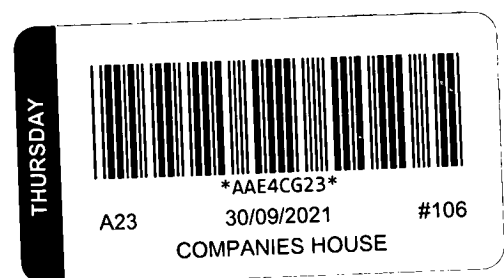




BMT Group Ltd
Annual Report:
Directors' Reports & Accounts 2020

Company No: 1887373

Accounting Date:
30 September 2020



BMT GROUP LIMITED

DIRECTORS

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Ms S L Kenny OBE	-	Chief Executive
Ms W J Barnes		
Ms S M Mackenzie		
Mr D K McSweeney		
Mr D R Webb		
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1887373

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STATEMENT BY CHAIR AND CEO

JOINT CEO AND CHAIRMAN'S STATEMENT

It is fair to say that 2020 was in many ways an exceptional year, where businesses, individuals, and society as a whole were presented with truly unprecedented challenges as a result of the COVID-19 pandemic. Overall, for BMT, this has been a challenging year but, as a team, we have been agile in our operational response, we have accelerated our transformation programme, focussed on our 'one BMT' philosophy, and refreshed our business strategy.

We witnessed a fall in turnover, a significant loss overall of £13.6m before tax comprising a large exceptional loss on a single onerous contract of £16.1m, losses of £1.7m on businesses disposed of in the year and, an operating profit before those items, similar to last year, of £5.3m benefitting from COVID19 savings in costs which helped offset the reduction in revenue. Notwithstanding the overall result, we have come through the pandemic and our business has shown resilience through our strong customer relationships and our great people.

As the Chair and CEO of the Group, we could not have been prouder of our people at BMT at this unprecedented time. We have remained true to our values, pulling together to deliver practical support and solutions to our customers, and our stakeholders; this has gone far beyond routine delivery: we have assisted our clients to work remotely, continued our outreach activities, provided thought leadership and COVID19 support in our markets, and played our part in the pandemic response. Our people also supported each other, volunteering as mental health first aiders and employee representatives, to maintain connectivity whilst so many were locked down working from home.

Where office working has been essential, care has been taken to make this as safe as possible and looking to the future we have explored with our people how and when they wish to return to offices. The low COVID19 incidence rate amongst our employees, and the sustainment of our already high employee engagement score, bear testament to our approach. At no other time in our history have we demonstrated quite so well the extent to which we are driven by a commitment towards a safer, more efficient, more effective, and sustainable future for our employees, customers, and wider stakeholders.

For our defence and security activities, we were appreciative to receive 'essential worker' status and for the continued flow of work from clients across this area, which combined to ensure safe and secure delivery, a solid orders performance in the year, a growing order

book for the following year, and better ongoing revenue visibility for the Group overall.

Beyond our defence and security portfolio, BMT operated in a number of areas which were subject to strategic review, including an assessment of our geography, capabilities, and markets. Ultimately, this resulted in taking the difficult decision to exit elements of our portfolio, with a view to focusing on our positions of strength.

We also re-shaped our businesses operating in the energy and transport markets, and we received support from the Netherlands Government (this being the only support package that we availed ourselves of) for our marine surveys team, which sustained the capability when access to client assets was prohibited due to COVID19 restrictions. As such, we sold or closed our businesses in Hong Kong and Malaysia and announced our intention to close our operations in India, Brazil, and Indonesia.

Revenues overall in the non-defence related aspects of the portfolio were suppressed, and this had an immediate impact on utilisation, and whilst the actions taken to mitigate and minimise the force of this were rapid, the effect on profitability could not be avoided. The uncertainty we faced at the outset of the pandemic meant that inevitably, we were concerned with ensuring the ongoing liquidity of the group, by preserving cash, being decisive on addressing areas of stress, and maintaining our balance sheet strength. The re-focussing of the portfolio was one component of this, although we fully recognised that the cost of change would fall within the 2020 reporting year whilst the benefits would materialise in the following years.

To achieve in-year benefits, we robustly addressed overhead costs, curtailing spend on discretionary items such as travel, accommodation, and marketing. Some of these controls were enabled by COVID19 restrictions, and whilst we will apply close controls in the 2021 year, a return of some of these costs will necessarily occur. With over 80% of our cost-base attached to salary costs, we also took the incredibly difficult decision to take a group-wide salary reduction of 20% for three months, for which we remain incredibly appreciative of the support of our people. Furthermore, we carefully managed cash inflows and outflows; a result of which was one of the lowest receivables weeks in BMT's history. The net effect of these actions was a significant saving, which served to mitigate the effect of the revenue lost through COVID19 restrictions.

STATEMENT BY CHAIR AND CEO

In a typical year, BMT manages over 1,500 individual projects for our clients. Within the 2020 year, one of our major projects overseas ran in to difficulty and became onerous during the year. We have implemented a comprehensive recovery programme, which is being led by the executive team for the remaining duration of this multi-year contract, and a significant provision has been taken in the accounts. The team remain focussed on completing our remaining work and completing all contractual obligations. Whilst there are no other projects of this nature in our portfolio, a 'lessons learned' exercise was conducted, as a result of which we have changed our processes to ensure that the whole Group benefits from the experience gained.

In terms of BMT's governance and leadership, in 2020 our Chairman Sir John Hood retired and was replaced by Charles Packshaw (previously our Senior Independent Director). Our sincere thanks and appreciation go to Sir John for his leadership of the board and support to BMT.

We also welcomed two new non-executive directors to the main board: Andrew Wyllie and Sue Mackenzie. Andrew and Sue both bring a wealth of relevant market and commercial knowledge and experience to BMT, and we are delighted to have them join our board.

Setting 2020 in context, our results to the end of H1 FY 20-21 illustrate that the decisive actions taken in 2020 to return to profit have succeeded, and our efforts to repair the balance sheet are proving to be effective. As we look to H2, this trend continues in a positive direction, with liquidity remaining strong. This, plus the re-focusing of our strategy and our portfolio, is delivering largely to plan.

We are ambitious for our future, and for all of the challenges of 2020, we utilised the opportunity to re-shape the portfolio and refresh our strategy. As a result, we are confident that we have set the business on a course for sustainable growth as we come through the pandemic.

A foundation of strong financial performance enables this growth and increases the scale and reach of the impact we can have for our clients, and for society, in addition to providing developmental career pathways and meaningful reward for our people.

Sarah Kenny OBE, CEO

& Charles Packshaw, Chairman of the Board

STRATEGIC REPORT

BMT's Ownership Structure

BMT Group Ltd is the ultimate parent company of the group of companies whose ownership is held by the BMT Employee Benefit Trust ('EBT').

The parent company is a private company limited by guarantee with no share capital, voting control and legal ownership rests with the EBT Trustees and beneficial ownership rests with current and former employees. For the purposes of this Annual Report and FRC guidance, the Trust and Beneficiaries are the members.

In view of the size, nature and ownership structure of the organisation and the readily available amount of information and data provided to members on a regular basis throughout each year, this Strategic Report aims to present a fair, balanced, and understandable view for the members to help them assess how the directors have performed their duties particularly in relation to promoting the success of the company for the benefit of its members taken as a whole. It should be read with the rest of the Annual Report and Accounts and draws on FRC guidance and, the directors have taken advantage of the exemption, where necessary, not to disclose matters which, in their opinion, are seriously prejudicial to the interests of the Group.

Our Purpose

BMT exists to help navigate some of the most important and impactful engineering challenges of our time, creating an environment where people with outstanding technical knowledge strive to deliver a safer, more efficient, more effective, and sustainable future. We are strongly anchored in our values, and through these we strive to create value for our employee owners, customers, and wider stakeholders.

Our Vision

Our vision is to be a global leader in delivering 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

Who we are

BMT is a maritime-orientated high-end design house and technical consulting firm. We are driven by a passion for solving complex, real-world problems that matter.

Building on our rich maritime specialisms and heritage, our scientists, engineers, consultants, and programme managers apply their knowledge and expertise across oceans and on land, in defence, security, shipping, environment, and infrastructure. We create innovative designs, enhance operability, optimise efficiency and safety, and enable digital solutions and sustainable outcomes.

We endeavour to delight our customers, partners, and stakeholders, carrying a sound reputation as thought leaders and collaborators in our sectors and markets. We are an exciting, attractive company to work for, offering great work and great reward to a diverse workforce of brilliant people. We are ambitious for our future and the positive impact we can have, and we recognise that delivery excellence enables us both to reward our people and invest in our capabilities.

Since privatisation in 1985 BMT has evolved into a unique firm with a strong culture, thanks in part to our independence and our shared values.

Our Values

Trust

- We keep our promises
- We do everything with integrity
- Our customers can always rely on us to perform and deliver as their trusted partner

Innovation

- We combine knowledge and expertise to develop insights into tomorrow's problems
- We value the creativity, ingenuity, and knowledge of everyone in our business
- We are imaginative and agile in our thinking and adaptable in our delivery

Passion

- We're passionate and proud of our work
- We love the challenge of solving our customers' most complex problems
- Performance matters - we are passionate about delivering meaningful outcomes
- We are passionate about engaging with and investing in the communities in which we operate

Respect

- We respect our customers, partners, and colleagues, investing in building enduring relationships on which we depend.

STRATEGIC REPORT

- We respect the environment in which we operate and seek to have a positive impact
- We value diversity of thought and people
- We are committed to the safety and wellbeing of everyone involved in our business

Collaboration

- Collaboration is at the heart of our business
- We empower teams to achieve their potential, going further than any person could alone
- We are driven to succeed and share that success with all our people

Our Core Business and Our Strategy

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

Our core business is made up of distinctive and sustainable BMT capabilities, which we leverage to address the needs of our customers and markets and are the primary focus of future capability development. We refer to these as our 'famous four' offerings, and they are as follows:

- 1) Maritime design and consultancy
- 2) Asset monitoring and sustainment
- 3) Environment and climate solutions
- 4) Defence and security acquisition and customer friend

We have a broad international reach with a track record of delivery in Europe, Asia, Africa, and the Americas. Our capabilities are delivered from our major office locations in the UK, Netherlands, US, Canada, Singapore, and Australia.

We see exciting growth opportunities in both defence and commercial Ship Design, and in the rapid development of digital capabilities to offer truly integrated environmental solutions, and advanced asset lifecycle services. These are the focus of our strategic growth campaigns and will underpin our future prosperity and growth.

Our Goals

We are ambitious for our future growth. This increases the scale and reach of the impact we can have on the

world and provides developmental career pathways for our people.

A foundation of strong financial performance enables future growth and drives meaningful profit distribution to our employees.

This is underpinned by our commitment to create real value for our customers and our employees and to play our part in meaningful change in the route to net zero and sustainability.

Our headline strategic targets therefore are:

- Double digit orders growth
- Double digit (%) EBITDA (pre owner distributions)
- Improved employee engagement
- Improved customer satisfaction
- Sustainability targets/commitment to net zero
- Diversity & Inclusion commitment

What we do

- We create clarity from complexity, applying our deep and broad domain knowledge and expertise to innovate and solve complex problems.
- We use our market and technical breadth to leverage diverse concepts, approaches, and solutions to benefit our customers.
- We take cost and risk out of our customers programmes and put assured performance in.
- We deliver practical independent action-oriented advice, enabling our customers to make important decisions with confidence.
- We collaborate with our customers, partners, and supply chains to shape the future together and deliver the right solution to the right place at the right time.
- We protect, we enhance, we transform.

BMT is an intellectually intensive, people business; we sell our various expertise largely based on the efforts of our skilled and qualified personnel complemented by various digital solutions.

Response to COVID-19 – a strategic priority in 2020

The global pandemic struck halfway through the financial year, and we responded quickly by:

1. Ensuring our employees, customers and suppliers were kept safe and well in their interactions with our business.
2. Enabling our people to work flexibly and effectively from home during various lockdowns around the world.

STRATEGIC REPORT

3. Investing in technologies to enable client work to continue unabated.
4. Undertaking a pay-cut of 20% across the business for Q3 and no furlough of employees.
5. Heightened our working capital management to maintain liquidity enhanced by accessing Government tax deferral initiatives and other available grants.

Making a difference

Our strategy embraces wider social purpose and has done so for many years. We work together to embed this thinking in our operating model and deliverables. In doing so, we have the advantage of being a single global family with shared values and a common purpose.

The principles of good corporate responsibility are embedded in our behaviours and our ways of working.

In addition, we carry out many specific activities across the Group as part of our commitment to good corporate responsibility, providing opportunity for employees to participate in structured corporate activities or to pursue personal aims and objectives.

