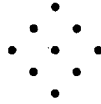


Company Number: 11376578



**Lateral Naval Architects Limited**  
**REPORT AND ACCOUNTS**

30 SEPTEMBER 2021



**Lateral Naval Architects Limited**

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**DIRECTORS**

J Bink  
J Bonafoux  
D Bright  
J Roy  
D Wittenberg

**COMPANY SECRETARY**

A Conway

**AUDITOR**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**REGISTERED OFFICE**

Third Floor  
1 Park Road  
Teddington  
Middlesex  
TW11 0AP

Lateral Naval Architects Limited

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Report and Accounts  
for the year ended 30 September 2021

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Lateral Naval Architects Limited

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**DIRECTORS' REPORT**

The directors submit their report and financial statements for Lateral Naval Architects Limited ("the Company"), company number 11376578, for the year ended 30 September 2021.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The Company's principal activities continue to be that of naval architecture and engineering services for the superyacht industry. The Company has made a profit before tax of £675k (2020: £982k) on a turnover of £5,776k (2020: £5,942k).

**RESULTS**

The profit for the year after taxation amounted to £500k (2020: £774k).

**RESEARCH AND DEVELOPMENT**

The Company is active in research and development and the Company also benefits from significant investment in research and development over a wide range of technologies by its joint shareholders, BMT Group Limited and Alblasserdam Yachtbuilding B.V. (t/a 'Oceanco').

**EMERGING RISKS & OPPORTUNITIES**

Emerging risks and opportunities are those that are developing or are changing, with the full impact being evaluated. While the consequences of COVID-19 may continue to weigh on global economic outlook, more sophisticated cyber threats by state and non-state actors, together with the wider geopolitical risks will feed into investment decisions by governments and their suppliers, as witnessed most recently with the war in Ukraine and associated economic sanctions. The heightening war on talent is a growing phenomenon in most of our geographical locations, as well as rising inflation and continuing supply chain delays. Therefore, we expect a greater focus on national and regional security including cybersecurity and energy resilience. We will continue to build on our history of working with specialist shipyards, other designers and clients' agents in these areas, and we undertake targeted investment to develop solutions and develop design and engineering capabilities to address these everchanging threats.

Climate change and extreme weather events will continue to influence economic policy, factoring into investment decisions. We are assessing the Environmental, Social and Governance ('ESG') risks in our business and are working to reduce our carbon footprint as a business and ensure our supply chain continues to meet global ethical standards. We also seek to use our collective engineering expertise to work with our customers and partners to accelerate the transition to clean energy.

**DIRECTORS**

The directors during the year were as follows:

J Bink	
J R Bonafoux	
D Bright	
D De Jong	(resigned 15 March 2022)
J Roy	
D Wittenberg	(appointed 15 March 2022)

**HEALTH AND SAFETY**

The Company's policy is to comply with both the requirements and spirit of all relevant health and safety legislation.

**ELECTIVE RESOLUTION**

The Company has filed an elective resolution with the Registrar of Companies to dispense with the laying of accounts and reports before any general meeting.

Lateral Naval Architects Limited

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DIRECTORS' REPORT (continued)

**AUDITOR**

RSM UK Audit LLP, Chartered Accountants, resigned as auditor of the Company on 20 October 2021 pursuant to section 516 and section 519 of Companies Act 2006. On 26 November 2021, BDO LLP was appointed as auditor of the Company.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the Board,

  
J Roy  
Director  
27 June 2022

Lateral Naval Architects Limited

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**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent; and
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Lateral Naval Architects Limited

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LATERAL NAVAL ARCHITECTS LIMITED**

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### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Lateral Naval Architects Limited ("the Company") for the year ended 30 September 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have 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.

Lateral Naval Architects Limited

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LATERAL NAVAL ARCHITECTS LIMITED (Continued)**

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**Other Companies Act 2006 reporting**

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

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

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

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

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

**Responsibilities of Directors**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts, which would be contrary to

Lateral Naval Architects Limited

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LATERAL NAVAL ARCHITECTS LIMITED (Continued)**

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applicable laws and regulations, including fraud. We considered the significant laws and regulations to be the Companies Act 2006, UK tax legislation and applicable accounting standards and, in addition, other laws and regulations that may have a material effect on the financial statements.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to revenue recognition, posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our tests included, but were not limited to:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring with management and those charged with governance regarding their knowledge of any actual or suspected fraud or allegations of fraudulent financial reporting affecting the Company;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries. We investigated journals determined by key risk characteristics based on our knowledge of the business and material journals.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

**Use of our report**

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

DocuSigned by:



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Mark Cardiff (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor  
BDO London

28 June 2022

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

## Lateral Naval Architects Limited

STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 September 2021

	Notes	2021 £'000	2020 £'000
<b>Turnover</b>	2	5,776	5,942
Raw materials and consumables		(864)	(314)
Other external charges		(3,214)	(3,514)
Depreciation		(58)	(62)
Other operating charges		(967)	(1,071)
<b>OPERATING PROFIT</b>	3	673	981
Interest receivable and similar income	6	2	1
<b>PROFIT BEFORE TAXATION</b>		675	982
Taxation	7	(175)	(208)
<b>PROFIT AFTER TAXATION FOR THE YEAR</b>		500	774
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		500	774

Lateral Naval Architects Limited


Company registration number: 11376578

STATEMENT OF FINANCIAL POSITION  
at 30 September 2021

	Notes	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	<u>178</u>	<u>186</u>
<b>CURRENT ASSETS</b>			
Debtors	10	624	702
Cash at bank and in hand		<u>2,088</u>	<u>965</u>
		2,712	1,667
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>(1,273)</u>	<u>(769)</u>
<b>NET CURRENT ASSETS</b>			
		1,439	898
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>1,617</u>	<u>1,084</u>
<b>PROVISIONS FOR LIABILITIES</b>			
	12	(33)	-
<b>NET ASSETS</b>			
		<u><b>1,584</b></u>	<u><b>1,084</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1	1
Capital contribution		276	276
Profit and loss account		1,307	807
<b>TOTAL EQUITY</b>			
		<u><b>1,584</b></u>	<u><b>1,084</b></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts on pages 9 to 20 were approved by the board of Directors and authorised for issue on 27 June 2022 and signed on its behalf by:

DocuSigned by:  
  
ID: A0876320247C...

J Roy  
Director

## Lateral Naval Architects Limited

STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 September 2021

	Share capital £'000	Capital contribution £'000	Profit and loss account £'000	Total £'000
Balance at 30 September 2019	1	276	533	810
Profit for the year and total comprehensive income for the period	-	-	774	774
Transactions with owners in their capacity as owners:				
Equity dividends paid	-	-	(500)	(500)
Balance at 30 September 2020	1	276	807	1,084
Profit for the year and total comprehensive income for the year	-	-	500	500
Transactions with owners in their capacity as owners:				
Equity dividends paid	-	-	-	-
Balance at 30 September 2021	<u>1</u>	<u>276</u>	<u>1,307</u>	<u>1,584</u>

Lateral Naval Architects Limited

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NOTES TO THE ACCOUNTS  
at 30 September 2021

**1. PRINCIPAL ACCOUNTING POLICIES**

**General Information**

Lateral Naval Architects Limited is a private company limited by share capital, domiciled and incorporated in England:

The address of the Company's registered office is Third Floor, 1 Park Road, Teddington, Middlesex, TW11 0AP. The address of the Company's principal place of business is 14 Shamrock Quay, William Street, Southampton, SO14 5QL.

The Company's principal activities are set out on page 3.

**Basis of accounting**

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities, including the early adoption of the December 2017 amendments to paragraphs 11.13A(a), 11.13B, 11.13C and 11.14(a)(i) issued in the Amendments to FRS 102 - Triennial review 2017.

The financial statements are presented in sterling which is also the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

**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; and
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of BMT Group Limited. The consolidated financial statements of BMT Group Limited are available from its registered office, Third Floor, 1 Park Road, Teddington, Middlesex, TW11 0AP.

**Going concern**

At the time of approving the financial statements, the directors have considered forecasts of trading and cash flows for the Company and have determined that the Company has, or can expect to have, sufficient working capital for its needs for at least the next 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate to prepare the accounts on the going concern basis.

Lateral Naval Architects Limited

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NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2021

**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

**Revenue recognition**

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

*Sale of professional services*

The Company enters into a number of different forms of contracts with clients, the most common being fixed price lump sum contracts and time and materials contracts based on hourly rates.

Revenue is recognised on the majority of the Company's contracts on a percentage completion basis when the outcome of a contract or project can be reasonably foreseen. Under the percentage completion method, the percentage of the total forecast revenue reported at any point in time is calculated based upon the proportion of total costs incurred to date as a percentage of total forecast costs or, in some cases, based upon the estimated physical per cent complete of the total work to be performed under the contract. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations.

In some cases, a margin provision is then made, depending on how far progressed each project is and the risk profile of the project. In addition, provision is made in full for estimated losses and, where the outcome of a contract cannot be reasonably foreseen, profit is taken on completion.

