

# **Missiles & Space Batteries Limited**

Company Registration No: SC162626

## **Directors' report and financial statements**

**For the year ended 31 December 2011**

SATURDAY



\*S1990EDN\*

SCT

19/05/2012

#282

COMPANIES HOUSE

# MISSILES & SPACE BATTERIES LIMITED

## COMPANY INFORMATION

---

**Directors** J E Searle (Chairman)  
J Barbeau (resigned 16 June 2011)  
J E E Desprez  
A Greig  
M Hainaut  
S Williams

**Company secretary** A Greig

**Company number** SC162626

**Registered office** Hagmill Road  
East Shawhead  
Coatbridge  
Scotland  
ML5 4UZ

**Auditors** Mazars LLP  
Chartered Accountants  
90 St Vincent Street  
Glasgow  
G2 5UB

**Bankers** Barclays Bank plc  
30 St Werburgh Street  
Chester  
CH1 2DY

# **MISSILES & SPACE BATTERIES LIMITED**

## **CONTENTS**

---

	Page
<b>Directors' report</b>	<b>1 - 2</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>4 - 5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Cash flow statement</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9 - 19</b>

# **MISSILES & SPACE BATTERIES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

---

The directors present their report and the financial statements for the year ended 31 December 2011.

### **Business review and principal activities**

The principal activity of the company is the research, design and manufacture of thermal batteries for defence and aerospace applications. There have been no changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year. The company's key performance indicators of Sales, Operating Profit and Net Assets are considered below.

As shown in the company's profit and loss account on page 6, sales increased by 16% compared with the previous year. This is mainly due to the cyclical nature of some defence contracts. It is our expectation that Sales will remain at a similar level in the next few years with no significant increase anticipated.

Operating Profit decreased from £502,136 in 2010 to £359,436 this year. This was mainly due to a number of technical and production issues at the start of the year which have now been resolved.

In 2011 the company completed a significant investment in the dry room which will in time improve efficiency and reduce operating costs.

The company continues to be committed to research and development activities to secure its position within the market.

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year end, in net assets terms, did not change significantly during the year. Cash flow in 2011 included capital expenditure of £759,648 (2010 - £560,934), and a dividend payment of £300,000 (2010 - £nil).

Details of all amounts owed to the company's parent company and other related parties are shown in note 27 on page 19.

The directors are not aware of any significant events since the balance sheet date which would have a material impact on these financial statements.

The Company manages its sole operation in a single geographical region. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

### **Principal risks and uncertainties**

Competitive pressure in all of the markets in which the company does business is a continuing risk for the company, which could result in it losing contracts to its key competitors. The company manages this risk by providing good quality products, designed to customer specifications at competitive prices.

The majority of the company's sales are invoiced in Pounds Sterling, thereby reducing exposure to movements in exchange rates. Where significant contracts are expressed in other currencies, appropriate currency risk monitoring procedures are in place.

The Explosives Licence for the factory is regularly revised to take account of changes in the factory layout. The latest version was approved by the Health and Safety Executive Explosives Inspectorate during the year.

Some important component materials in thermal batteries are sourced in the USA. These are subject to strict export controls and regulations by the US authorities (US ITAR regulations). Delays in obtaining these, and any other key components, could have an adverse impact on production planning. The ASB Group now has alternative non-US sources for most of these components and continues to develop alternative sources for all ITAR materials.

The company has a lease on its premises in Coatbridge. We learned in December 2011 that the Landlord, Shawhead Developments Limited, is in Receivership. Although this does not change the terms of the lease it

# **MISSILES & SPACE BATTERIES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

---

could have an impact on future negotiations of the lease if there is a new owner of the property.

### **Dividends**

The company paid a dividend of £300,000 (2010: £Nil) during the year.

### **Results**

The profit for the year, after taxation, amounted to £284,314 (2010 - £354,151).

### **Directors**

The directors who served during the year were:

J E Searle (Chairman)  
J Barbeau (resigned 16 June 2011)  
J E E Desprez  
A Greig  
M Hainaut  
S Williams

The Directors wish to express their thanks to M. Barbeau for his contribution to the Board of MSB since its creation in 1996.

No director has a beneficial interest in the shares of the company.

### **Auditors**

Mazars LLP continue in office in accordance with section 487 (2) Companies Act 2006.

### **Provision of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report was approved by the board on 16 May 2012 and signed on its behalf.

  
**A Greig**  
Director

# **MISSILES & SPACE BATTERIES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011**

---

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# **MISSILES & SPACE BATTERIES LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MISSILES & SPACE BATTERIES LIMITED**

---

We have audited the financial statements of Missiles & Space Batteries Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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 Auditors' 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.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 31 December 2011 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.