Employee Value Proposition ('EVP')

In 2020 we reflected on how each of us contributes to our culture and working environment and what attracts people to work for us. This has resulted in our updated EVP - a commitment between BMT and our employees to create a positive and inclusive environment where we feel valued and at our best.

We are investing in initiatives that promote equality, diversity, and inclusion, and supporting colleagues to be active in their local communities.

Our EVP is to some degree aspirational, but we are already living it across the organisation, implementing new programmes and initiatives and refreshing existing ones. Some of these are:

- A global employee assistance programme providing employees and their families with counselling and other valuable services to support them in their personal and professional lives, which has been particularly important during the pandemic.
- Continued investment in our practice communities - internal networks of colleagues joined together by a common area of professional and technical interest which help bring world-class expertise to our projects and provide a fertile environment for professional development.
- Our Bursary/Scholarship Fund, aiming to support leading edge skills and thought leadership through further specialisation, and investments in innovation

encouraging colleagues to generate new ideas, solutions, and approaches.

BUSINESS AND FINANCIAL REVIEW

The business witnessed a fall in turnover, a significant loss overall of £13.6m before tax encompassing a large exceptional loss on a single onerous contract of £16.1m, losses business disposals of £1.7m in the year and, an operating profit before these items of £5.3m - benefitting from COVID19 savings in a number of cost areas which helped offset the reduction in revenue.

Despite the uncertainty and operational challenges, the order book and contracted work for the coming year have both held up well over the past 12 months and into the current financial year.

The continuing business performance was impacted by the one-off exceptional item which has, due to its nature, been disclosed separately as an exceptional item and is discussed later.

Business environment

The pandemic, combined with geopolitical pressures, created mixed market conditions for both private and public investment around the world.

Many of the clients we serve are public sector based and most of our services are categorised as essential, which has enabled us to continue to serve them despite the restrictions in many of our trading markets for over half the financial year. We were privileged to be able to maintain essential engineering design, risk, and support services to the military fleets in Australia, Canada, United States of America, and United Kingdom at levels similar to the previous year.

The UK remains the Group's largest market, but it offered little scope for real growth, mainly due to economic uncertainty arising from the pandemic and Brexit.

In North America, the US and Canadian markets offered some opportunities for growth, with a strong defence sector complemented by the offshore energy sector starting to recover after its most recent downturn.

Defence and maritime environmental markets in Australia saw continuing demand mainly in the public sector.

Markets in South East Asia continued to be challenging and we liquidated our businesses in Hong Kong and Malaysia as well as, after the year-end, completing the sale of our subsidiaries to local management in India and Indonesia (retaining a 5% stake) – leaving Singapore as a regional hub.

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We took the decision to exit Brazil due to the challenges of maintaining a permanent base and sold the business to the local employees after the year-end.

The international development market offered little opportunity for real growth due to political reassessment of priorities in the US and UK, government budget constraints and slow procurement processes.

Continuing operations before exceptional items

Financial Highlights

	2020	2019
Turnover	£166.4m	£172.6m
EBITDA*	£8.4m	£8.2m
Profit before tax	£4.2m	£4.2m

Key Performance Indicators continuing operations

Group performance against strategic targets for the year, whose purposes are to improve our economic sustainability, is as follows:

	2020	2019
EBITDA Margin	5.0%	4.8%
Turnover per employee	£116,881	£126,617
Average number of employees (FTEs)	1,424	1,363

The non-GAAP measure of Earnings Before Interest, Tax, Depreciation & Amortisation ('EBITDA') has been calculated in this report as follows:

	2020	2019
Group Operating Profit	£5.3m	£5.1m
Depreciation & Amortisation (note 3)	£3.1m	£3.1m
EBITDA	£8.4m	£8.2m

Overall, turnover decreased by 3% to £166.4m with revenue increases in the UK being offset by reductions in other geographic markets, the UK benefiting from more longer-term defence related contracts.

EBITDA increased marginally, and reflected the asset write downs, and other exit costs, incurred as the Group continued to rationalise its operations and legal entities to concentrate on its core strategic business in 2020; where relevant, these exits will be shown as Discontinued activities in the following year. Notably, towards the latter half of the financial year, the Group started to benefit from efficiencies gained from the rationalisation and closure programme and a lower level of expense in payroll, travel and accommodation, amongst others, due to the restrictions of the pandemic.

Exceptional Item

Pre-tax exceptional charges from continuing operations totalled £16.1m (2019: £nil). The material one-off item relates to a single onerous contract loss. Further information on the exceptional item is disclosed in the notes to the accounts.

Discontinued Operations

The Group continued to rationalise its operations and legal entities. Included within discontinued operations are the costs of closure of underperforming entities which are not part of the strategic growth plan, including the closure of operations in Malaysia and Hong Kong. The post-tax loss on discontinued operations totalled £1.7m (2019: loss of £4.6m).

Group result for the year

The group delivered an overall loss before tax of £13.6m, with profits delivered from continuing operations being offset by exceptional items and discontinued operations.

	2020 £m	2019 £m
Continuing operations		
Before exceptional items	4.2	4.2
Exceptional items	(16.1)	-
Total continuing operations	(11.9)	4.2
Discontinued operations	(1.7)	(4.2)
Total Group loss before tax	(13.6)	-

The loss after tax was £14.7m (2019 loss: £1.5m).

Balance Sheet and Cash Flow

We continue to tightly manage our working capital including our cash position. The Group had net assets before pension deficit (net of deferred tax) of £38.5m. Including the pension deficit the consolidated Group had net liabilities of £1.8m.

A summary is set out below:

	2020 £m	2019 £m
Fixed assets	10.5	19.0
Cash and cash equivalents	41.9	25.1
Other net (liabilities)/assets before defined benefit pension items*	(6.4)	11.6
Provisions for liabilities & charges	(7.5)	(0.7)
Net assets before net defined pension deficit	38.5	55.0
Defined benefit pension deficit **	(49.7)	(53.2)
Defined benefit pension deferred tax	9.4	9.1
Net (liabilities)/assets per Balance Sheet	(1.8)	10.9

STRATEGIC REPORT

**Excludes current asset investments and bank overdrafts included in cash and cash equivalents.*

***The Group continues to fund the pension deficit through Deficit Recovery Contributions agreed with the Pension Trustees, where the short-term commitment (12 months of contributions) at 30 September 2020 is £2.8m.*

The Group's cash and cash equivalents increased by £16.8m to £41.9m, in part due to a transfer of £7.0m of fixed asset investments into readily available marketable interest-bearing securities.

The Group generated £13.6m of cash from operations, although this includes a £2.3m timing benefit from tax related payments deferred through government COVID-19 relief initiatives which has been repaid since year end.

BMT Group Limited, the parent entity, had net assets of £4.2m at 30 September 2020, including the UK pension deficit.

Post Balance Sheet Events

Subsequent to the year end, the Group completed the sale of its operations in Indonesia, India and Brazil. The impact of the sale in the financial year ended 30 September 2021 are negligible as the assets were written down to net recoverable amount at 30 September 2020.

MANAGING RISK AND UNCERTAINTY

Effective risk management is fundamental to how the Company's strategy and business objectives are delivered. Our risk management framework includes a formal process for identifying, assessing, and responding to risk. During the current year, we continued to refine our approach, with risk identification increasingly embedded within our key management processes, including strategy, project, and programme management, bid approvals and other operational activities. A table of key risks, how we manage them, why they are important and how we manage them is shown overleaf.

STRATEGIC REPORT

Risk	Link to our strategy	Why Important	How we Manage it
Global Pandemic	Sustain the Core	The impacts from COVID-19 have been felt in our key markets, with national mitigation strategies introduced to varying degrees, including travel restrictions and home working where possible. Market volatility has weighed on certain industries.	We put the health and safety of our employees, customers, and third parties at the forefront of our response. We adapt our ways of working to minimise the health risks and to ensure we can continue to deliver on projects. We take active, immediate, and concerted efforts to protect cash reserves in response to business or market volatility. We carry out annual integrated strategic planning exercises that are stress tested for a range of possible outcomes. We take active steps to 'right size' the business to exit underperforming markets or business lines and to manage our cost base.
Contractual and Project Delivery Risks	Sustain the Core Grow through Collaboration	We contract with a wide range of customers across many markets and geographies. The requirement to agree to customer terms and conditions, including the provision of performance guarantees in the ordinary course of business, may increase our exposure to contract liabilities and indemnity claims.	We have established bid and contract approval processes, with requisite commercial, financial, and legal oversight. We continually monitor our project delivery risks against our contractual commitments, taking corrective actions and when required, assessing the level of professional indemnity insurance in place. Project delivery is managed through the project lifecycle process, through the application of relevant policies, procedures, and management systems, and is reinforced by regular reviews. Training is provided on project management best practices to ensure consistent standards are applied across the organisation.
People - Recruitment and retention of staff:	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' expectations and to drive the business forward.	We operate targeted recruitment campaigns to ensure we attract the best people and benchmark our performance against other companies in key areas. We maintain a Global Careers Map to assess performance, enable opportunities for development and progression, and to facilitate succession planning. We promote employee engagement and use multiple channels to encourage effective and timely communication.

STRATEGIC REPORT

MANAGING RISK AND UNCERTAINTY (Continued)

Risk	Link to our strategy	Why Important	How we Manage it
Market Risks – Customer and Competitor / Partners	Sustain the Core Grow through Collaboration	We work across a number of geographies and industries. We have several key customers and partners with whom we have established long-term working relationships.	We review specific market developments and monitor the activity of our competitors, adapting our strategies to meet changing market and customer needs. Our key account managers work closely with our main customers to ensure we are the engineering delivery partner of choice and continue to provide a reliable and trusted service which is aligned with their requirements and budgets, recognising that governments and key commercial customers may reduce their discretionary spending in the medium term. We maintain a diverse range of services and capabilities to avail of the wider environmental, political and market trends. We continue to invest in our people and our business development strategies.
Innovation – new technologies	Exploit and Invest in Innovation Grow through Collaboration	New technologies and industries 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. We continue to adapt our offering to maintain a distinct competitive advantage. Through targeted spending programmes, via an employee innovation catalyst network to harness creativity, and by working closely with our customers, we continue to mature our approach to delivering more advanced solutions.
Reputational Risk	Sustain the Core Grow through Collaboration Exploit and Invest in Innovation	Our reputation is core to who we are and how we operate. We are considered a trusted global business and delivery partner 'of choice' by our customers and stakeholders.	We assess this risk continually through our regular management processes, including strategy, project and programme management, bid approvals and other operational activities. We have established policies and processes, reinforced with mandatory training programmes, reporting and monitoring controls. We have dedicated in-house professionals to provide active crisis response management as required.
Business Transformation	Sustain the Core Grow through Collaboration Exploit and invest in Innovation	We are mid-way through a business transformation that involves the rollout and adoption of common processes, facilitated by a global ERP system and supported by key global management functions to ensure consistency in how we deliver our strategy and meet our stakeholder expectations.	We manage this risk through the adoption of change management programme disciplines, close engagement with senior leadership, and continuous tracking and monitoring of benefits realisation. We manage the rollout and adoption of a global ERP system through following good project management practices, allocating the requisite resources and providing continuous oversight and governance by our senior leadership team.

STRATEGIC REPORT

MANAGING RISK AND UNCERTAINTY (Continued)

Risk	Link to our strategy	Why Important	How we Manage it
Health and Safety and Environmental	Sustain the Core	Due to the nature of some of the work we do, our employees and stakeholders may be exposed to injury and /or breach of health and safety regulations in some of the markets in which we operate.	We manage this risk through a combination of global policies and processes, including mandatory training and reporting, and through reinforcing a safety culture throughout the organisation. We assess this risk continually, with close monitoring by our senior leadership team, and periodically, we conduct scenario planning to enable us to make targeted improvements to our training and to our underlying operational processes as 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 potentially our stakeholders.	We adopt a multi-layered approach, using appropriate physical and network security measures to protect our systems and data. We deploy several software tools to monitor and support our data and systems security. All employees are required to take mandatory training. We continually assess our network resilience and security, adapting the mitigations accordingly.
Regulatory and Compliance Risks	Sustain the Core Grow through Collaboration	We work across a number of highly regulated industries and markets, and we hold the trust of our stakeholders to be compliant and to behave ethically and responsibly.	We manage the risk of a breach of ethics or regulations by instilling the right behaviours and culture, supported by clear policies and procedures, including mandatory training. We maintain an independent, confidential helpline to enable employees or third parties to raise concerns. We continually assess compliance, including undertaking targeted risk assessments and policy self-certifications across our business.
Long-term Liabilities: Pensions	Sustain the Core	We hold defined benefit (DB) pension schemes which are now closed. A material and sustained drop in the value of the pension fund assets; or an increase in liabilities beyond actuarial assumptions, could require additional funding to manage the deficit.	We manage the DB scheme liabilities by implementing appropriate funding strategies based on actuarial valuations. We employ the services of a Fiduciary Management Investment organisation to execute and manage the approved investment strategies on behalf of the Trustees.