The Company's contract accounting policy is central to how the Company values the work carried out in each financial period/year. The value of contract work in progress comprises the costs incurred on contracts plus an appropriate proportion of overheads and attributable profit.

Fees invoiced on account are deducted from the value of work in progress and the balance is separately disclosed in trade and other receivables as amounts recoverable on contracts unless such fees exceed the value of the work in progress on any contract in which case the excess is separately disclosed in trade and other payables as income in advance.

## Lateral Naval Architects Limited

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### NOTES TO THE ACCOUNTS (Continued) at 30 September 2021

#### **Tangible fixed assets**

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

Plant & machinery	over 3 years
Fixtures, fittings and equipment	over 6 years

#### **Impairments of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the statement of comprehensive income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Timing differences arise from the inclusion of items of income and expenditure in the taxation computations in periods different from those in which they are included in the financial statements.

A deferred tax asset is only recognised when it is more likely than not that it will be recoverable in the foreseeable future. Deferred tax assets and liabilities recognised have not been discounted.

#### **Financial Instruments**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 in full to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### *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.

## Lateral Naval Architects Limited

NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2021**1. PRINCIPAL ACCOUNTING POLICIES (Continued)****Financial instruments (continued)***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.

**Research and development**

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

**Dividends**

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

**Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Revenue recognition*

Significant estimation and judgement are 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.

**2. TURNOVER**

Turnover comprises sale of professional services sold and royalty income, net of value added tax. In the directors' opinion the Company carried on a single continuing business.

An analysis of turnover by geographical market is given below:

	2021 £'000	2020 £000
UK	184	867
European Union	4,729	4,436
Rest of the World	863	639
	<u>5,776</u>	<u>5,942</u>

## Lateral Naval Architects Limited

NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2021**3. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2021 £'000	2020 £'000
Auditor's remuneration – statutory audit of the Company	16	16
Operating lease rentals – Buildings	64	30
Depreciation on owned assets	58	62
Exchange gains	(1)	-
Research and Development Tax Credit	<u>(42)</u>	<u>(4)</u>

**4. DIRECTORS' REMUNERATION**

	2021 £000	2020 £000
Emoluments	-	-
Sums paid to third parties for directors' services	<u>6</u>	<u>3</u>
	<u>6</u>	<u>3</u>

The directors received no other remuneration for their services to the Company as they are remunerated for their services by BMT Group Limited, BMT UK Limited and joint venture partner Alblasserdam Yachtbuilding B.V.

**5. EMPLOYEES**

The Company has no employees other than directors (2020: nil), it subcontracts employees of BMT UK Limited to perform the work.

**6. INTEREST RECEIVABLE & SIMILAR INCOME**

	2021 £'000	2020 £'000
Bank Interest	<u>2</u>	<u>1</u>

## Lateral Naval Architects Limited

NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2021

## 7. TAXATION

	2021 £'000	2020 £'000
<b>Current tax:</b>		
Payment in respect of group relief	112	200
UK corporation tax charge	27	-
Adjustment in respect of prior years – UK corporation tax	<u>1</u>	<u>(7)</u>
<b>Total current tax</b>	<u>140</u>	<u>193</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(5)	-
Adjustment for prior years	35	17
Effect of changes in tax rates and laws	<u>5</u>	<u>(2)</u>
<b>Total deferred tax</b>	<u>35</u>	<u>15</u>
<b>Total tax on profit on ordinary activities</b>	<u>175</u>	<u>208</u>

Factors affecting tax charge for the year  
The tax assessed for the period is higher than the standard rate of UK corporation tax 19% (2020: 19%).

The differences are explained below:

	2021 £'000	2020 £'000
Profit on ordinary activities before tax	<u>707</u>	<u>982</u>
Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK of 19% (2020: 19%)	134	187
Effects of:		
Adjustments for prior years	36	10
Expenses not deductible for tax purposes	-	13
Effect of changes in tax rates and laws	5	(2)
Other adjustments	<u>-</u>	<u>-</u>
<b>Total tax charge</b>	<u>175</u>	<u>208</u>

The UK government has signalled its intention to increase the main rate of corporation tax to 25% from 19% with effect from 1<sup>st</sup> April 2023. This change was substantially enacted following the third reading of the Finance Act 2021 on 24<sup>th</sup> May 2021. As a result, deferred tax has been calculated at a rate of 19% on any assets and liabilities which are expected to unwind prior to 1<sup>st</sup> April 2023 and at a deferred tax rate of 25% on all other assets and liabilities which are expected to be realised after that date.

