

Annual Review 2013

**Leadership through knowledge,  
insight and technical excellence**



"Where will our knowledge take you?"

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## > Insight



### **Insight that adds value for our customers**

By providing quick and easy access to the world's largest online database for cargo transportation, BMT is helping to improve standards in the marine industry. Visit [www.cargohandbook.com](http://www.cargohandbook.com)

## > Innovation



### **Innovation is at the heart of everything we do**

By developing a new way of safely suppressing coal dust explosions, BMT and SkillPro's new Active Barrier technology has the potential to greatly improve mine safety.

## > Collaboration



### **Collaboration that creates new solutions**

By working closely with University College London (UCL), BMT is developing new ways to increase shipping efficiency and reduce emissions.



## ➤ Chairman & Chief Executive's Statement





**1 Dr Neil Cross**  
Chairman

**2 Peter French**  
Chief Executive

## Our strategy of focusing on markets where BMT is best placed to deliver high-value customer solutions proved highly successful during the year.

Bringing teams together across regions and markets enabled us to win larger projects during the year; and our investments in improving project and financial management skills across the group ensured their effective delivery. This had a significant impact on our financial performance, with turnover up 22% on continuing activities at £156m and underlying operating profit up 84% at £13.7m.

### Market conditions

The defence sector faces strict budgetary constraints being imposed by some governments, especially in Europe and the United States. In the transport sector, ports and terminal infrastructure funding and the investment in shipping continue and demand for specialist vessels and new terminal facilities is growing. Growth remains highly dependent on regional supply chain developments, commodity prices, fuel costs and freight rates.

In the energy sector, oil and gas activities remain strong, but there is evidence that slowing demand for commodities, particularly by China, is delaying some developments whose economic feasibility is reliant on high energy or commodity prices. Increasingly stringent regulatory requirements, especially in the energy sector, continue to drive growth in our niche environmental services.

Our ability to succeed in these mixed market conditions is supported by our strategy of maintaining a diversified portfolio of businesses serving many different markets and profitable, niche activities.

### Acquisitions

Our focus on identifying and allocating resources towards areas with growth opportunities led us to increase our capacity in the offshore oil markets off Western Australia, West Africa and Brazil. We acquired a stake in Brazilian company Navegação e Controle Indústria e Comércio Ltda (NavCon) during the year, which will complement our existing activities in the offshore instrumentation field; and shortly after the end of the financial year we completed the acquisition of the Australian specialist coastal and marine environmental consulting company Oceanica Consulting Pty Ltd.

## Our people

Our strong financial performance has enabled us to raise our employee distribution by approximately 34% to £6.9m, which is a well-deserved reward for the hard work of our staff that continues to drive our success. The extraordinary talents of our people could also be seen in the completion of the first BMT Giveback scheme, which provided a vital low-cost sewerage system and treatment plant to a village in Gujarat, India. Volunteering, charitable giving and a commitment to sustainable, equitable solutions are a growing focus at BMT.

### Outlook

We expect that markets will continue to be challenging, particularly in the defence sector where, as opportunities become fewer, the competition becomes tougher. There is evidence of improvement in transport, most notably in the specialist vessel sector. Demand for energy is expected to continue to grow, providing many opportunities in the year ahead, and we remain confident that our strategy can continue to generate growth. All that remains is for us to thank all the staff at BMT for their commitment and hard work – they have each played a vital part in our significant achievements during the year.

# > BMT at a Glance

> 3 Sectors

> 3 Global Regions

> 24 Countries

> 40 Offices

> 1,400 Staff



## AMERICAS

BMT Designers & Planners  
BMT Fleet Technology  
BMT Fluid Mechanics  
BMT Reliability Consultants  
BMT Scientific Marine Services  
(USA and Brazil)  
BMT Syntek Technologies  
BMT WBM



## ASIA PACIFIC AND AUSTRALASIA

BMT Asia Pacific  
(Hong Kong, Indonesia,  
Malaysia and Singapore)  
BMT Consultants India  
BMT De Beer  
BMT Design & Technology  
BMT Fluid Mechanics  
BMT JFA Consultants  
BMT WBM  
Oceanica Consulting



## EUROPE, MIDDLE EAST AND AFRICA

BMT ARGOSS  
(Netherlands, Poland and the UK)  
BMT Cordah  
BMT De Beer  
BMT Defence Services  
BMT Fluid Mechanics  
BMT Group  
BMT Hi-Q Sigma  
BMT Isis  
BMT Nigel Gee  
BMT Reliability Consultants  
BMT Techmar