STRATEGIC REPORT

MANAGING RISK AND UNCERTAINTY (Continued)

Risk	Link to our strategy	Risk Statement	How we Manage it
Financial Management: Financial investment risk	Sustain the Core Grow through Collaboration Exploit and Invest in Innovation	We need to fund our current operations and invest in our future through both funds held in banks or managed by external fund managers.	Senior level committees have been established with specific responsibilities for ensuring the proper governance and integrity of the Group's finances, having regard both to funds held internally and to those managed by external fund managers.
Financial Management: Credit and liquidity risk	Sustain the Core Grow through Collaboration Exploit and Invest in Innovation	We need to fund our current operations and invest in our future. The impact of political, market, and industry volatility on our key stakeholders, and/or our failure to be efficient and agile in how we win and deliver on contracts, could impact adversely on our financial performance and on our ability to grow and invest in our future.	Senior level committees have been established with specific responsibilities for ensuring the proper governance and integrity of the Group's finances. We continually assess and take steps to right-size the cost base and to make our processes more efficient and effective. We assess the credit quality of each customer using a combination of strategies. We closely monitor cashflow forecasts and payment performance, both at individual project and client level. We take active, immediate, and concerted efforts to protect cash reserves in response to business or market shocks.
Financial Management: Foreign exchange risk	Sustain the Core Grow through Collaboration	The Group is exposed to movements in foreign currency exchange rates for the translation of net assets and revenue and expenses of our overseas subsidiaries as well as the translation assets and liabilities denominated in currencies other than GBP.	Where possible, each business undertakes commercial transactions in its own functional currency. Where this is not possible, the Group manages its foreign exchange risk from commercial transactions using derivative contracts where appropriate.

STRATEGIC REPORT

SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT

The Board of Directors, in line with their duties under s.172 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 s.172 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 its Committees 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.

COVID19

The COVID19 pandemic has led to changes to how we have engaged with our stakeholders over the financial year with fewer in-person events and the advent of wide-scale home working in most of the countries where we operate. This led to the use of more virtual engagement through videoconferencing or web-based communications in various forms. Throughout the pandemic the safety and wellbeing of our employees and everyone associated with our business has been the top priority. As a result of the decisions taken at the start of the pandemic the business has been able to operate effectively with through regional COVID-19 restrictions and ensure COVID-secure workplaces.

Our Customers

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

Our Employees

Our ability to deliver our strategy and the desired outcomes for our customers requires competent and empowered people working safely together across BMT. Actions the Board has taken to position the business for profitable growth create long-term values for our owners.

This year the focus on the employees has been at the forefront of Board decisions more than ever before, with

wellbeing and career development recognised as vital enablers to the success of the organisation. This has led to continued high levels of employee engagement.

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

Every month the employees are provided with an overview of business performance via a dedicated intranet. This includes a narrative describing the financial and economic factors affecting performance of the business.

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 of COVID-19. The Board periodically review and approve BMT's approach to supplier and customer engagement, actively taking a role in strategic decisions representing exceptionally high-risk to the business.

Our Wider Community

The Board fully support community engagement, 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, in particular this year during the COVID-19 pandemic, where we have seen BMT employees going to great lengths to contribute to wider social challenges.

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

STRATEGIC REPORT

Our Pension Scheme

The Board recognises current and future pensioners within its Defined Benefit Scheme as stakeholders in its decision making. The Board is committed to ensuring the pension scheme is fully funded and through the Chief Financial Officer engages in a transparent and regular dialogue with the Pension Trustee.

associations to positively influence and shape the future of our industries.

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

Stakeholders: why they matter, their interests and how BMT engages with them

Why they matter to us	Their interests	How BMT Engages with its stakeholders
Customers: We aspire to be our customers' trusted partner helping to solve their most complex challenges.	<ul style="list-style-type: none"> • Delivery • Safety • Innovation • Relationship 	<ul style="list-style-type: none"> • We build long-term customer relationships and collaborations to understand their needs and create enduring value
Employees: We strive to ensure our long-term sustainability for the people who drive our success: our employees.	<ul style="list-style-type: none"> • Remuneration and reward • Learning and development • Health and Safety • Diversity & Inclusion (D&I) • Wellbeing 	<ul style="list-style-type: none"> • Global Induction • Comprehensive learning and development opportunities • Career framework • Globally benchmarked remuneration and benefits • Employee Engagement Group • D&I and Wellbeing strategies
Trust and Beneficiaries: We operate the business to add value now and into the future.	<ul style="list-style-type: none"> • Long term stability of the company • Company performance • Returns 	<ul style="list-style-type: none"> • Regular updates, meetings and engagement with Trustees • Engagement of the Trustees with the Employee Engagement Group
Industry bodies: 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"> • Regulations, policies and standards • Thought leadership • Skills deficit 	<ul style="list-style-type: none"> • Memberships & In-kind support • Employees actively engaged in meetings and committees • Technical papers • Promoting professional accreditation and memberships
Supply chains: Our suppliers are critical enablers of the effective delivery of our business and vital partners in ensuring compliance and minimising impacts.	<ul style="list-style-type: none"> • Long term relationships • Timely payment • Clear parameters 	<ul style="list-style-type: none"> • Good working relationships • Prompt payment • Supplier Code of Conduct • Supplier due diligence
Communities: We understand that we depend on the communities where we operate and have a responsibility towards them.	<ul style="list-style-type: none"> • Employment • Health & Safety • Environment • Community investment • Education 	<ul style="list-style-type: none"> • Sponsorship • Charity and volunteering • University partnerships • STEM Ambassadors
Pension Scheme: We recognise current and future pensioners within our Defined Benefit Scheme as stakeholders in company decision making.	<ul style="list-style-type: none"> • Employer Covenant • Deficit contributions 	<ul style="list-style-type: none"> • Transparent dialogue • Regular covenant monitoring

STRATEGIC REPORT

FUTURE DEVELOPMENT OF THE BUSINESS

What will BMT be like in the future? (Target Operating Model)

We are on a journey of change; an evolution that enables us to deliver our strategy and fulfil our purpose in line with our values.

BMT will be a more aligned global business, adapted locally to reflect different geographic regions and markets. Global alignment means consistency in delivering value to our customers through our processes, tools and the way we manage information. This increases the reliability of our performance, the efficiency of our delivery and gives us the ability to deploy our global capabilities. It means career development opportunities at a global, not just local level so we can attract and retain the best talent. We want people to feel part of a global professional community, as well as their local team, knowing they have a voice in the business. Processes are centralised to create alignment within a consistent framework and help us to manage and reduce risk. But within that clear framework high levels of autonomy are given to project managers, as well as technical and functional business leaders to deliver our strategy in their markets. We call this the Strategic Controller Business Model.

Where the opportunity to develop and exploit products exist, we will do so with ambition and commercial rigour. However, the organisation will continue to be a project-driven engineering, scientific and programme management consultancy. We will invest strongly in our innovation pipeline, empowering people to create, develop and commercialise ideas aligned to our strategic direction.

We will build on our strong delivery focus, ensuring project managers have the skills, recognition, authority, and accountability for delivering successful project outcomes with the right tools and information at their disposal, ensuring that we have satisfied customers.

Our technical assurance community will support all areas of the business to ensure that our delivery is 'right first time'.

We will be a more outward looking business, investing more time and effort in building customer relationships, understanding their needs, and ensuring they are represented in all aspects of our thinking. Our Future Business team will drive the acquisition of new business, and everyone involved in delivering projects for customers will help secure repeat and follow-on opportunities.

Culturally we will strengthen what it means to be BMT, founded on our rich heritage of technical excellence and innovation, but with a stronger emphasis on strategic ambition, consistent, profitable delivery, and customer focus.

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.

We will have a more diverse workforce, bringing a wide range of thinking and operating in an inclusive and safe environment that promotes employee wellbeing. Underpinning everything we do, we will be a more environmentally, socially, and economically sustainable business in the way we run the organisation, but also in the things we do for our customers and the value we create for our wider stakeholders.

How are we going to get there? (Transformation Programme)

Our BMT Together Transformation Programme provides the co-ordination and management of change projects across many aspects of our business that are making our aspirations for the future of BMT real.

It is organised in workstreams across three phases of Fix, Win and Grow. The Fix phase was about making changes and improvements to the foundations of the business where there were significant risks or performance issues; we continue to make improvements from lessons learned. The Win phase, although impacted by the COVID-19 pandemic, builds on those changes maturing the structures, systems and processes that will enable us to succeed whilst demonstrating profitable performance. The Grow phase will see solid progress towards the realisation of our strategic targets and more.

What are our priorities?

There are many elements that come together in driving our long-term success. But at its heart our route to success is simple.

To win next year and beyond we must focus on growing and profitably delivering our order book, staying close to our customers, and investing in our people.

STRATEGIC REPORT

Our strategic priorities are:

- Performance
- Customers
- People

Performance will be enhanced and assured by the investment we are making in project and programme management. This includes a new approach to professional development and career pathways for our specialist project and programme managers in all areas of the business.

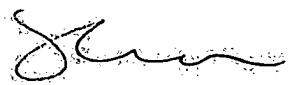
We continue to strengthen the alignment and focus of our business. The next phase of our Transformation Programme will ensure we have the best management information tools to support our growth ambition. Although the impacts of COVID-19 will be seen in the global economy for some time to come, the Board are confident that our portfolio is focused on markets where we will see strong, profitable growth that will improve upon the underlying EBITDA in the current financial year.

Our strategy of selective focus on our core sectors is complemented by our expertise in market differentiators like climate resilience and Ocean sustainability. Our narrative on ethical & social outcomes means we deliver a strong value proposition for our clients.

This focus and expertise put us in a good position to deal with market uncertainty and to meet future challenges and aspirations of our clients and stakeholders.

We continue to win exciting and challenging projects and enter 2020/21 with a strong order book.

As approved by the Board and signed on its behalf:



Sarah Kenny OBE
Director
28 September 2021

DIRECTORS' REPORT

The directors submit their Report, along with the Strategic Report and Accounts for BMT Group Ltd, and the Group as a whole, for the year ended 30 September 2020.

Principal Activities

Our principal activities are 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 sectors. We are a people business and our success is a reflection of the hardwork and dedication of our worldwide team of experts who seek technical excellence and innovation in all aspects of the business. The consultancy is supported by significant scientific research and development investment.

Corporate Governance

BMT Group Ltd is a large company as defined by the Companies Act. Its long-term policy is, and has been, to comply with the spirit of corporate governance as set out in the UK Corporate Governance Code insofar as it is applicable to an unlisted company, which is a continuous process overseen at a senior level and instituted throughout the Group.

The Board operates through the following governance committees: Audit, Nominations and Remuneration, comprising a mix of non-executive and executive directors and other senior members of staff who participate as and when appropriate. The day to day running of the business continues to be managed by an Executive Committee, and during the year the business transitioned to a functionally aligned global organisation (Business development, Programmes delivery through market led operating units supported by, managed & shared support services) rather than being managed on an individual operating company basis.

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 Employee Benefit Trust

The parent company is limited by guarantee, without any share capital and is in the ultimate voting control of the

Trustees of the BMT Employee Benefit Trust, established for the long-term stability of the Group and for the benefit of its employees.

The Trustees of the BMT Employee Benefit Trust, who are the sole voting members of the Company, are:

Ms W J Barnes	(Chair - Appointed 1.1.2020)
Mr G W Morton	(Independent Trustee since 1998)
Mr C M Packshaw	(Resigned as Chair 1.1. 2020)
Mr D R Webb	(Appointed 17.2. 2020)
Sir J A Hood KNZM	(Resigned 31.12 2019)

Trustees and non-executive directors of the Company cannot benefit from the BMT Employee Benefit Trust or any assets or profit related schemes within BMT.

Directors

The Board of Directors are responsible for ensuring we have the right governance structures, policies and processes that will support the business in meeting our growth ambition and becoming future ready. Having this foundation in place will enable us to mitigate our impact, anticipate customer needs and drive innovation in a way that delivers benefits for our environment and creates value for society.

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Sir J A Hood KNZM (Chair - resigned 31.12.2019)
Mr C M Packshaw (Chair - appointed as Chair 1.1.2020)
Ms S L Kenny OBE (Chief Executive)
Ms W J Barnes
Mrs S M Mackenzie (Appointed 2.3.2020)
Mr D K McSweeney
Mr D R Webb
Mr A Wyllie CBE

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.