### **Opinion on the other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## MISSILES & SPACE BATTERIES LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MISSILES & SPACE BATTERIES LIMITED

---

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



P B Jibson (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 St Vincent Street  
Glasgow  
G2 5UB

17 May 2012



# MISSILES & SPACE BATTERIES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Turnover	5	6,332,820	5,475,008
Cost of sales		(5,009,404)	(4,016,137)
<b>Gross profit</b>		<b>1,323,416</b>	<b>1,458,871</b>
Selling and distribution costs		(38,601)	(48,544)
Administrative expenses		(925,379)	(908,191)
<b>Operating profit</b>	6	<b>359,436</b>	<b>502,136</b>
Interest receivable and similar income	7	423	5,017
<b>Profit on ordinary activities before taxation</b>		<b>359,859</b>	<b>507,153</b>
Tax on profit on ordinary activities	8	(75,545)	(153,002)
<b>Profit for the financial year</b>	17	<b>284,314</b>	<b>354,151</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and Loss Account.

The notes on pages 9 to 19 form part of these financial statements.

# MISSILES & SPACE BATTERIES LIMITED

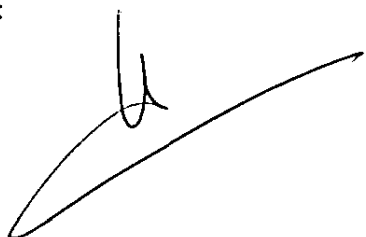
Registered number: SC162626

## BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
<b>Fixed assets</b>					
Intangible fixed assets	9		15,141		22,735
Tangible fixed assets	10		1,475,751		964,739
			<u>1,490,892</u>		<u>987,474</u>
<b>Current assets</b>					
Stocks	11	1,308,149		1,530,587	
Debtors	12	1,453,549		1,847,682	
Cash at bank		10,577		8,957	
		<u>2,772,275</u>		<u>3,387,226</u>	
<b>Creditors:</b> amounts falling due within one year	13	(891,714)		(1,077,586)	
<b>Net current assets</b>			1,880,561		2,309,640
<b>Total assets less current liabilities</b>			3,371,453		3,297,114
<b>Provisions for liabilities</b>					
Deferred tax	14	(39,418)		(5,393)	
Other provisions	15	(147,000)		(91,000)	
			<u>(186,418)</u>		<u>(96,393)</u>
<b>Net assets</b>			<u>3,185,035</u>		<u>3,200,721</u>
<b>Capital and reserves</b>					
Called up share capital	16		350,000		350,000
Profit and loss account	17		2,835,035		2,850,721
<b>Shareholders' funds</b>	18		<u>3,185,035</u>		<u>3,200,721</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 May 2012.

M Hainaut  
Director



# MISSILES & SPACE BATTERIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	2	1,156,307	801,771
Returns on investments and servicing of finance	3	423	5,017
Taxation		(95,462)	(262,227)
Capital expenditure and financial investment	3	(759,648)	(560,934)
Equity dividends paid		(300,000)	-
<b>Increase/(Decrease) in cash in the year</b>		<b>1,620</b>	<b>(16,373)</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
Increase/(Decrease) in cash in the year	1,620	(16,373)
<b>Movement in net debt in the year</b>	<b>1,620</b>	<b>(16,373)</b>
Net funds at 1 January 2011	8,957	25,330
<b>Net funds at 31 December 2011</b>	<b>10,577</b>	<b>8,957</b>

The notes on pages 9 to 19 form part of these financial statements.

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

---

### 1. Accounting Policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

#### 1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### 1.4 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of intangible assets over their expected useful lives on the following bases:

Licences	-	Over 60 months
----------	---	----------------

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	Over the life of the lease
Plant & machinery & equipment	-	Over 24 to 80 months

#### 1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

#### 1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received in advance.

#### 1.8 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

---

### 1. Accounting Policies (continued)

#### 1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

#### 1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax assets and liabilities are not discounted.

### 2. Net cash flow from operations

	2011 £	2010 £
Operating profit	359,436	502,136
Amortisation of intangible fixed assets	7,594	7,589
Depreciation of tangible fixed assets	248,636	250,585
(Increase) in stocks	222,438	(423,894)
Decrease in debtors	394,137	319,500
(Decrease)/increase in creditors	(131,934)	155,196
Increase/(decrease) in provisions	56,000	(9,341)
<b>Net cash inflow from operating activities</b>	<b>1,156,307</b>	<b>801,771</b>