**Gary Smith**  
Regional Director – Americas

**BMT's diverse customer base – from governments to oil majors and shipping companies – helped the group to achieve strong results in the region, despite challenging markets.**

BMT's operations in the Americas cover a wide geographical area: from Ontario in the north to California in the west, Washington in the east and Rio de Janeiro in the south, as well as our interest in Navegação e Controle Indústria e Comércio Ltda (NavCon) in Sao Paulo. BMT's geographical diversity is matched by market diversity with defence projects in the United States, to the offshore oil and gas fields of the Gulf of Mexico, South America and the design of vessels suitable to meet the exacting demands of Canada's icy seas.



**Mel Davies**  
Regional Director – Asia Pacific

**As the region's growth continued to create opportunities for BMT products and services, the group performed strongly across all major business lines, including the challenging defence market, and achieved a record performance in the year.**

In a region that requires large quantities of raw materials to fuel its success, BMT has a growing presence in Australia, Singapore, Malaysia, Hong Kong, Indonesia, China and India, and is active in many more countries. From our coal handling and environmental expertise in Australia, to our port development work throughout the region, we support clients at all points along the supply chain.



**Owen Harrop**  
Regional Director – Europe

**Despite very tough macro-economic conditions, BMT was able to deliver an above-budget performance in Europe, demonstrating the value of our offering to customers and our ability to provide innovative solutions to the challenges they face.**

Europe contains some of BMT's largest and most mature businesses. As well as having a long and significant relationship with the UK Ministry of Defence, our reputation for independence and scientific innovation has also led us to become a partner of choice in commercial shipping throughout Europe. Renewable energy, oil and gas and decommissioning also represent key markets.



# > **Insight** that adds value for our customers



**Harm de Haan**  
Marine Surveyor  
BMT De Beer

« During marine transportation, cargoes are often exposed to extreme conditions such as a rolling vessel or constantly changing atmospheres. A strong understanding of cargoes and their specific transportation requirements is key to ensuring the cargo arrives at its destination undamaged. This subscription free, online platform will provide quick and easy access to information. »

By providing quick and easy access to the world's largest online database for cargo transportation, BMT is helping to improve standards in the marine industry.

[www.cargohandbook.com](http://www.cargohandbook.com)





## Operational Review

### ➤ Transport

We provide **ASSURANCE** to investors and owners and deliver **LIFECYCLE PERFORMANCE IMPROVEMENTS** by exploiting insight and innovation in design, survey, measurement and modelling.



BMT worked closely with Devonport Yachts on the Vava II, at 96m the largest Superyacht ever to have been launched in the UK. BMT's scope of work included structural design, detail production design and naval architecture services.



In rail, BMT has been awarded two maintenance improvement contracts, which will help VIA Rail Canada to improve levels of performance and availability across its fleet, whilst reducing costs.



**Phil Thompson**  
Sector Director – Transport

« Growing demand for BMT expertise helped to drive robust performance in our transport sector. »

Our port and terminal teams across Asia were focused on supporting infrastructure developments in Australia, Indonesia, Malaysia and India. In Australia, investment cooled in the wake of weaker commodity prices. Opportunities in Indonesia continued to grow, driven by the substantial improvements needed in port operations, infrastructure development, institutional strengthening and capacity building.

The Malaysian ports sector continued to be driven by strong trade and expansion of energy demand across the economy. In India, the global economic uncertainty affected the rate of developments and slowed down project opportunities.

Our systems assurance and operations and maintenance work in the rail sector gained ground with growing collaboration with key partners and increased market penetration.

Our specialist ship design markets also strengthened. Asian and North European shipyards continued to generate new opportunities for detailed design work packages related to fast utility craft, maintenance vessels and large yachts.

Our specialist vessel activities in 2012 saw a welcome pick-up in the superyacht market, with increased demand for BMT's design and support services. Our innovative work to improve the safety and operability of the vessels responsible for carrying and transferring crews to offshore facilities attracted strong demand, primarily through our strategic partnerships with Turbine Transfers in the UK and with Singaporean yards.

It has been a year of sharply contrasting fortunes in our survey businesses, with international blue water markets strengthening. This has resulted in a record year for unprecedented survey volumes. At the same time, European inland waterway markets remain affected by reduced throughput volumes in many North European ports.