Directors' remuneration: this has been disclosed in note 7 to the financial statements.

DIRECTORS' REPORT

Results and Profit Sharing

The financial highlights are set out in the Strategic Report. Group operating loss, after exceptional items, was £11.9m (2019: profit of £1.8m). Loss after tax for the current financial year was £14.7m (2019: Loss after tax of £1.5m) and no profit-sharing bonuses were made.

COVID19

In most countries, people were asked to stay and work from home, where possible, along with other restrictions. There remains significant uncertainty as to the extent and duration of the global economic impact. The directors are constantly monitoring the situation and are making all necessary steps to minimise the impact on our people and the business.

Events Impacting the Group after the Year End

Subsequent to the year end, the Group completed the sale of its operations in Indonesia, India and Brazil. The impact of the sale in the financial year ended 30 September 2021 are negligible as the assets were written down to net recoverable amount at 30 September 2020.

Sustainability reporting

The following section deals with the Planet, Prosperity & People. Further information can be found in BMT's sustainability report:

<https://www.bmt.org/media/5811/bmt-sustainability-report-201920.pdf>

PLANET

Streamlined Energy Carbon Reporting ('SECR')

Emissions are reported in accordance with "The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018". Legal entities outside of our UK operations are not required to include energy and carbon information within the Directors' Report and have been excluded. The reporting figures are therefore a summary of our UK emissions. This is our first year of reporting, baselining our UK emissions. Global emissions for our non-UK activities will be baselined in the financial year ended 30 September 2021.

Total Scope 1 Emissions (tCO ₂ e)	Emissions from combustion of gas	40.94
	Emissions from combustion of fuel for transport purposes	1.06
Total Scope 2 Emissions (tCO ₂ e)	Emissions from purchased electricity (A location-based method)	167.85
Total Scope 3 Emissions (tCO ₂ e)	Emissions from business travel where company is responsible for purchasing the fuel	157.04
	Emissions from employee business travel where company is not responsible for purchasing the fuel (Scope 3) / tCO ₂ e	522.58
Total gross CO ₂ e based on above (tCO ₂ e)		889.47
Intensity ratio (tCO ₂ e per £M of revenue)		5.22
Energy consumption (kWh)	Gas	222,695.81
	Electricity	656,698.17
	Scope 3 emissions from business travel where company is responsible for purchasing the fuel	605,138.92

Energy Efficiency Action

Since March 2020, during the reporting period, BMT's UK legal entities reduced average monthly CO₂e emissions from business travel by 96.1%. Travel includes all business travel including flights, car, and train journeys. BMT also reduced monthly average CO₂e emissions from electricity and gas usage in the UK by 63%.

These reductions were in response to the COVID-19 pandemic, which has highlighted our ability to operate more efficiently as a business. As well as reducing energy usage and transportation, we are undergoing a trial of software in one of our UK offices to monitor half hourly data of energy usage and are looking to invest in an electric pool car early next year.

DIRECTORS' REPORT

Methodology to prepare BMT's SECR report

Scope and Boundaries

BMT includes Scope 1, 2 and 3 greenhouse gas emissions, as defined in section 92 of the Climate Change Act 2008. Greenhouse gases within the report include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

The following sources of emissions are included within this report:

Direct emissions:

- Stationary combustion – combustion fuels in stationary equipment e.g., boilers, heaters, and engines.
- Mobile combustion – combustion of fuels in transportation devices e.g., automobiles and aircraft.

Indirect Emissions:

- Emissions from the generation of purchased electricity that is consumed in owned or controlled equipment.

Property Assets:

GHG emissions include all UK assets included in BMT's mixed tenure property portfolio. This includes assets that are wholly owned by BMT, and assets to which BMT is the lessee to a 3rd party landlord entity.

Reporting

The SECR report aligns to our annual reporting period - 12 months to 30 September. For year one of SECR, BMT reports GHG emissions only for this reporting year. These are normalised against Group revenue to give an intensity ratio with the units Tonnes of CO₂ equivalent per million pounds (TCO₂e/£M).

Emission Factors

For the 12 months to 30 September 2020 (FY19/20), BMT has used the Greenhouse gas reporting: conversion factors 2019 for our UK emissions in order to determine the Group's Scope 1, Scope 2 and Scope 3 emissions.

We calculate our carbon emissions through the collection of primary source data in their appropriate units (e.g., kilowatt hours (kWh), kilometres (km) etc.) and converting into the associated carbon emissions using the relevant emissions factors. In instances where that data is not accessible (distances travelled for hire car journeys or train travel) a conversion factor calculated based on existing journeys (CO₂e/£) has been applied.

Emissions Data

The data collection was conducted in two phases. The first collection captures periods 1-7 of the financial reporting year and was collected in May. Data relating to periods 8-12 was collected at year end in October 2020. Data was drawn from our financial reporting systems, third-party travel management companies, facilities and operational management. This data was then converted by BMT's Sustainability Manager. The internal audit function will provide periodic reviews of future emissions data and conversions to assure quality and consistency of reporting.

PROSPERITY

Global Research & Development

Investing in innovation is one of the three pillars supporting the delivery of BMT's strategic vision. In a highly competitive and rapidly changing world we are striving to use our knowledge and expertise to help our customers respond to increasing global challenges and to provide solutions that create economic, environment and social value for customers and society.

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, and 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;

DIRECTORS' REPORT

- 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.

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 performance of global 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 approach concerns 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. Collaborative - 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.

DIRECTORS' REPORT

External evaluation

After the year end, the Board engaged Linstock to undertake a review of the Board's effectiveness. The Chair is currently considering how to prioritise and take forward the recommendations, which included fostering an increased level of expertise sharing between Non-Executives and Executive Directors, as part of a process of continuous improvement. The top priorities for the Board over the coming year include an increased focus on Board dynamics and culture, contract delivery, Group strategy, and spending time in the business.

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE ACCOUNTS

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 Group and the Company and of the profit or loss of the Group for that period.

In preparing the financial statements of the Group and the Company the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgments and accounting estimates that are reasonable and prudent;
- c) state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

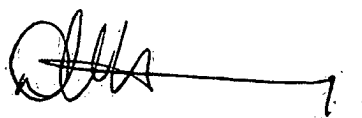
The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR AND STATEMENT OF DISCLOSURE

The directors who were in office on the date of approval of the annual reports and financial statements have confirmed that, as far as they are aware:

- there is no relevant audit information of which the auditor is unaware; and
- they have taken all the steps which 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.

As approved by the Board and signed on its behalf:



D K McSweeney
Director

28 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMT GROUP LTD

Opinion

We have audited the financial statements of BMT Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the consolidated Profit and Loss account, the consolidated Statement of Comprehensive Income, the consolidated Balance Sheet, the parent company Balance Sheet, the consolidated Statement of Changes in Equity, the parent company Statement of Charges in Equity, the consolidated Statement of Cash Flows 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 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 state of the Group's and of the parent company's affairs as at 30 September 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMT GROUP LTD

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 23, 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 Group's and the parent 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 Group or the parent 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.

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 auditors' 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.



Christopher Hurren BA FCA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP,
Statutory Auditor, Chartered Accountants,
3rd Floor, One London Square, Cross Lanes, Guildford,
Surrey GU1 1UN

28 SEPTEMBER 2021

CONSOLIDATED PROFIT AND LOSS ACCOUNT

		2020					2019			
		Continuing operations			Discontinued operations	Total	Continuing operations	Discontinued operations	Total	
Notes		Before Exceptional Items £000	Exceptional Items* £'000	Total £000	£000	£000	restated £000	restated £000	£000	
	Group turnover	2	166,439	(421)	166,018	3,740	169,758	172,579	8,682	181,261
	Group operating costs	3	(161,149)	(15,656)	(176,805)	(4,850)	(181,655)	(167,514)	(11,967)	(179,481)
	Group operating (loss) / profit	5	5,290	(16,077)	(10,787)	(1,110)	(11,897)	5,065	(3,285)	1,780
	Fixed asset investments:									
	- Disposal of business		-	-	-	(634)	(634)	-	(726)	(726)
	- Fair value (loss) / gain	14	(126)	-	(126)	-	(126)	13	-	13
	Net interest payable	10	(965)	-	(965)	20	(945)	(877)	(157)	(1,034)
	(Loss) / Profit before BMT profit sharing scheme & tax		4,199	(16,077)	(11,878)	(1,724)	(13,602)	4,201	(4,168)	33
	BMT profit sharing scheme		-	-	-	-	-	-	-	-
	(Loss) / Profit before tax		4,199	(16,077)	(11,878)	(1,724)	(13,602)	4,201	(4,168)	33
	Taxation	11	(3,548)	2,446	(1,102)	44	(1,058)	(1,043)	(441)	(1,484)
	(Loss) / Profit after tax (absorbed) / retained for the year		651	(13,631)	(12,980)	(1,680)	(14,660)	3,158	(4,609)	(1,451)

* Further information on exceptional items can be found in Note 4.

(Loss) / Profit for the year attributable to:

		2020			2019		
		Continuing operations £000	Discontinued operations £000	Total £000	Continuing operations £000	Discontinued operations £000	Total £000
	Owners of the parent	(13,040)	(1,680)	(14,720)	3,263	(4,609)	(1,346)
	Non-controlling interest	60	-	60	(105)	-	(105)
	(Loss) / Profit for the year	(12,980)	(1,680)	(14,660)	3,158	(4,609)	(1,451)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2020 £000	2019 £000
(LOSS) FOR THE YEAR	(14,660)	(1,451)
Other comprehensive income: -		
<i>Movement on pension schemes</i>		
Return on scheme assets (excluding amount included in net interest expense)	(828)	9,597
Actuarial gains/(losses) on liabilities	2,282	(28,033)
Movement in deferred tax relating to actuarial gain/(loss) on pensions	(286)	3,166
Deferred tax rate change on opening pension scheme deficit	1,029	-
Exchange movement on foreign pensions	63	(60)
	2,260	(15,330)
Unrealised net exchange movement on foreign equity investments	(261)	430
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(12,661)	(16,351)

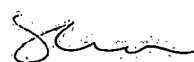
None of the above Other Comprehensive Income was attributable to non-controlling interests (2019: nil).

CONSOLIDATED BALANCE SHEET

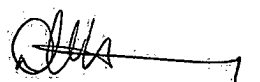
Company No: 1887373

	Notes	2020 £000	2019 £000
FIXED ASSETS			
Goodwill	12	-	427
Other intangible assets	12	2,363	2,100
Tangible assets	13	8,160	10,958
Investments	14	-	5,537
		<u>10,523</u>	<u>19,022</u>
CURRENT ASSETS			
Stock		400	648
Debtors			
amounts falling due within one year	15	34,508	47,167
amounts falling due after one year	15	12,860	11,389
Current asset investments	17	7,000	-
Cash at bank and in hand	16	34,940	25,200
		<u>89,708</u>	<u>84,404</u>
CREDITORS: amounts falling due within one year	18	<u>(44,619)</u>	<u>(37,747)</u>
NET CURRENT ASSETS		<u>45,089</u>	<u>46,657</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		55,612	65,679
CREDITORS: amounts falling due after more than one year	19	(225)	(906)
PROVISIONS FOR LIABILITIES AND CHARGES	21	(7,455)	(699)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>47,932</u>	<u>64,074</u>
Defined benefit pension liability	23	(49,733)	(53,214)
NET (LIABILITIES)/ASSETS INCLUDING PENSION LIABILITY		<u>(1,801)</u>	<u>10,860</u>
CAPITAL AND RESERVES			
Profit and loss account	24	36,568	52,536
Other reserves – Pension	24	(40,259)	(44,091)
Other reserves - Fixed assets	24	1,760	2,345
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		<u>(1,931)</u>	<u>10,790</u>
NON-CONTROLLING INTERESTS		130	70
TOTAL EQUITY		<u>(1,801)</u>	<u>10,860</u>

The accounts on pages 26 to 61 were approved by the Board of Directors and authorised for issue on 28 September 2021 and are signed on its behalf by:



S L Kenny OBE
Director



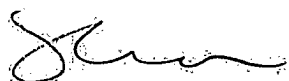
D K McSweeney
Director

PARENT COMPANY BALANCE SHEET

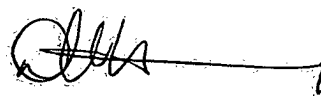
Company No: 1887373

	Notes	2020 £000	2019 £000
FIXED ASSETS			
Intangible assets	12	2,363	2,100
Tangible assets	13	3,493	4,108
Investments	14	9,475	21,312
		<u>15,331</u>	<u>27,520</u>
CURRENT ASSETS			
Debtors			
amounts falling due within one year	15	6,798	10,244
amounts falling due after one year	15	25,604	24,058
Current asset investments	17	7,000	-
Cash at bank and in hand		10,520	10,149
		<u>49,922</u>	<u>44,451</u>
CREDITORS: amounts falling due within one year	18	<u>(11,427)</u>	<u>(9,880)</u>
NET CURRENT ASSETS		<u>38,495</u>	<u>34,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		53,826	62,091
PROVISIONS FOR LIABILITIES AND CHARGES	21	<u>(837)</u>	<u>(660)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		52,989	61,431
Defined benefit pension liability	23	<u>(48,808)</u>	<u>(51,492)</u>
NET ASSETS INCLUDING PENSION LIABILITY		<u>4,181</u>	<u>9,939</u>
CAPITAL AND RESERVES			
Profit and loss account	24	42,104	50,501
Other reserves - Pension	24	(39,535)	(42,738)
Other reserves - Fixed assets	24	1,612	2,176
TOTAL EQUITY		<u>4,181</u>	<u>9,939</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The Company's loss for the year and total comprehensive loss for the year were £7,602,000 (2019: profit £1,484,000) and £5,757,000 (2019: £(13,152,000)) respectively. The accounts on pages 26 to 61 were approved by the Board of Directors and authorised for issue on 28 September 2021 and are signed on its behalf by:



S L Kenny OBE
Director



D K McSweeney
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent					Total £000
	Profit and loss account	Defined Benefit Pension reserve	Other reserves- Fixed Assets	Controlling interests	Non- controlling interests	
	£000	£000	£000	£000	£000	
Balance at 1 October 2018	52,595	(29,740)	4,181	27,036	175	27,211
Loss for the year	(1,346)	-	-	(1,346)	(105)	(1,451)
<i>Other comprehensive income:</i>						
Loss on defined benefit pension plans	-	(15,330)	-	(15,330)	-	(15,330)
Unrealised net exchange movement on foreign equity investments	430	-	-	430	-	430
Total Comprehensive Income	(916)	(15,330)	-	(16,246)	(105)	(16,351)
<i>Transfer between reserves:</i>						
Gain on disposal of revalued land and buildings	1,792	-	(1,792)	-	-	-
Pension Costs	(979)	979	-	-	-	-
Excess depreciation	44	-	(44)	-	-	-
Total movements in the year	(59)	(14,351)	(1,836)	(16,246)	(105)	(16,351)
Balance at 30 September 2019	52,536	(44,091)	2,345	10,790	70	10,860
Loss for the year	(14,720)	-	-	(14,720)	60	(14,660)
<i>Other comprehensive income:</i>						
Gain on defined benefit pension plans	-	2,260	-	2,260	-	2,260
Unrealised net exchange movement on foreign equity investments	(261)	-	-	(261)	-	(261)
Total Comprehensive Income	(14,981)	2,260	-	(12,721)	60	(12,661)
<i>Transfer between reserves:</i>						
Gain on disposal of revalued land and buildings	563	-	(563)	-	-	-
Pension Costs	(1,572)	1,572	-	-	-	-
Excess depreciation	22	-	(22)	-	-	-
Total movements in the year	(15,968)	3,832	(585)	(12,721)	60	(12,661)
Balance at 30 September 2020	36,568	(40,259)	1,760	(1,931)	130	(1,801)

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Profit and loss account	Defined benefit pension scheme	Other reserves- Fixed Assets	Total
	£000	£000	£000	£000
Balance at 1 October 2018	47,929	(28,806)	3,968	23,091
Profit for the year	1,484	-	-	1,484
Other comprehensive income:				
Gain on disposal of revalued land and buildings	1,792	-	(1,792)	-
Loss on defined benefit pension plan	-	(14,636)	-	(14,636)
Total Comprehensive Income	3,276	(14,636)	(1,792)	(13,152)
Pension scheme	(704)	704	-	-
Total movements in the year	2,572	(13,932)	(1,792)	(13,152)
Balance at 30 September 2019	50,501	(42,738)	2,176	9,939
Loss for the year	(7,602)	-	-	(7,602)
Other comprehensive income:				
Gain on defined benefit pension plan	-	1,844	-	1,844
Total Comprehensive Income	(7,602)	1,844	-	(5,758)
Transfer between reserves:				
Gain on disposal of revalued land and buildings	564	-	(564)	-
Pension scheme	(1,359)	1,359	-	-
Total movements in the year	(8,397)	3,203	(564)	(5,758)
Balance at 30 September 2020	42,104	(39,535)	1,612	4,181

CONSOLIDATED STATEMENT OF CASH FLOWS

	2020 £000	2019 £000
OPERATING ACTIVITIES		
Cash generated from operations on page 33	12,441	5,201
Interest paid	(106)	(38)
Income taxes paid	(885)	(79)
NET CASH FROM OPERATING ACTIVITIES	<u>11,450</u>	<u>5,084</u>
INVESTING ACTIVITIES		
Net movement in investments	5,411	-
Purchase of tangible fixed assets	(1,406)	(3,485)
Purchase of intangible fixed assets	(263)	(2,100)
Proceeds on disposal of tangible fixed assets	1,560	3,583
Proceeds on disposal of non-controlling interest subsidiary in current year	-	20
Interest and similar income received	157	111
NET CASH (USED) IN INVESTING ACTIVITIES	<u>5,459</u>	<u>(1,871)</u>
BMT PROFIT SHARING SCHEME PAYMENT	<u>-</u>	<u>(700)</u>
NET CASH INFLOW BEFORE FINANCING	<u>16,909</u>	<u>2,513</u>
FINANCING ACTIVITIES		
(Repayments) / drawdowns of short-term loans	(71)	35
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	<u>(71)</u>	<u>35</u>
NET INCREASE IN CASH	<u>16,838</u>	<u>2,548</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>25,102</u>	<u>22,554</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>41,940</u>	<u>25,102</u>
Relating to: -		
Bank balances and short-term deposits included in cash at bank and in hand	34,940	25,200
Overdrafts included in "creditors: amounts falling due within one year"	-	(98)
Current asset investments	7,000	-
	<u>41,940</u>	<u>25,102</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	2020	2019
	£000	£000
RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS		
Loss after tax	(14,660)	(1,451)
Adjustments for:		
Depreciation of tangible fixed assets	2,685	2,823
Amortisation & impairment of intangible assets and goodwill	450	318
(Gain) / loss on disposal of tangible fixed assets	(223)	(144)
Difference between defined benefit pension contributions paid and amounts recognised in operating profit	(2,946)	(2,221)
Fair value in losses / (gains) on investments	126	(13)
Net Interest payable	945	1,034
Foreign exchange differences	(526)	(310)
Loss on disposal of discontinued operations	634	726
Taxation	1,058	1,484
OPERATING CASHFLOWS BEFORE MOVEMENTS IN WORKING CAPITAL	(12,457)	2,246
Decrease / (increase) in stock	277	(124)
Decrease in debtors	8,371	5,446
Increase / (decrease) in creditors	9,494	(1,869)
Increase / (decrease) in provisions	6,756	(498)
CASH GENERATED FROM OPERATIONS	12,441	5,201
	2020	2019
	£000	£000
RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN FUNDS		
Increase in cash	9,838	2,548
Net movement in current asset investments	7,000	-
Net movement on loans	71	(35)
	16,909	2,513
Net funds as at 1 October	24,969	22,456
Net funds as at 30 September	41,878	24,969
	2020	2019
	£000	£000
ANALYSIS OF NET FUNDS		
Net cash at bank and in hand	34,940	25,102
Bank loans	(62)	(133)
Current asset investments	7,000	-
	41,878	24,969

NOTES TO THE ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES

General Information

BMT Group Limited ("the Company") is a private company, limited by guarantee, domiciled, and incorporated in England.

The address of the Company's registered office and principal place of business is Third Floor, 1 Park Road, Teddington, London, TW11 0AP.

The Group consists of BMT Group Limited and all of its subsidiaries.

The Company's and the Group's principal activities are set out in the Directors' Report on page 19.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of freehold property.

In accordance with the triennial review 2017 of FRS 102, which has been adopted with effect from 1 October 2019, the company has reclassified investment property which is rented to a fellow group company as a tangible asset. The company has taken advantage of the provision of the triennial review 2017 that allows it to use the fair value of the investment property as deemed cost for reclassification to tangible fixed assets.

The effect is to classify the £2,775,000 of investment property and present this as tangible fixed assets in the balance sheet of the company. There has been no impact on profit or equity.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

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. In view of the bases of this share of profit, the Directors have modified the format of the Group Statement of other Comprehensive Income and present it separately, as a charge immediately above 'Profit before Tax'. The Directors believe this presentation

better reflects the nature of this benefit enjoyed by the employees of the Group and is required in order to show a true and fair view.

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.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going concern

The emergence of the COVID-19 virus in December 2019, followed by the declaration of a global pandemic by the World Health Organisation in March 2020, presents a continuing situation which is being managed, in line with our policies, as a risk to the Group. During 'lockdown' the Group has taken various measures to protect its staff, customers, and business. These include requiring some office-based staff to work from home. The company remains in a strong position due to the long-term relationships in place with the principal customers, combined with a robust balance sheet and no external debt. On the basis of the above, 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.

Functional and presentational currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the Company's functional and the Group's presentation currency.

NOTES TO THE ACCOUNTS (continued)

Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate those of BMT Group Limited and all of its subsidiaries (i.e., entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 30 September 2020.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given and liabilities incurred or assumed, plus directly attributable costs. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date.

Associates

Undertakings in which the Group has significant influence (i.e., the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The Group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to 30 September.

Company Profit & Loss Account

As permitted by Section 408 of the Companies Act 2006, no individual profit & loss account is presented for the parent company as it prepares group accounts and the Company's individual balance sheet shows the Company's profit or loss for the financial year.

Exceptional Items

Items which are significant by virtue of their size or nature and/or which are considered non-recurring are classified as an exceptional operating item. Such items are included within the appropriate consolidated income statement category but are highlighted separately. Exceptional operating items are excluded from the profit measures used by the Directors to monitor underlying performance.

Discontinued operations

The Group recognises as discontinued, operations components which have been disposed or curtailed which represented a separate major line of business. In the current year a number of additional operations were curtailed leading to a recalculation of the results of the prior year discontinued operations.

Fixed asset investments

The Group's investments are classified as financial instruments and accounted for, in accordance with the accounting policy, at fair value through the profit and loss. Since the investments are all listed, the basis of measurement is market value.

Goodwill

Goodwill on acquisitions represents the excess of the cost of acquisitions over the fair value of the Group's share of the net identifiable assets acquired. Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

Goodwill totalling £2.1m that arose prior to 1 October 1998 was written off to retained profit and loss reserves. Goodwill arising on acquisitions occurring since 1 October 1998 has been capitalised in the balance sheet and will be amortised through the profit and loss account over the acquisition's useful economic life. Goodwill is amortised over three to fifteen years, reflecting the Directors' estimate of the useful economic life of each acquisition. Where it is not possible to estimate the useful economic life, the intangible is amortised over a period of 5 years.

Upon the first-time adoption of FRS102 the Group elected not to apply the provisions of Section 19 to business combinations that were effected before the date of transition of 1 October 2015.

Intangible Fixed Assets

Intangible assets arising on a business combination are recognised, except where the asset arises from legal or contractual rights, and there is no history or evidence of exchange transactions for the same or similar assets and

NOTES TO THE ACCOUNTS (continued)

estimating the asset's fair value would depend on immeasurable variables. Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives on the following basis:

Goodwill	5 to 15 years
Vessel Design Portfolio	15 years
Software	10 years

Research and development expenditure

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

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 the Statement of Comprehensive Income in the period to which they relate.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and impairment. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost of each asset to its estimated residual value evenly over its expected useful life to the business, as follows:

Freehold buildings and leasehold property/improvements	20 to 50 years
Test facilities	10 to 30 years
Computers and instruments	3 to 5 years
Motor vehicles	4 to 10 years
Demonstration computer equipment	1 to 2 years
Scientific equipment used in harsh environments	3 years
Other equipment	4 to 10 years

Revaluation of properties

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and loss are recognised in profit or loss.

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 Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

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 except for goodwill. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit and loss.

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 profit or loss or, for revalued assets, as a revaluation gain. 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

NOTES TO THE ACCOUNTS (continued)

Sale of professional services

Turnover from contracts for the provision of professional consulting services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

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.

Construction contracts

When the outcome of a construction contract can be estimated reliably, and it is probable that the contract will be profitable, turnover and costs are recognised over the period of the contract.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract turnover is recognised only to the extent of contract costs that are recoverable and the contract costs are expensed as incurred.