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 3. Analysis of cash flows for headings netted in cash flow statement

	2011 £	2010 £
<b>Returns on Investments and servicing of finance</b>		
Interest received	423	5,017
	<u>423</u>	<u>5,017</u>
	2011 £	2010 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(759,648)	(560,934)
	<u>(759,648)</u>	<u>(560,934)</u>

### 4. Analysis of changes in net debt

	1 January 2011 £	Cash flow £	Other non-cash changes £	31 December 2011 £
Cash at bank and in hand:	8,957	1,620	-	10,577
<b>Net funds</b>	<u>8,957</u>	<u>1,620</u>	<u>-</u>	<u>10,577</u>

### 5. Turnover

An analysis of turnover by class of business is as follows:

	2011 £	2010 £
United Kingdom	3,713,370	3,127,148
Overseas	2,619,450	2,347,860
	<u>6,332,820</u>	<u>5,475,008</u>

### 6. Operating Profit

The operating profit is stated after charging:

	2011 £	2010 £
Depreciation of tangible fixed assets	248,632	250,585
Amortisation of intangible fixed assets	7,589	7,589
Auditors' remuneration	19,800	20,850
Operating lease rentals		
- plant and machinery	22,959	21,420
- land and buildings	134,683	123,468
Gain on foreign exchange transactions	<u>(42,520)</u>	<u>(21,590)</u>

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 7. Interest receivable

	2011 £	2010 £
Interest receivable from group companies	206	3,062
Bank interest receivable	217	1,955
	<u>423</u>	<u>5,017</u>

### 8. Taxation

	2011 £	2010 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	59,853	146,480
Adjustments in respect of prior periods	(18,333)	1,129
<b>Total current tax</b>	<u>41,520</u>	<u>147,609</u>
<b>Deferred tax</b> (see note 14)		
Origination and reversal of timing differences	34,025	5,393
<b>Tax on profit on ordinary activities</b>	<u>75,545</u>	<u>153,002</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%). The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before tax	<u>359,859</u>	<u>507,153</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	95,363	142,003
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,111	832
Depreciation add back	65,887	70,912
Capital allowances	(93,363)	(89,425)
Other tax adjustments	(4,740)	17,635
Enhanced relief for R&D expenditure	(6,753)	(8,868)
Adjustments to tax charge in respect of prior periods	(18,333)	1,129
Movement in short term timing differences	348	13,391
<b>Current tax charge for the year</b> (see note above)	<u>41,520</u>	<u>147,609</u>

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 8. Taxation (continued)

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

### 9. Intangible fixed assets

	Licenses £
<b>Cost</b>	
At 1 January 2011 and 31 December 2011	38,711
<b>Amortisation</b>	
At 1 January 2011	15,976
Charge for the year	7,594
At 31 December 2011	23,570
<b>Net book value</b>	
At 31 December 2011	15,141
At 31 December 2010	22,735

### 10. Tangible fixed assets

	Leasehold Land and buildings £	Plant, machinery and equipment £	Total £
<b>Cost</b>			
At 1 January 2011	199,361	3,243,352	3,442,713
Additions	12,613	747,035	759,648
At 31 December 2011	211,974	3,990,387	4,202,361
<b>Depreciation</b>			
At 1 January 2011	113,386	2,364,588	2,477,974
Charge for the year	30,247	218,389	248,636
At 31 December 2011	143,633	2,582,977	2,726,610
<b>Net book value</b>			
At 31 December 2011	68,341	1,407,410	1,475,751
At 31 December 2010	85,975	878,764	964,739



# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 11. Stocks

	2011 £	2010 £
Raw materials and consumables	1,062,059	1,224,863
Work in progress	200,608	227,823
Finished goods and goods for resale	45,482	77,901
	<u>1,308,149</u>	<u>1,530,587</u>

### 12. Debtors

	2011 £	2010 £
Trade debtors	1,081,137	1,030,765
Amounts owed by parent and related undertakings	292,554	736,027
Other debtors	1,020	2,275
Prepayments and accrued income	78,838	78,062
Amounts recoverable on long term contracts	-	553
	<u>1,453,549</u>	<u>1,847,682</u>

Included in amounts owed by parent and related undertakings is £67,783 (2010 - £549,221) in respect of treasury accounts held with EADS NV which are unsecured and repayable on demand. Interest on these balances is paid to the company at LIBOR less 0.05%.