### Strategy

Our strategy of careful market focus and increasing collaboration across the group proved highly successful during the reporting period. This was supported by improving operational efficiency as we developed and strengthened our project, contract and business management skills through training and development programmes.

Our ability to provide innovative solutions to the problems that our customers face can be seen in our activities across the world. These range from our specialist offshore wind support vessels, to BMT SMART<sup>SERVICES</sup> which provide ship owners with insight into the real-time performance of their vessels. BMT's position as an industry leader was again illustrated by the launch of the world's largest, widely accessible online database for cargo transportation, which aims to reduce the number of cargo incidents and claims.

### Outlook

The outlook for marine survey activities remains very strong. Shipyards in Europe and Asia Pacific should continue to generate opportunities for the design of specialist vessels, and rising fuel costs and emissions regulation are expected to accelerate the market for performance monitoring services. In the ports and terminals sector, substantial investment is forecast to continue in Asia Pacific, influenced by strong trade and energy demand across the region. In order to make the most of these opportunities, BMT will continue to be responsive to changing markets, and focus on developing the talent we need to continue our growth.

### Main Image

BMT added to its extensive marine planning work in Hong Kong by winning a prestigious contract for the design and turnkey delivery of a radome in which to house and protect the radar equipment for the new cruise terminal building at Kai Tak.



### > Defence

**BMT helps its customers in the defence sector to DEFINE their needs, ACQUIRE assets that meet their requirements, and then SUPPORT the assets efficiently and cost effectively over the longest possible service life.**

Image courtesy of the Royal Australian Navy



BMT was awarded the contract to develop and sustain the Safety and Environmental Case Report (SECR) and to provide safety and environmental management support for HMS PROTECTOR. The vessel is to become the interim ice patrol ship replacement for HMS ENDURANCE.



© Crown Copyright

BMT's strong relationship with the MoD was strengthened by the award of the LETacCIS (Land Environment Tactical Communication and Information Systems) contract. This will see BMT support the effective, safe and professional through-life acquisition of campaign infrastructure equipment.





**David Rainford**  
Sector Director – Defence

« Our defence sector performed strongly, winning prestigious new contracts despite challenging market conditions. »

Governments across the world sought to address defence costs by reducing capital expenditure, increasing the life of existing assets and reducing manpower. Fortunately, BMT proved strongly positioned to support these strategies. If customers lose expertise through headcount reduction, we can provide replacements on an 'as needed' rather than permanent basis. If procurement slows then we can support the life extension of existing equipment.

If customers need to deliver their support and procurement programmes with less resources, we can help them make reasoned choices and work more effectively.

#### **Performance**

Our UK operations performed strongly, driven by both growing engagement in programme management and major new contract wins, most notably for the Royal Navy's MARS (Military Afloat Reach and Sustainability) Tanker win in conjunction with partners DSME, which will provide fuel, food and fresh water to naval vessels at sea.

By sharing and pooling resources between our Canadian and UK operations, we were able to provide the capacity needed for another major feature of the reporting period, the award of the Joint Ship Support contract, part of the Canadian Government's capital acquisition project. In Australia we saw a strong recovery in fortunes, built on our innovative work on the Life Extension study for the Royal Australian Navy and the support work provided to the John Coles Review of the Collins Class submarines.

In contrast, our US operations continued to be affected by a difficult defence market with budget constraints, insourcing and small business set-asides making competition tough and margins even tighter.

#### **Strategy**

In these market conditions, our strategy of sharing intelligence and resources between BMT's defence companies has been highly effective. It enabled us to broaden our service and product offerings and extend the relationships developed by individual companies to benefit the group. Continual improvement in trading and development has supported our ability to strengthen contract management, helping us to better manage the large, complex projects that are both a feature of the defence market as a whole and of BMT's contract wins during the reporting period.

Our ability to work closely with major defence organisations was emphasised this year when BMT had its status as a Recognised Organisation (RO) renewed by the UK Ministry of Defence with an increased scope. This permits BMT to deliver assurance against MoD and commercial standards for a range of new and existing ships.

#### **Outlook**

Challenging market conditions did not prevent BMT from performing well. They will continue to provide a difficult backdrop for our activities – increasing uncertainty and driving up competition for the limited new opportunities that do arise. However, by securing major contract wins during the year and continuing to demonstrate the value of BMT to our key defence partners, we can look ahead with some confidence.