The Group uses the "percentage of completion method" to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded for contract costs in determining the stage of completion. These costs are presented as amounts recoverable on contracts or other assets, depending on their nature, and provided it is probable they will be recovered.

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 rate of taxation anticipated to apply when these differences crystallise. 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.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Group to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that would apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally and enforceable right to set off the amounts and the entity intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

A deferred tax asset is only recognised when it is more likely than not that it will be recoverable in the foreseeable future.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable.

NOTES TO THE ACCOUNTS (continued)

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.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

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.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the Directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

Retirement Benefits

Defined benefits plan

The Group operates four defined benefit schemes that are established in accordance with local conditions and practices. The two main schemes are in the United Kingdom and the United States of America (which were closed to future accrual with effect from January 2011 and November 2001 respectively).

Net interest on the net defined benefit liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations. The net interest is recognised in the profit and loss account.

Gains and losses arising from changes in actuarial assumptions and the difference between the interest income on the plan assets and the return on the plan assets are recognised in other comprehensive income.

Defined benefit schemes are funded, with the assets held separately from the Group in separate trustee-administered funds. Full actuarial valuations, by a

professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected credit unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency. A pension scheme liability is recognised to the extent that the Group has a legal or constructive obligation to settle the liability.

Contributions to the scheme are divided across the relevant Group companies based on the actuarial proportion of the deferred pensioners.

Defined contribution plans

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.

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.

Restructuring

Provisions for restructuring costs are recognised when the Group/Company has a legal obligation or a constructive obligation arising from a detailed formal plan for the restructuring which has been notified to affected parties.

Onerous leases

Provisions are made against operating leases where the unavoidable costs of meeting the contractual lease obligations exceed the economic benefits expected to be received. The provisions made are the net present value of the obligations under the lease.

NOTES TO THE ACCOUNTS (continued)

BMT Employee Benefit Trust (EBT)

The accounts of the EBT are not incorporated into the results of the Group and its asset is immaterial. It is administered by the Trustees and held separately and has not been used for payment of any employees' benefits.

Financial Instruments

The Group 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 Group becomes a party to the contractual provisions of the instrument and are offset only when the Group 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.

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 less impairment losses 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.

Investments

Investments are measured at fair value through the profit and loss account. Where fair value cannot be measured reliably, investments are measured at cost less impairment. In the Group balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

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.

Key accounting estimates and assumptions

The Group 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.

Pension scheme liabilities

Significant impacts arise within the financial statements as a result of the changes in the assumptions in respect of the valuation of the pension scheme. In order to obtain a fair valuation, the directors take advice from external actuaries as to the assumptions to be used taking account of market data and conditions at the year end. The directors also benchmark the estimates against those used by comparable schemes during the year.

Classification of exceptional items

The Group classifies items of a material nature, which result from an event or circumstance, such as an onerous contract, as exceptional. The Group believes these exceptional items, by definition, should be separately disclosed to assist in the understanding of the underlying financial performance of the Group. Management considers this to be an area of judgement due to the assumption made that the item is material in size and one-off in nature. Exceptional operating items are excluded from the profit measures used by the directors to monitor underlying performance.

NOTES TO THE ACCOUNTS (continued)

2. TURNOVER

Turnover is generated from the Group's principal activity, being a 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 sectors. This consultancy is supported by significant scientific research and development investment.

An analysis of turnover by geographical market is given below:

	2020			2019		
	Continuing operations £000	Discontinued operations £000	Total £000	Continuing operations £000	Discontinued operations £000	Total £000
United Kingdom	77,995	90	78,085	67,851	1,145	68,996
Continental Europe	10,957	25	10,982	14,536	524	15,060
North America	41,925	55	41,980	47,565	1,097	48,662
Asia Pacific	31,676	3,523	35,199	34,722	5,582	40,304
Rest of the World	3,465	47	3,512	7,905	334	8,239
	166,018	3,740	169,758	172,579	8,682	181,261

3. GROUP OPERATING COSTS

	2020			2019		
	Continuing operations £000	Discontinued operations £000	Total £000	Continuing operations £000	Discontinued operations £000	Total £000
Raw materials and consumables	37,829	1,372	39,201	37,464	2,673	40,137
Staff-costs before BMT profit sharing schemes (note 8)	100,692	1,834	102,526	94,510	5,811	100,321
Depreciation, amortisation & impairment of fixed assets	2,984	151	3,135	2,944	197	3,141
Other operating charges	37,303	1,558	38,861	33,621	3,347	36,968
Other operating income	(2,003)	(65)	(2,068)	(1,025)	(61)	(1,086)
	176,805	4,850	181,655	167,514	11,967	179,481

4. EXCEPTIONAL ITEMS

An operating loss of £16,077k was incurred in relation to a single contract that had become loss making. In accordance with accounting standards the full expected loss must be recognised at the point the contract has become loss making and the future element is shown as a Provision as described in Note 21 on Page 52. The size of the loss incurred during the financial year, has led for it to be classified as an exceptional item. There was no exceptional impact as a result of the contract in the prior year.

NOTES TO THE ACCOUNTS (continued)

5. OPERATING (LOSS) / PROFIT

This is stated after charging/(crediting):

	2020	2019
	£000	£000
Exceptional loss on a single onerous contract (see note 4)	16,077	-
Operating lease rentals receivable:		
- buildings	(388)	(597)
Operating leases payable	3,955	3,487
Depreciation on owned assets	2,685	2,823
Gain on disposal of tangible fixed assets	(223)	(144)
Amortisation of goodwill	450	318
Foreign exchange losses / (gains)	95	(560)
	<u> </u>	<u> </u>

6. AUDITORS' REMUNERATION

	2020	2019
	£000	£000
Audit services:		
Statutory audit	117	135
Tax services:		
Compliance	65	67
Advisory services	73	76
Other services:		
Auditing of accounts of subsidiary companies	81	64
Auditing of accounts of subsidiary companies by auditor's associates	10	9
Other services not covered by the above	15	12
	<u> </u>	<u> </u>

7. DIRECTORS' REMUNERATION

	2020	2019
	£000	£000
Emoluments (excluding pension contributions)	872	1,003
Employer defined contribution pension	55	50
	<u> </u>	<u> </u>
	927	1,053
Highest paid director:		
Aggregate emoluments	<u> </u>	<u> </u>
	351	426
Defined contribution scheme:		
Employer contributions	<u> </u>	<u> </u>
	31	25

There are no directors for whom retirement benefits are accruing under defined benefit pension schemes, due to closure to future accrual of the UK Scheme on 31 January 2011. Retirement benefits are accruing to one director under a defined contribution scheme.

The directors are considered to be the key management personnel of the Group.

NOTES TO THE ACCOUNTS (continued)

8. STAFF COSTS

	2020	2019
	£000	£000
Wages and salaries	87,882	85,552
Social security costs	7,017	7,119
Pension and post retirement costs	7,627	7,650
Staff costs before BMT profit sharing schemes	<u>102,526</u>	<u>100,321</u>
BMT profit sharing schemes	-	-
Total staff costs	<u>102,526</u>	<u>100,321</u>

	2020	2019
<i>Company</i>	£000	£000
Wages and salaries	7,236	5,983
Social security costs	746	701
Pension and post retirement costs	487	498
	<u>8,469</u>	<u>7,182</u>
BMT profit sharing schemes	-	-
Total staff costs	<u>8,469</u>	<u>7,182</u>

9. EMPLOYEE NUMBERS

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

<i>Group</i>	2020	2019
	No.	No.
Scientific and technical	1,165	1,190
Administrative and support	416	387
Total staff numbers	<u>1,581</u>	<u>1,577</u>
<i>Company</i>	2020	2019
	No.	No.
Scientific and technical	1	2
Administrative and support	91	80
	<u>92</u>	<u>82</u>

NOTES TO THE ACCOUNTS (continued)

10. NET INTEREST PAYABLE

	2020	2019
	£000	£000
Interest receivable:		
Bank interest	33	44
Managed fund interest	124	67
Total interest receivable	<u>157</u>	<u>111</u>
Interest payable:		
Bank loans and overdrafts	106	119
Net interest on defined benefit pension liabilities	996	1,026
Total interest payable	<u>1,102</u>	<u>1,145</u>
Net interest payable	<u>945</u>	<u>1,034</u>
Net interest payable is summarised below:		
Bank deposits less loans and overdrafts (net payable)	73	75
Net interest on defined benefit pension liabilities	996	1,026
Managed fund interest	(124)	(67)
Net interest payable	<u>945</u>	<u>1,034</u>

11. TAXATION

	2020	2019
	£000	£000
Current tax:		
- UK corporation tax on results of period	454	90
- adjustments in respect of prior periods	919	335
- foreign tax	1,165	245
	<u>2,538</u>	<u>670</u>
Deferred tax:		
- UK deferred tax	13	419
- overseas deferred tax	(2,100)	178
- adjustments in respect of prior periods	231	-
- pension scheme	376	217
Total deferred tax	<u>(1,480)</u>	<u>814</u>
Tax on result	<u>1,058</u>	<u>1,484</u>

NOTES TO THE ACCOUNTS (continued)

11 TAXATION (Continued)

	2020	2019
	£000	£000
Factors affecting tax charge for the period:		
The tax assessed for the period is higher than the effective rate of corporation tax in the UK (19%).		
(Loss)/Profit before tax	(13,602)	33
(Loss)/Profit at the effective rate of corporation tax in the UK of 19% (2019: 19%)	(2,584)	6
Effects of:		
- items not deductible for tax purposes	2,626	312
- prior year adjustment	1,150	335
- impact of tax losses	323	540
- adjustment in respect of overseas tax rates	(428)	230
- effect of changes in tax rates and laws	(29)	(43)
- other tax adjustments	-	104
Total tax charge for the period	1,058	1,484

In addition to the amounts charged to profit and loss account, £744k (2019: £3,166k) of deferred tax on pension liabilities has been recognised directly in other comprehensive income. The amount credited includes £1,030k related to the change in the substantively enacted tax rate from 17% to 19%.

The group's tax charge for the period includes a £247k tax rate arbitrage in respect of current year losses realised in jurisdictions such as the U.S. where the tax rate is higher than in the U.K.

The deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 19% (2019: 17%). Previously, the substantively enacted rate for balances that will be realised or settled after 1 April 2020 was 17%, however on 17 March 2020 a resolution having statutory effect was passed setting the corporation tax rate at 19% from 1 April 2020.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These included reductions to the main tax rate, to reduce to 17% from 1 April 2020. In March 2020 the Chancellor announced that the tax rate would remain at 19%. As this was substantively enacted at the balance sheet date, the 19% rate is used in the measurement of deferred tax. In March 2021, the Chancellor announced that the tax rate would increase to 25% with effect from 1 April 2023. This rate had not been substantively enacted at the balance sheet date and therefore has not been used in the calculation of deferred tax.

NOTES TO THE ACCOUNTS (continued)

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £000	Vessel Design Portfolio £000	Software £000	Total £000
Cost:				
At 1 October 2019	11,680	1,920	2,100	15,700
Additions	-	-	263	263
Exchange differences	20	-	-	20
At 30 September 2020	11,700	1,920	2,363	15,983
Amortisation:				
At 1 October 2019	11,253	1,920	-	13,173
Provided during the year	450	-	-	450
Exchange differences	(3)	-	-	(3)
At 30 September 2020	11,700	1,920	-	13,620
Net book value: at 30 September 2020	-	-	2,363	2,363
Net book value at 30 September 2019	427	-	2,100	2,527

The amortisation of goodwill and intangible assets are included within Group operating costs.

Company

	Software £000	Total £000
Cost:		
At 1 October 2019	2,100	2,100
Additions	263	263
At 30 September 2020	2,363	2,363
Amortisation:		
At 1 October 2019	-	-
Provided during the year	-	-
At 30 September 2020	-	-
Net book value: at 30 September 2020	2,363	2,363
Net book value at 30 September 2019	2,100	2,100

NOTES TO THE ACCOUNTS (continued)

13. TANGIBLE FIXED ASSETS

<i>Group</i>	Freehold land and buildings £000	Long leasehold properties and improvements £000	Other equipment £000	Total £000
Cost / valuation at:				
1 October 2019	4,386	6,797	21,795	32,978
Additions	13	227	1,166	1,406
Disposals	(779)	(1,371)	(6,400)	(8,550)
Exchange differences	14	(94)	(529)	(609)
At 30 September 2020	3,634	5,559	16,032	25,225
1 October 2019	781	3,793	17,446	22,020
Provided during the year	93	717	1,875	2,685
Disposals	(145)	(798)	(6,270)	(7,213)
Exchange differences	6	(43)	(390)	(427)
At 30 September 2020	735	3,669	12,661	17,065
Net book value:				
At 30 September 2020	2,899	1,890	3,371	8,160
At 30 September 2019	3,605	3,004	4,349	10,958

The historical cost of Freehold Land and Buildings is £2,559,000 (2019: £3,338,000).

