	<u>4,364</u>

Approved by the Board on 18 August 2020 and signed on its behalf by:



 I K Morgan
 Director

Omnicom Engineering Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	1	3,973	3,974
Profit for the period	-	390	390
At 31 December 2018	<u>1</u>	<u>4,363</u>	<u>4,364</u>
	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	1	4,363	4,364
Loss for the year	-	(11)	(11)
At 31 December 2019	<u>1</u>	<u>4,352</u>	<u>4,353</u>

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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.

A summary of the principal accounting policies of the Company, all of which have been applied consistently throughout the current and preceding year, is set out below.

Basis of preparation

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") and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000, unless otherwise stated.

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 the address in note 11.

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:

- 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 of the Companies Act 2006.

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 are discussed in note 2.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' Report.

The Directors have prepared the financial statements on a non-going concern basis.

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

1 Accounting policies (continued)

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 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 the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

1 Accounting policies (continued)

Financial instruments

Classification

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, reduced by allowances for estimated irrecoverable amounts and expected credit losses in the case of trade debtors.

Cash and cash equivalents comprise cash balances and call deposits.

2 Critical accounting judgements and key sources of estimation uncertainty

Judgements

In the application of the Company's accounting policies, which are described in note 1 above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the opinion of the Directors, no critical judgements or estimations were made in the application of the accounting policies.

3 Staff costs

The Company had no employees and therefore has incurred no employment or pension costs for the year or the preceding year.

4 Directors' remuneration

The Directors are employees of the Balfour Beatty Group and received no specific remuneration for their services towards the management of this Company in the current or prior year.

5 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.

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

6 Taxation

Tax charged/(credited) in the income statement

	2019 £ 000	2018 £ 000
Tax expense/(receipt) in the income statement	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
(Loss)/profit before tax	<u>(11)</u>	<u>390</u>
Corporation tax at standard rate	(2)	74
Tax increase/(decrease) arising from group relief	<u>2</u>	<u>(74)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

The Company earns its results 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% (2018: 19%).

For the year end 31 December 2019, 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, provided for a reduction in the main rate of UK corporation tax to 19% effective from 1 April 2016 and a further reduction to 17% from 1 April 2020. However, the Finance Bill 2020 substantively enacted on 17 March 2020 supersedes this, and states, that the UK corporation tax rate will remain at 19% for the financial years ended 2020 and 2021.

Unrecognised deferred tax

There are £Nil of unused tax credits (2018: £51k) relating to the difference between depreciation and capital allowances claimed for which no deferred tax asset is recognised in the Balance Sheet.

Omnicom Engineering Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

7 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	-	3
Amounts owed by group undertakings	4,353	4,212
Prepayments	-	9
	<u>4,353</u>	<u>4,224</u>

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

8 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</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.

9 Related party transactions

As a wholly owned subsidiary of Balfour Beatty plc, the Company has taken advantage of the exemption in FRS 102.33 from disclosing transactions with other wholly owned subsidiaries within Balfour Beatty plc.

10 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 largest and smallest group on which these financial statements are consolidated 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.

11 Subsequent events

As at the date of the approval of these accounts, there were no material post balance sheet events arising after the reporting date.