#### **Main Image**

The publication of the Coles Review, led by BMT associate, John Coles, will help the Australian Government to improve its current submarine operations and develop the Future Submarine Project.

## Operational Review

### > Energy & Environment

We **UNDERSTAND** our customers' needs, **INNOVATE** solutions that draw on our specialist knowledge and expertise, and **APPLY** these efficiently, safely and cost effectively.



The ground-breaking Active Barrier prototype system, developed by BMT and Skillpro, was recognised at the Australian Coal Association Research Program's (ACARP) biennial awards ceremony for its potential to enhance mine safety.



Developed in partnership with Houlder, BMT has designed the Turbine Access System (TAS) – a lightweight motion-compensated gangway that provides substantially improved access to offshore wind turbines – which successfully completed an extensive set of offshore trials.



**Ralph Rayner**  
Sector Director –  
Energy & Environment

« Buoyant energy markets and market-leading expertise drove strong demand for BMT products and services. »

The offshore oil and gas market continued to grow as major producers sought to explore and realise new production opportunities. This helped to drive growth in our South American, Australian and West African oil operations.

Renewable energy remains the fastest growing segment of the overall energy market as northern European nations move towards meeting their obligations under the EU Renewable Energy Directive. BMT's strength in this sector, from planning to the support of installation and maintenance, attracted strong demand for our expertise.

The market for water and environment services was buoyant during the year, especially in the Asia Pacific region where BMT is most active. Despite some reductions in demand for coal and iron ore from China, the mining market also remained strong and BMT was able to achieve some notable wins during the year.

In contrast, the built environment proved a difficult market as construction levels remained subdued. Although some regions have since shown signs of growth, this has been patchy and difficult to predict, weakening demand for our wind tunnel testing services.

### Strategy

During the reporting period, our strategy of focusing on core product and service offerings for existing markets was supported by highly targeted initiatives in new geographical markets. BMT opened a new office in Atyrau, Kazakhstan, in order to improve access to significant growth in oil and gas exploration and production in the Caspian Sea. In South America, BMT acquired a minority stake in Brazilian company Navegação e Controle Indústria e Comércio Ltda (NavCon), which specialises in monitoring systems for the offshore oil and gas industry. BMT's acquisition of Australia-based specialist marine environmental consultancy Oceanica Consulting will further strengthen BMT's capacity and specialist technical offering in the region.

Our position in the energy and environment sector was further enhanced by strategic investment in marketing and sales capacity aimed at improving market intelligence and penetration in key segments and geographies. BMT was also recognised by the Environmental Institute of Australia and New Zealand with the top award for an environmental consulting practice.

### Outlook

With average oil prices likely to remain high for the foreseeable future, the prospects for offshore oil-related business are very good. Gas and coal-related activities may come under some pressure as global supply and demand factors play out. However, with much of our business in these markets being tied to supporting existing facilities and infrastructure, we expect the impact of these changes to be small. Investment in marine renewable energy is expected to continue to grow strongly in the UK and northern Europe as legally binding renewable energy obligations drive the market. Demand for our specialist water and environmental services is expected to remain strong, especially in Australia where much of our capacity is based.

Overall, although economic conditions remain challenging, especially in Europe, we expect strong market opportunities for most energy and environment business lines. In order to maximise these opportunities, emphasis will be placed on creating strengthened cooperation between operating companies which trade into common market segments, especially in respect of marketing and sales activities.

### Main Image

BMT is providing riser monitoring systems for the CLOV Development Project offshore Angola operated by Total E&P Nigeria Limited. These systems will monitor the integrity and movement of the risers.



# ➤ Innovation is at the heart of everything we do

By developing a new way of safely suppressing coal dust explosions, BMT and SkillPro's new Active Barrier technology has the potential to greatly improve mine safety.



**David Humphreys**  
Principal Consultant  
and Company  
Director, SkillPro  
Services Pty Ltd

« A zero harm approach remains top priority for mining companies and SkillPro and BMT are committed to helping their customers achieve this through the development of a range of innovative systems such as the Active Barrier. The success of this test programme is another huge leap forward and we hope that we can continue our R&D work to develop further this pioneering product. »



## > Board of Directors







1. Dr Neil Cross
2. Peter French
3. David McSweeney
4. Ian Davies
5. Frances Heaton
6. Professor Minoo Patel

### 1. Dr Neil Cross

Non-executive Chairman

**Neil Cross was appointed a non-executive Director in 1997 and Chairman in January 2006. He is Chairman of the Investment and Nominations Sub-Committees, a member of the Remuneration Sub-Committee and a Trustee of BMT's Employee Benefit Trust.**

Neil had 27 years' experience with 3i Group plc, latterly as Group International Director, and now holds a number of non-executive directorships and trustee positions. He is a past Chairman of the Royal Society for the Encouragement of Arts, Manufacturing and Commerce and of the European Venture Capital Association.