Company

	Freehold land and buildings £000	Long leasehold properties and improvements £000	Other equipment £000	Total £000
Cost/Valuation at:				
1 October 2019	2,775	1,277	1,862	5,914
Additions	-	43	64	107
Disposals	-	(600)	(5)	(605)
At 30 September 2020	2,775	720	1,921	5,416
Depreciation:				
1 October 2019	-	188	1,618	1,806
Provided during the year	-	139	103	242
Disposals	-	(121)	(4)	(125)
At 30 September 2020	-	206	1,717	1,923
Net book value:				
At 30 September 2020	2,775	514	204	3,493
At 30 September 2019	2,775	1,089	244	4,108

As a result of the triennial review 2017 being adopted, the property rented to a fellow subsidiary has been reclassified from investment property to tangible fixed assets. The corresponding investment property reserve has been reallocated to the fixed asset reserve.

NOTES TO THE ACCOUNTS (continued)

14. FIXED ASSET INVESTMENTS

Group

	Managed Fund £000
Cost/Valuation:	
1 October 2019	5,537
Additions	1,589
Valuation changes through the profit & loss account	(126)
Transfer to current asset investments (see note 17)	(7,000)
At 30 September 2020	<u>-</u>
Net book value:	
At 30 September 2020	<u>-</u>
At 30 September 2019	<u>5,537</u>
Historical cost:	
At 30 September 2020	<u>-</u>
At 30 September 2019	<u>5,970</u>

The Managed Fund represents one portfolio of readily marketable interest-bearing securities, which are held under management by Schroder & Co Limited (trading as Cazenove Capital).

NOTES TO THE ACCOUNTS (continued)

14. FIXED ASSET INVESTMENTS (Continued)

Company	Managed Fund £000	Group undertakings £000	Total £000
Cost/Valuation:			
At 1 October 2019	5,537	26,128	31,665
Additions	1,589	-	1,589
Disposals	-	(6,219)	(6,219)
Valuation changes	(126)	-	(126)
Transfer to current asset investments (see note 17)	(7,000)	-	(7,000)
At 30 September 2020	-	19,909	19,909
Provisions:			
1 October 2019	-	10,353	10,353
Charge for year	-	5,580	5,580
Disposals	-	(5,499)	(5,499)
At 30 September 2020	-	10,434	10,434
Net book value:			
At 30 September 2020	-	9,475	9,475
At 30 September 2019	5,537	15,775	21,312
Historical cost:			
At 30 September 2020	-	-	-
At 30 September 2019	5,970	-	-

The Managed Fund represents one portfolio of readily marketable interest-bearing securities, which are held under management by Schroder & Co Limited (trading as Cazenove Capital). These have been disclosed as Current Asset Investments in the balance sheet as they are available on demand to meet short-term cash commitments rather than for investment or other purposes

A listing of subsidiary and associated undertakings is set out in note 30.

NOTES TO THE ACCOUNTS (continued)

15. DEBTORS

	<i>Group</i>		<i>Company</i>	
	2020 £000	2019 £000	2020 £000	2019 £000
Amounts falling due within one year:				
Trade debtors	19,854	24,869	-	723
Amounts owed by subsidiary undertakings	-	-	5,763	8,225
Amounts recoverable on contracts	8,840	14,115	-	90
Other debtors	1,240	2,602	317	591
Corporation tax	1,039	1,627	129	39
Prepayments and accrued income	3,535	3,954	589	576
	34,508	47,167	6,798	10,244
Amounts falling due after more than one year:				
Amounts owed by subsidiary undertakings	-	-	16,232	15,232
Deferred tax asset (see note 22)	12,859	11,389	9,372	8,826
Prepayments and accrued income	1	-	-	-
	12,860	11,389	25,604	24,058

16. CASH AND OVERDRAFTS - GROUP

	2020 £000	2020 Change in year £000	2019 £000	2019 Change in year £000	2018 £000	2018 Change in year £000
Analysis of balances:						
Current assets:						
Cash at bank and in hand	34,940	9,740	25,200	2,148	23,052	(2,034)
Current liabilities:						
Bank overdrafts	-	98	(98)	400	(498)	3,656
Net position at 30 September	34,940	9,838	25,102	2,548	22,554	1,622
<i>Sub-analysed as follows:</i>						
Cash held for third parties	610	(836)	1,446	1,063	383	(245)
Group's own net cash	34,330	10,674	23,656	1,485	22,171	1,867
Net position at 30 September	34,940	9,838	25,102	2,548	22,554	1,622

Cash held for third parties relates to cash collected on projects awaiting distribution to third parties.

NOTES TO THE ACCOUNTS (continued).

17. CASH AND CASH EQUIVALENTS RECONCILIATION

Group

	1 October 2019	Cash flows	Other non- cash changes	30 September 2020
	£000	£000	£000	£000
Cash at bank and in hand	25,200	9,740	-	34,940
Bank loans	(133)	71		(62)
Bank overdrafts	(98)	98	-	-
Current asset investments (see note 14)	-	1,589	5,411	7,000
Cash and Cash Equivalents	24,969	11,498	5,411	41,878

Company

	1 October 2019	Cash flows	Other non- cash changes	30 September 2020
	£000	£000	£000	£000
Cash at bank and in hand	10,149	371	-	10,520
Current assets investments (see note 14)	-	1,589	5,411	7,000
Cash and Cash Equivalents	10,149	1,960	5,411	17,520

There are no restrictions over the uses of the cash and cash equivalents balances which comprises cash at bank and in hand, bank overdrafts and current asset investments.

The Company and Group holds £7 million of readily available marketable interest-bearing securities which are recognised as current asset investments and are available on demand. The Managed Fund which was disclosed as a fixed asset investment in the prior year was transferred to more liquid assets during the year, which are deemed to be current asset investments and cash equivalents and are therefore included in the Cash and Cash Equivalents Reconciliation.

Non-cash movements related to foreign exchange movements on cash at bank and in hand are included within cash flow movement.

NOTES TO THE ACCOUNTS (continued)

18. CREDITORS: Amounts falling due within one year

	Notes	<i>Group</i>		<i>Company</i>	
		2020	2019	2020	2019
		£000	£000	£000	£000
Bank overdraft	16	-	98	-	-
Bank loans		62	26	-	-
Income in advance		13,065	7,026	42	221
Trade creditors		7,208	6,908	1,498	868
Amounts owed to subsidiary undertakings		-	-	3,980	2,850
Corporation tax		925	1,520	-	-
Other taxation and social security		5,723	3,615	2,729	1,267
Other creditors		2,813	6,578	1,130	2,597
Accruals and deferred income		14,823	11,976	2,048	2,077
		44,619	37,747	11,427	9,880

Bank loans and overdrafts are secured over the assets of the companies in which they relate.

19. CREDITORS: Amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	£000	£000	£000	£000
Bank loans	-	107	-	-
Other creditors	225	799	-	-
	225	906	-	-

Bank loans are secured over the assets of a subsidiary company.

20. FINANCIAL INSTRUMENTS

The carrying amounts of the Group and Company's financial instruments measured at fair value through profit or loss at 30 September were:

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	£000	£000	£000	£000
Financial assets:				
Instruments measured at fair value through profit or loss	-	5,537	-	5,537
Total	-	5,537	-	5,537

NOTES TO THE ACCOUNTS (continued)

21. PROVISIONS FOR LIABILITIES AND CHARGES

Group

	Onerous Leases Contracts £000	Other Onerous Contract £000	Legacy Claims £000	Total £000
At 1 October 2019	39	-	660	699
Charge to profit and loss	655	6,294	107	7,056
Released in year	(33)	-	-	(33)
Paid	-	-	(267)	(267)
At 30 September 2020	661	6,294	500	7,455

Company

	Onerous Leases Contracts £000	Legacy Claims £000	Total £000
At 1 October 2019	-	660	660
Charge to profit and loss	337	107	444
Paid	-	(267)	(267)
At 30 September 2020	337	500	837

Legacy claims

The legacy claims are in relation to former employees and are associated with assets and liabilities that were transferred when BMT Group Ltd (formerly British Maritime Technology Ltd) was privatised in 1985. It is expected that payment for these claims will be expended in full, on, or before, December 2045.

Onerous lease contracts

The onerous lease provision relates to rentals due on leased properties which are no longer occupied by the Group and are the net present value of the obligations under the lease. During the year 5 property leases met the criteria to be recognised as an onerous lease due to the closure of certain business operations.

Other Onerous Contract

An operating loss was incurred in relation to a single contract that had become loss making during the year. In accordance with accounting standards the full expected loss has been recognised at the point the contract became loss making, and the future element of the total anticipated loss is included with Provisions for Liabilities and Charges in the Balance Sheet. The size of the loss incurred during the financial year, has led for it to be classified as an exceptional item as described in Note 4 on page 40.

NOTES TO THE ACCOUNTS (continued)

22. DEFERRED TAXATION

<i>Deferred Tax Asset</i>	2020 £000	2019 £000
Group		
At 1 October	11,389	8,971
Transfer from profit and loss	1,480	(814)
Exchange differences	(46)	66
Transfer from other balance sheet accounts	(708)	-
Transfer from other comprehensive income	744	3,166
At 30 September	<u>12,859</u>	<u>11,389</u>

The deferred tax asset of the Group comprises:	2020 £000	2019 £000
- tax losses	1,933	958
- short-term timing differences	1,713	1,559
- defined benefit pension scheme	9,474	9,123
- capital allowances in excess of depreciation	(261)	(251)
Amount included within Debtors (see note 15)	<u>12,859</u>	<u>11,389</u>

<i>Company</i>	2020 £000	2019 £000
At 1 October	8,826	6,339
Transfer from profit and loss	(16)	(511)
Transfer to current tax	(276)	-
Transfer from other comprehensive income	838	2,998
At 30 September	<u>9,372</u>	<u>8,826</u>

The deferred tax asset of the Company comprises:	2020 £000	2019 £000
- tax losses	43	11
- short-term timing differences	146	176
- defined benefit pension scheme	9,273	8,754
- capital allowances in excess of depreciation	(90)	(115)
At 30 September	<u>9,372</u>	<u>8,826</u>

The timing of the reversal of deferred tax provision is uncertain as it depends on future profitability.

The Group has unutilised tax losses of £2.9m (gross) in Australia, Singapore, and The Netherlands in respect of which a Deferred Tax Asset has not been recognised.

NOTES TO THE ACCOUNTS (continued)

23. PENSION SCHEMES

The Group participates in four defined benefit pension schemes, the most significant being in the UK and in the United States of America, both of which are now closed. The Group also operates defined contribution pension schemes.

Defined Benefit Pension Schemes

BMT UK Scheme was closed to future accrual on 31 January 2011. The date of the last actuarial valuation was 5 April 2018. BMT US Scheme was closed to future accrual on 1 November 2001. The latest actuarial valuation was carried out as at 5 April 2018.

The liabilities of the schemes at the balance sheet date are detailed below.

Group

	2020 £000	2019 £000
Present value of funded obligations	(179,829)	(183,984)
Fair value of plan assets	130,096	130,770
Present value of unfunded obligations (before deferred tax)	(49,733)	(53,214)
Related deferred tax assets (note 22)	9,474	9,123
Net pension liability	(40,259)	(44,091)

Company

The Company participates in the United Kingdom defined benefit scheme and recognised the pension liability in respect of the scheme in its Statement of Financial Position as the sponsoring company.

	2020 £000	2019 £000
Present value of funded obligations	(170,560)	(174,224)
Fair value of plan assets	121,752	122,732
Present value of unfunded obligations (before deferred tax asset)	(48,808)	(51,492)
Related deferred tax assets (note 22)	9,273	8,754
Net pension liability	(39,535)	(42,738)

NOTES TO THE ACCOUNTS (continued)

23. PENSION SCHEMES (Continued)

Principal assumptions

Detailed below are the principal assumptions used in producing the balance sheet valuations.