### 13. Creditors: Amounts falling due within one year

	2011 £	2010 £
Payments received in advance	147,729	331,233
Trade creditors	159,132	326,822
Amounts owed to parent and related undertakings	168,099	39,582
Corporation tax	12,538	66,480
Other taxes and social security costs	200,267	86,965
Other creditors	29,077	58,981
Accruals and deferred income	174,872	167,523
	<u>891,714</u>	<u>1,077,586</u>

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 14. Deferred taxation

	2011 £	2010 £
At beginning of year	5,393	-
Charge/(credit) for year	34,025	5,393
At end of year	<u>39,418</u>	<u>5,393</u>

The provision for deferred taxation is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	49,311	15,634
Short-term timing differences	(9,893)	(10,241)
	<u>39,418</u>	<u>5,393</u>

### 15. Provisions

	Warranty £
At 1 January 2011	91,000
Additions	56,000
At 31 December 2011	<u>147,000</u>

#### Warranty

The payment dates of the individual warranty claims are uncertain but are currently anticipated to be within two years from the balance sheet date.

### 16. Share capital

	2011 £	2010 £
<b>Authorised</b>		
450,000 Ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>
<b>Allotted, called up and fully paid</b>		
350,000 Ordinary shares of £1 each	<u>350,000</u>	<u>350,000</u>

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 17. Reserves

	Profit and loss account £
At 1 January 2011	2,850,721
Profit for the year	284,314
Dividends: Equity capital	(300,000)
	<u>2,835,035</u>
At 31 December 2011	<u>2,835,035</u>

### 18. Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	3,200,721	2,846,570
Profit for the year	284,314	354,151
Dividends (Note 19)	(300,000)	-
	<u>3,185,035</u>	<u>3,200,721</u>
Closing shareholders' funds	<u>3,185,035</u>	<u>3,200,721</u>

### 19. Dividends

	2011 £	2010 £
Dividends paid on equity capital	<u>300,000</u>	<u>-</u>

### 20. Capital commitments

At 31 December 2011 the company had capital commitments as follows:

	2011 £	2010 £
Contracted for but not provided in these financial statements	<u>74,210</u>	<u>131,315</u>

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 21. Operating lease commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2011	2010	2011	Other 2010
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	-	-	1,972	7,733
Between 2 and 5 years	-	-	19,061	17,618
After more than 5 years	134,682	123,469	-	-
	<u>134,682</u>	<u>123,469</u>	<u>-</u>	<u>-</u>

### 22. Other financial commitments

There were no financial commitments at the year end (2010 - £Nil).

### 23. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2011	2010
	£	£
Wages and salaries	2,058,112	1,883,960
Social security costs	204,704	185,659
Pension and other benefit costs	159,227	137,880
	<u>2,422,043</u>	<u>2,207,499</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2011	2010
	No.	No.
Manufacturing, research and development	76	70
Administration	8	8
	<u>84</u>	<u>78</u>

### 24. Pension costs

	2011	2010
	£	£
<b>Defined contribution</b>		
Contributions payable by the company for the year	<u>116,900</u>	<u>116,164</u>

## MISSILES & SPACE BATTERIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

---

#### 25. Directors' remuneration

	2011 £	2010 £
Emoluments for qualifying services	95,334	94,167
Company pension contributions to money purchase pension schemes	10,637	10,275
	<u>105,971</u>	<u>104,442</u>

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of money purchase pension schemes.

#### 26. Ultimate parent undertaking and controlling party

In the opinion of the directors, the company's ultimate parent undertaking and controlling party is Aerospatiale Batteries SA, a company incorporated in France. Its financial statements are available to the public from Allee Sainte Helene, Cedex, Bourges, 18021, France.

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 27. Related Party Transactions

The company had transactions with three related parties during the year, being the parent company Aerospatiale Batteries SA; Advanced Thermal Batteries Incorporated, a 100% owned subsidiary of Aerospatiale Batteries SA; and EADS NV, a 50% shareholder of Aerospatiale Batteries SA. Details of transactions with these companies are as follows:

	2011 £	2010 £
<b>Aerospatiale Batteries SA</b>		
Sale of goods and services	847,821	605,759
Purchase of goods and services	975,688	765,831
Balance due from	183,649	145,151
Balance due to	161,364	38,265
	<b>2011 £</b>	<b>2010 £</b>
<b>EADS NV</b>		
Balance due from	67,783	549,221
	<b>2011 £</b>	<b>2010 £</b>
<b>Advanced Thermal Batteries Incorporated</b>		
Sale of goods and services	201,457	114,472
Purchase of goods and services	121,082	47,128
Balance due from	41,125	41,655
Balance due to	6,735	1,317