### 2. Peter French

Chief Executive

**Peter French was appointed Chief Executive in 2005. A maritime civil engineer by profession, he joined BMT in 1990, before which he was a partner in Peter Fraenkel and Partners.**

Peter is also Chairman of the Society of Maritime Industries and of the International Transport Intermediaries Club, Vice President of the Association of Independent Research & Technology Organisations and of the European Co-operation in Maritime Research, a member of the Business Advisory Board of Living With Environmental Change and of the Advisory Board of the University of Southampton's School of Engineering Sciences. He is a Fellow of the Royal Academy of Engineering and a Fellow and currently President of the Royal Institution of Naval Architects.

### 3. David McSweeney

Finance Director

**With over 27 years' experience as a chartered accountant, David McSweeney was appointed Finance Director in 2001.**

Previously David enjoyed a successful accountancy career as a partner at Baker Tilly. His extensive experience of corporate finance has included dealing with companies in the FTSE 100 and 250 as well as the NASDAQ, specialising in clients from the engineering, science and technology sectors. He is a Fellow of the Institute of Chartered Accountants in England and Wales and was a member of the Institute's Technical and Practical Auditing Committee.

### 4. Ian Davies

Non-executive Director

**Ian Davies was appointed a non-executive Director in 2006 and Deputy Chairman in 2010. He is Chairman of the Remuneration Sub-Committee, a member of the Audit Sub-Committee and Chairman of BMT's Employee Benefit Trust.**

He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Senior Independent Director of its Board and a member of Council and the Technical Advisory Committee. He was previously a Visiting Fellow of the Department of Strategy at Cranfield University School of Management and a partner at Coopers & Lybrand. Ian has held a number of non-executive and advisory positions in private, public sector and listed entities. He is currently a non-executive Director and Chairman of the Audit Committee at ASK Europe plc and Harvey Nash plc. He is also a Chairman of the Disabled Powerboating Trust.

### 5. Frances Heaton

Non-executive Director

**Frances Heaton was appointed a non-executive Director in 2007 and is Chairman of the Audit Sub-Committee, a member of the Investment Sub-Committee and a Trustee of BMT's Employee Benefit Trust.**

Frances worked at HM Treasury before joining Lazard where she was a Corporate Finance Director, including two years as Director General of the Take-over Panel. She has been a non-executive Director of a number of companies and of the Court of the Bank of England. Frances is currently Chairman of Schrodgers Pension Trustee Limited and the Lazard London Directors Pension Scheme.

### 6. Professor Minoo Patel

Non-executive Director

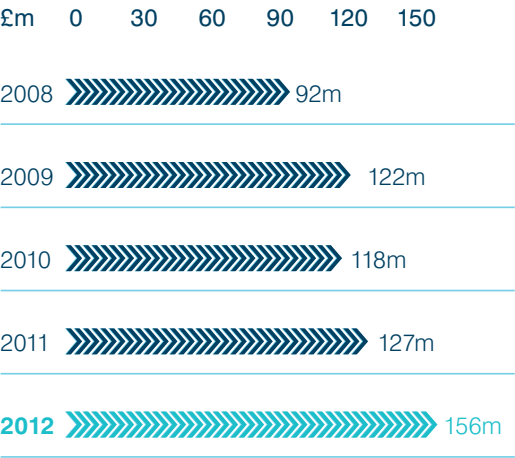
**Minoo Patel was appointed a non-executive Director in 2010. He is a member of the Audit Sub-Committee and is Chairman of the Innovation Board.**

Minoo is a Fellow of the Royal Academy of Engineering, Professor of Mechanical Engineering and Director of Development in the School of Engineering at Cranfield University, an independent Director of Keppel Offshore & Marine Ltd, a Director of BPP Technical Services Ltd and of BPP Cables Ltd. He has worked since 1976 on the engineering of offshore oil and gas exploration and production structures and the associated subsea systems, with a recent change to the application of this experience to maritime renewable energy. As part of this work, he has devised and developed specialised power cables for subsea and downhole applications.