	BMT UK Scheme		BMT US Scheme	
	2020	2019	2020	2019
Rate of increase in pensions payment	2.10%-3.46%	2.25%-3.65%	0.0%	0.0%
Discount rate	1.61%	1.90%	2.50%	3.00%
Inflation assumption – RPI	2.85%	3.30%	0.0%	0.0%
Inflation assumption – CPI	1.95%	2.30%	0.0%	0.0%
Rate of increase to deferred pensions	1.95%-2.85%	2.30%-3.30%	0.0%	0.0%
			2020	2019
			Years	Years
The average life expectancy for a pensioner retiring at 65 on the reporting date is:				
Male			86.7	86.8
Female			89.0	89.1
The average life expectancy for an employee retiring at 65 that is aged 45 at the reporting date is:				
Male			87.7	88.1
Female			90.2	90.5

Profit and loss charge

Amounts recognised in profit or loss in respect of the defined benefit schemes are as follows:

	2020	2019
	£000	£000
Net interest on the net defined benefit pension liability	996	1,026
Administration expenses	522	610
Past Service Cost	-	573
	1,518	2,209

The past service cost was in relation to the increased liabilities created by GMP equalisation.

Changes in the present value of the defined benefit obligation

	2020	2019
	£000	£000
Opening defined benefit obligation	183,984	156,568
Past service cost	-	573
Interest cost	3,538	4,627
Benefits paid	(4,945)	(6,351)
Actuarial (gains) / losses	(2,282)	28,033
Exchange rate movements	(466)	534
Closing defined benefit obligation	179,829	183,984

NOTES TO THE ACCOUNTS (continued)

23. PENSION SCHEMES (Continued)

Changes in the fair value of plan assets

	2020	2019
	£000	£000
Opening plan assets	130,770	120,680
Interest income	2,542	3,601
Administrative expenses	(522)	(610)
Return on plan assets excluding amount included in net interest expense	(828)	9,597
Contributions by employers	3,468	3,404
Benefits paid	(4,946)	(6,351)
Exchange differences on foreign plans	(388)	449
Closing plan assets	130,096	130,770

The actual return on plan assets was a profit of £1,714,000 (2019: £13,198,000)

Major categories of plan assets

	2020	2019
	£000	£000
Global equities	17,501	18,235
Corporates	2,463	2,683
Liability driven investments	17,273	17,132
Alternative assets	87,970	87,988
Annuities	3,141	3,592
Cash	1,748	1,140
	130,096	130,770

The alternative assets shown above comprise other asset classes such as properties, private equity, infrastructure, and multi-asset funds.

Defined Contribution Scheme

The Group operates a mixture of state and private defined contribution schemes. Contributions to these schemes during the year amounted to £7,627,000 (2019: £7,650,000).

24. RESERVES

Fixed asset reserve

The cumulative revaluation gains and losses in respect of fixed assets and transfers of depreciation charges are recognised in profit and loss, except revaluation gains and losses recognised in profit and loss. Transfers between the fixed asset reserve and the profit and loss account reserve are the difference between depreciation on historical cost and the accelerated depreciation rate charged following the fair value adjustment.

Profit and loss account reserve

Cumulative profit and loss retained.

Pension reserve

The cumulative actuarial gains and losses on the defined benefit schemes and transfers of net expenses following initial recognition are in the profit and loss net of all associated deferred taxation.

NOTES TO THE ACCOUNTS (continued)

25. SHARE CAPITAL

The Company is limited by guarantee without share capital.

26. CONSTITUTION AND CONTROL

In accordance with the Company's Constitution, any surplus assets up to £30m, plus indexation based on Retail Price Index (RPI) from September 1998 - £53.7m at 30 September 2020 (2019: £53.1m) - on a winding up, must first be paid to such university or universities in the United Kingdom or, failing that, such charitable institutions as the Trustees may determine. Any remaining assets will be paid to the beneficiaries of the Employee Benefit Trust (EBT). No Trustee shall have any entitlement to share in the profits or assets of the Company.

Within BMT Group Ltd there are two classes of member with the following rights:

Type of Member	Number of votes	Interest
Trustee of the EBT	1 vote each	Equity on behalf of the EBT only
Honorary	None	Non-equity

The Company is under the ultimate control of the Trustees of the Employee Benefit Trust, which exists to provide beneficial ownership for all employees. The employee owners have no voting powers.

The honorary members, who number twenty, comprise commercial companies, universities, research associations and charities.

27. LEASING COMMITMENTS

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

	Land and Buildings		Other	
	2020 £000	2019 £000	2020 £000	2019 £000
Group				
Operating leases which expire:				
- within one year	3,398	3,957	377	420
- in the second to fifth years inclusive	8,317	9,226	454	731
- after five years	3,671	4,472	-	-
	15,386	17,655	831	1,151
Company				
Operating leases which expire:				
- within one year	759	758	-	-
- in the second to fifth years inclusive	3,034	3,034	-	-
- after five years	1,433	2,191	-	-
	5,226	5,983	-	-

NOTES TO THE ACCOUNTS (continued)

28. CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS

At the year end the Group and Company had capital commitments relating to the acquisition of software licences amounting to £nil (2019: £nil).

29. RELATED PARTY TRANSACTIONS

Transactions with subsidiary companies, where 100% of the voting rights of the subsidiary are controlled within the Group, have been eliminated on consolidation in the Group accounts. At 30 September 2020 the Group was owed £109k (2019: £368k) by an associated company, which had been fully provided against in previous years due to the uncertainty of the timing of its recoverability.

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

	Group		Company	
	Subsidiaries not wholly owned		Subsidiaries not wholly owned	
	2020	2019	2020	2019
	£000	£000	£000	£000
Sales of services in year	3,604	5,498	-	-
Purchases of services in year	88	727	-	-
Amounts owed by related parties at 30 September	1,267	2,540	1,301	1,424
Provisions for uncollectable receivables	844	-	844	-
Expense in the year for bad and doubtful debts	844	-	844	-
Amounts owed to related parties at 30 September	118	-	-	-

NOTES TO THE ACCOUNTS (continued)

30. LISTING OF SUBSIDIARY & ASSOCIATED COMPANIES

The following listing of subsidiary and associated companies shows place of incorporation / registration and equity participation where not wholly owned:

Name & Country of Incorporation	Nature of Business	Registered Address
Australia:		
BMT Defence and Security Australia Pty Ltd (formerly BMT Design & Technology Pty Ltd)	Services to the defence and maritime industries	Level 5, 99 King Street, Melbourne VIC, 3000 Australia ♦
BMT Western Australia Pty Ltd (formerly BMT Oceanica Pty Ltd)	Environmental consultancy	Level 4, 20 Parkland Road, Osborne Park WA 6017 Australia ♦
BMT Commercial Australia Pty Ltd (formerly BMT Eastern Australia Pty Ltd)	Environmental and engineering consultancy	Level 8, 200 Creek Street, Brisbane QLD 4000 Australia
BMT Holdings (Australia) Pty Ltd	Intermediate holding company	Level 8, 200 Creek Street, Brisbane QLD 4000 Australia
Belgium:		
BMT Belgium NV	Marine surveying	Kapelsesteenweg 286, 2930 Brasschaat
Brazil:		
BMT Brasil Engenharia Servicos Industria e Comercio Ltda (formerly Navegação e Controle Industria e Comercio Ltda)	Marine and offshore equipment and consultancy	Rua Salviano José da Silva, 210- Eldorado, S.J. dos Campos-S, 12238-573
BMT Scientific Marine Services Ltda	Marine and offshore equipment and consultancy	Avenida Rio Branco, No 89, 26th floor, Rio de Janeiro, Rio de Janeiro, 20040-004
British Virgin Islands:		
BMT Navcon Holdings Ltd	Intermediate holding company	3rd Floor Omar Hodge Building, Wickhams Cay 1, PO Box 362, Road Town, Tortola ♦
Canada:		
BMT Canada Ltd (formerly BMT Fleet Technology Limited)	Defence services, engineering and materials consultancy	1959 Upper Water Street, Suite 900 Halifax NS B3J 2X2 Canada
England & Wales: active companies		
BMT Defence and Security UK Ltd	Services to the defence industry	*
BMT UK 2 Ltd (formerly BMT Fluid Mechanics Limited)	Fluid and structural mechanics consultancy	*
BMT International Ltd	Intermediate holding company	*
BMT Market Collections Ltd	Professional Fees collection agency serving insurance markets	*
BMT UK Ltd (formerly BMT Nigel Gee Ltd)	Naval architecture and marine engineering	*
Lateral Naval Architects Ltd (75%)	Naval architecture and marine engineering	*
BMT Nominees (Teddington) Ltd	Intermediate holding company	*
BMT Ship & Coastal Dynamics Ltd	Ship Performance and Metocean consultancy services	*
BMT Surveys International Ltd	Intermediate holding company	*
BMT Titron (UK) Ltd (25%)	Ship Design	Ship Design Centre, 3 Hedley Court, Orion Way, Orion Business Park, North Shields, Tyne & Wear, NE29 7ST
BMT Smart Ltd	Vessel performance and monitoring solutions	* #
England & Wales: dormant companies		
BMT Pension Trustee Ltd	Dormant company	*

NOTES TO THE ACCOUNTS (continued)

30. LISTING OF SUBSIDIARY & ASSOCIATED COMPANIES (Continued)

Hong Kong:

BMT Asia Environment Ltd	Environmental consultancy	31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong #
BMT Hong Kong Ltd (formerly BMT Asia Pacific Ltd)	Maritime and risk consultancy	26/F, Pacific Plaza, 418 Des Voeux Road West, Hong Kong #
BMT Engineering International Ltd	Intermediate holding company	22nd floor, Tai Yau Building, 181 Johnston Road, Wanchai
BMT Titron Holdings Ltd (25%)	Intermediate holding company	26/F, Pacific Plaza, 418 Des Voeux Road West, Hong Kong
BMT Titron Marine Ltd (25%)	Ship design	26/F, Pacific Plaza, 418 Des Voeux Road West, Hong Kong

India:

BMT Consultants (India) Pvt Ltd	Maritime consultancy	310 Sarthik Square, SG Highway, Ahmedabad, 380054
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Indonesia:

PT BMT Asia Indonesia (formerly PT BMT Asia Pacific Indonesia) (95%)	Environmental consultancy	Perkantoran Hijau Arkadia, Tower C, P Floor, Jl LetJen TB Simatupang Kav 88, Pasat Minggu, Jakarta, 12520
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Malaysia:

BMT Malaysia Sdn Bhd (30%)	Marine and offshore equipment and consultancy	Level 10, Menara Hap Seng, No 1 & 3, Jalan P. Ramlee, 50250, Kuala Lumpur #
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Netherlands:

BMT ARGOSS BV (20%)	Earth observation consultancy	Sint Jans klooster, Brederwiede
BMT ARGOSS Holding BV (20%)	Intermediate holding company	Sint Jans klooster, Brederwiede
BMT Netherlands BV	Marine Surveying	Guldenwaard 141, 3078 AJ, Rotterdam ♦

Scotland:

BMT Cordah Ltd	Environmental consultancy	First Floor, Quay 2, 139 Fountainbridge, Edinburgh, EH3 9QG #
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Singapore:

BMT Singapore Pte Ltd (formerly BMT Asia Pacific Pte Ltd)	Maritime consultancy	8 Wilkie Road, #03-01 Wilkie Edge, Singapore, 228095
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United States of America:

BMT Designers & Planners Inc.	Ship engineering and environmental services	2900 South Quincy Street, Suite 210, Arlington VA 22206
BMT International Inc	Intermediate holding company	2900 South Quincy Street, Suite 210, Arlington VA 22206 ♦
BMT Commercial USA Inc	Marine and offshore equipment and consultancy	355 West Grand Avenue, Suite 5, Escondido CA 92025
Technology Financing Inc	Intermediate holding company	2900 South Quincy Street, Suite 210, Arlington VA 22206 ♦

* 1 Park Road, Teddington, London, TW11 0AP, United Kingdom

Companies put into liquidation during the year

♦ Companies not preparing separate financial statements

NOTES TO THE ACCOUNTS (continued)

31. POST BALANCE SHEET EVENTS

Subsequent to the year end, the sales of three subsidiaries of the Group were completed as part of a Group restructuring and closure programme which had been announced during the year ended 30 September 2020.

On 30 October 2020 BMT Scientific Marine Services Ltda was merged with BMT Brasil Ltda and was therefore closed. There was no financial impact on the Company or Group from this merger.

On 23 December 2020, BMT Commercial USA Inc, a Group company, sold BMT Brasil Engenharia Servicos Industria e Comercio Ltda for consideration of BRL 100,000 (£14,000).

On 22 January 2021, the Company sold 90% of the shares of PT BMT Asia Indonesia for consideration of £1,000.

On 1 February 2021, the Company sold BMT Consultants (India) Pvt Ltd for consideration of INR 100,000 (£1,000).

The impact of the sales in the Group or Company profit and loss account in the financial year ended 30 September 2021 are negligible as the assets were written down to net recoverable amount at 30 September 2020.