## Lateral Naval Architects Limited

NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2021**8. DIVIDENDS**

	2021 £'000	2020 £'000
Interim dividend paid £nil per 'A' share (year ended 2020: £266.67)	-	200
Final dividend paid in relation to 2020 £nil (in relation to first period of account ended 30 September 2019 £400.00 per 'A' share)	<u>-</u>	<u>300</u>

The dividends paid during the prior year were calculated in accordance with the profit share agreement with Alblasserdam Yachtbuilding B.V. and were paid to BMT UK Limited against the A shares held by BMT UK Limited.

**9. TANGIBLE FIXED ASSETS**

	Leasehold Improvements £'000	Plant & Machinery £'000	Fixtures, Fittings & Equipment £'000	Total £'000
<b>Cost</b>				
At 1 October 2020	-	45	291	336
Additions	<u>50</u>	<u>-</u>	<u>-</u>	<u>50</u>
At 30 September 2021	<u>50</u>	<u>45</u>	<u>291</u>	<u>386</u>
<b>Depreciation</b>				
At 1 October 2020	-	36	114	150
Charged in the year	<u>-</u>	<u>9</u>	<u>49</u>	<u>58</u>
At 30 September 2021	<u>-</u>	<u>45</u>	<u>163</u>	<u>208</u>
<b>Net book value</b>				
At 30 September 2021	<u>50</u>	<u>-</u>	<u>128</u>	<u>178</u>
At 30 September 2020	<u>-</u>	<u>9</u>	<u>177</u>	<u>186</u>

**10. DEBTORS**

	2021 £'000	2020 £'000
Trade debtors	542	498
Amounts owed by group undertakings	-	117
Other debtors	11	38
Corporation tax receivable	8	3
Deferred tax asset	-	2
Other taxation and social security receivable	14	12
Amounts recoverable on contracts	20	20
Prepayments	<u>29</u>	<u>12</u>
	<u>624</u>	<u>702</u>

## Lateral Naval Architects Limited

NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2021**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £'000	2020 £'000
Trade creditors	69	50
Income in advance	456	344
Amounts owed to group undertakings	576	348
Other taxation and social security	18	-
Other creditors	14	3
Accruals and deferred income	140	24
	<u>1,273</u>	<u>769</u>

**12. PROVISIONS FOR LIABILITIES**

	Deferred Taxation (Note 13) £'000	Total £'000
At 1 October 2020	2	2
Charged to profit or loss	<u>(35)</u>	<u>(35)</u>
At 30 September 2021	<u>(33)</u>	<u>(33)</u>

**13. DEFERRED TAXATION**

	2021 £'000	2020 £'000
At 1 October	2	17
Transfer from profit and loss	<u>(35)</u>	<u>(15)</u>
(Asset) / liability at 30 September	<u>(33)</u>	<u>2</u>
The deferred tax asset comprises:	2021 £'000	2020 £'000
- capital allowances (more than) / less than depreciation	<u>(33)</u>	<u>2</u>

**14. SHARE CAPITAL AND RESERVES**

<i>Share capital</i>	2021 £'000	2020 £'000
Allotted, issued and fully paid: 750 ordinary shares A of £1 each, 250 ordinary shares B of £1 each	<u>1</u>	<u>1</u>

## Lateral Naval Architects Limited

NOTES TO THE ACCOUNTS (Continued)  
at 30 September 2021**14. SHARE CAPITAL AND RESERVES (continued)***Ordinary share rights*

The Company's A and B ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meeting of the Company.

**Reserves***Profit and loss reserve*

Cumulative profit and loss net of distributions to owners.

*Capital contribution reserve*

Shareholder contributions provided to finance the purchase of tangible fixed assets following incorporation.

**15. RELATED PARTY TRANSACTIONS**

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

		Subsidiaries not wholly owned
	2021	2020
	£'000	Restated £'000
Sales of services in year	4,494	4,413
Purchases of services in year	3,295	4,197
Amounts owed by related parties at 30 September	372	519
Amounts owed to related parties at 30 September	576	348

Prior year comparatives were restated following an error identified in the related parties note to include balances which have, following review, been reassessed as related parties for the Company based on changes in intra group ownerships in the year end. Sales and services increased from £4.325m to £4.413m and purchases increased from £4.194m to £4.197m. No changes were noted to opening reserves or net assets

**16. ULTIMATE PARENT UNDERTAKING**

BMT Group Limited, is the ultimate parent and is the smallest and largest group for which consolidated accounts including Lateral Naval Architects Limited are prepared. Copies of the group accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is the Trustees of the BMT Employee Benefit Trust.