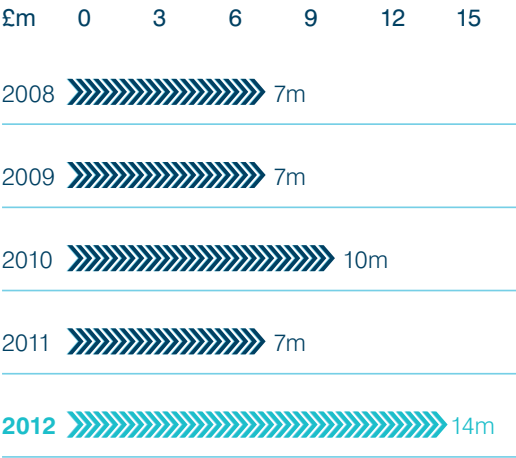
# > Financial Review

## Turnover



A number of major project wins helped BMT generate significant growth during the reporting period and we ended our financial year with positive cashflow and increased levels of work in hand.

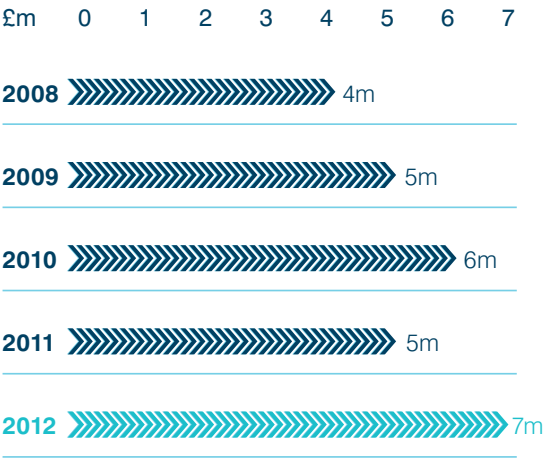
## Total Profits



**Sectors**  
All sectors met budget expectations, with new wins and market turnarounds compensating for a fall-off in activity in some market segments.

In the defence sector we were able to improve revenues and maintain profit in the face of government spending cuts that affected all markets. This was made possible by major project wins, which compensated for a general reduction in both the availability and profitability of defence work across the globe.

## Employee Distributions



The transport sector saw increasing interest in our design services for super yachts and offshore renewables vessels, our survey business held up well despite continued weakness in general shipping, and port activities in Asia Pacific were strong.



**David McSweeney**  
Finance Director

« The group performed strongly, with like-for-like revenues up 22% on continuing activities at £156m and underlying operating profit up 84% at £13.7m. »

Energy performed well as we continued to focus on the growing markets for our instrumentation and specialist consultancy services in all major offshore exploration and production regions.

In the mining sector we saw continued strong demand for our services in the Australian market as well as growth in demand in North America. Further sales of our wagon vibrators also contributed to the sector performance.

Our water and environmental services all performed at or better than budget.

#### **Margin**

Underlying operating profit margin rose from 6% to 9%, bringing us closer to the industry norm for companies within the high-value engineering sector. Such improvement is vital because it means we can generate the money needed to attract and retain talent, fund our growth and cope with downturns.

#### **Cashflow**

At the end of the reporting period cashflow (not including 'third party' money held on account for clients) before the deduction of employee bonus payments and tax was up £5m to £15m. Even after deductions the net cash position was positive, a pleasing turnaround from our net outflow in the previous year.

#### **Employee distribution**

The employee distribution was £6.9m, up from £5.1m in the previous reporting period. This was made possible as profit per head rose from £6,000 to £11,000 and turnover was up from £106,000 to £122,000 per head.

#### **Investment and Pension**

With yields low and stock markets sluggish, both capital and income returns on our investments were poor. Low yields are also a key factor in our pension position. As quantitative easing and low interest rate policies have reduced bond returns, so the discount rate has fallen – from 5% to 4% during this year alone – increasing the amount of money that is required to fund future liabilities. Fortunately some improvement in the stock market and additional cash contributions to the pension fund mean that the increase in the deficit was restricted to £4m, raising it to £17m.

#### **Currency**

The pound remained at a relatively weak level, so the year-to-year impact on our figures was negligible. But, as over half our earnings are non-GBP denominated, the low value of the pound continues to have a positive effect on our figures.

#### **Outlook**

BMT ended the year with work in hand up by £15m to £70m, demonstrating our ability to win work in tough conditions by 'selling smarter' and working more collaboratively. These qualities will again be needed if we are to build on these excellent results.

# > Summary Financial Statements

## Summary group profit and loss account for the year ended 30 September 2012

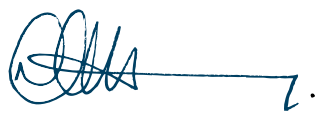
	2012 £000	2011 £000
Continuing operations	155,562	127,620
Discontinued operations	–	7,042
<b>Turnover</b>	<b>155,562</b>	<b>134,662</b>
Continuing operations	(142,864)	(121,099)
Discontinued operations	–	(10,374)
Pension curtailment gain	–	6,589
<b>Operating costs</b>	<b>(142,864)</b>	<b>(124,884)</b>
Continuing operations	12,698	6,521
Discontinued operations	–	(3,332)
Pension curtailment gain	–	6,589
<b>Operating profit</b>	<b>12,698</b>	<b>9,778</b>
Share of operating profits/(losses) in associates	53	(270)
Net interest expense	(670)	(294)
<b>Profit before employee distributions and taxation</b>	<b>12,081</b>	<b>9,214</b>
BMT employee profit sharing schemes	(6,904)	(5,144)
<b>Profit before taxation*</b>	<b>5,177</b>	<b>4,070</b>
Taxation	(1,565)	(2,617)
Minority interests	19	(6)
<b>Retained profit for the year</b>	<b>3,631</b>	<b>1,447</b>

\* Accounting standards require the performance-related pay to be included within operating costs for financial reporting purposes.

Approved by the Board on 19 December 2012



**Peter French**  
Chief Executive



**David McSweeney**  
Finance Director

## Summary group balance sheet as at 30 September 2012

	2012 £000	2011 £000
Intangible assets	6,733	7,833
Tangible assets	12,165	12,422
Investments	14,730	15,152
<b>Total fixed assets</b>	<b>33,628</b>	<b>35,407</b>
Current assets	68,275	58,721
Creditors: amounts due within one year	(46,006)	(40,547)
<b>Net current assets</b>	<b>22,269</b>	<b>18,174</b>
Total assets less current liabilities	55,897	53,581
Creditors: amounts due after one year	(628)	(889)
Provisions for liabilities	(600)	–
Net assets before pension liability	54,669	52,692
Pension liability	(16,942)	(13,046)
<b>Net assets after pension liability</b>	<b>37,727</b>	<b>39,646</b>
Profit and loss reserve	54,346	52,501
Revaluation reserve	154	–
Pension reserve/(deficit)	(16,942)	(13,046)
Total funds	37,558	39,455
Minority interests	169	191
<b>Total capital employed</b>	<b>37,727</b>	<b>39,646</b>



## Notes to the Summary Financial Statements

### Group turnover

	2012 £000	2011 £000
An analysis of turnover by geographical market is given below:		
Europe	59,642	56,150
North America	42,645	36,396
Asia Pacific	51,410	41,400
Rest of the world	1,865	716
<b>Turnover</b>	<b>155,562</b>	<b>134,662</b>

### Total profit reconciliation & reserves (excluding minority interests)

	2012 £000	2011 £000
Profit before employee distributions and goodwill for the year	13,688	7,440
Pension curtailment gain	–	6,589
Discontinued activities	–	(3,332)
Performance related bonuses	(5,404)	(3,744)
Group loyalty based reward	(1,500)	(1,400)
Goodwill amortisation/impairment	(1,607)	(1,483)
Taxation	(1,565)	(2,617)
Minority interest	19	(6)
<b>Retained profit/(loss) for the year</b>	<b>3,631</b>	<b>1,447</b>
Other recognised gains and losses	(5,528)	(764)
Reserves brought forward	39,455	38,772
<b>Reserves carried forward</b>	<b>37,558</b>	<b>39,455</b>

### Staff costs

	2012 £000	2011 £000
Salaries	69,554	68,057
Social security costs	4,813	4,579
Pension and post retirement costs	3,926	3,953
Pension curtailment gain	–	(6,589)
<b>Staff costs</b>	<b>78,293</b>	<b>70,000</b>

Both performance and loyalty based rewards are included in staff costs.

### Employee numbers

	2012 No.	2011 No.
The average weekly number of employees during the year was made up as follows:		
Designers, engineers, scientific and other technically based fee earners	1,060	1,055
Administrative and support	214	221
<b>Average number of employees</b>	<b>1,274</b>	<b>1,276</b>

The figures on pages 20 and 21 are taken from the company's full statutory accounts which are available from the UK Registrar of Companies.

# ➤ Collaboration that creates new solutions



**Lucy Aldous**  
PhD Student at  
University College  
London (UCL)

« In collaboration with BMT, we are working on a £1.6m project to study the potential for technology and operational changes to influence the future trajectory of the shipping industry's greenhouse gas emissions. Research will aid the development and evaluation of operational optimisation strategies to ensure minimum fuel consumption while maximising the ship's earning capacity given specific operational scenarios. »

By working closely with University College London (UCL), BMT is developing new ways to increase shipping efficiency and reduce emissions.



## > Our People, Our Community

1.	2.	
3.	4.	5.

1. BMT staff took part in a charity triathlon to raise over £7,000
2. Continued development is supported through e-learning
3. Training and development helps staff enhance their skills
4. Our Development Centre brings staff together with a focus on exploring key leadership skills and competencies for the future
5. BMT volunteers assisted with the renovation of facilities for the Bath Sea Cadets in the UK







**Anne Segall**  
Director of HR,  
Development & Training



**Del Redvers**  
Head of Sustainability

From staff development to charitable giving, this year BMT has done more than ever to fulfil its role as a responsible corporate citizen; acting with integrity in the interests of our staff, customers and the societies in which we operate.

BMT's values reflect the importance the group places on conducting business in a responsible manner. As we collaborate on ever larger and more complex projects we are committed to maintaining the highest standards of ethical practice. To ensure this we have rolled out a new ethics policy and framework.

Ultimately, our ethics are expressed in the shared values and behaviour of BMT staff across the world. This year, more than ever, we have invested in the people in our business.

We have been developing skills through training programmes in project and contract management, leadership, sales and marketing. But also by creating other developmental opportunities such as mentoring and volunteering.

Many BMT people are involved with initiatives to support their local communities, but this year in the spirit of collaboration we created our first global volunteering team. Coming from Europe, Asia Pacific and the Americas the team spent a week working alongside villagers in India as part of our BMT Giveback project.

Further investment in staff was evident in the fresh approach to employee benefits. During the year the newly-formed Benefits Working Party provided greater clarity in the rewards packages offered by BMT companies and a "Total Reward Statement" was introduced to provide a company-wide, easily comparable, template for benefits management.

All this investment in finding, developing and retaining the best people helped to deliver a very successful year for the business and our customers, and one in which our values have been made real through improved environmental and social performance of the company.

### Looking Forward

In the year ahead we will be continuing to prioritise investment in our people, equipping them with the tools and skills to build on our tradition as a values driven, responsible business. To support this, in addition to ongoing learning and development activities, including a second, global development centre to support individuals in their chosen career and provide succession planning for the future benefit of BMT, we will also be rolling out BMT BlueSky a new tool for environmental data management. We will encourage more volunteering and create new charity partnerships through our BMT Giveback programme, together with a new education policy to support staff with their further educational needs.

## > BMT Giveback

We are delighted to report that our first BMT Giveback project has now been completed. A sewerage system has been designed and built in the Indian village of Khintla, providing 2,500 people with access to sanitation for the first time.

We are indebted to our charity partner, the Aga Khan Rural Support Partnership (India), whose relationship with the community and expertise in development projects has been crucial to this success.

In addition to the sanitation works, a team of volunteers from BMT companies across the world came together in the spirit of collaboration to spend a week working together alongside the local community. They were warmly welcomed and helped with many tasks from building rainwater harvesting systems to tree planting and teaching in the school.

Building on such positive outcomes from our first BMT Giveback activity, we are committed to taking on a new project for 2013.

1.	2.	5.
3.	4.	

1. Village children took part in a drawing competition as part of the project
2. BMT volunteers renovated an area used for washing
3. Village life has been vastly improved as a result of the project
4. A group of volunteers from across BMT visited Khintla to support the first BMT Giveback project
5. Darpan Jethi of BMT Consultants India with the plaque which was unveiled by Chief Executive, Peter French



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[www.philosophydesign.com](http://www.philosophydesign.com)

Copywriting by Brian Thompson  
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Printed by Principal Colour