

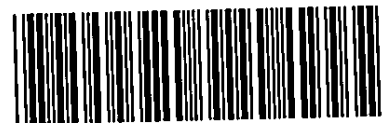
# **Missiles & Space Batteries Limited**

Company Registration No: SC162626

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

**For the year ended 31 December 2012**

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# MISSILES & SPACE BATTERIES LIMITED

## COMPANY INFORMATION

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**Directors** J E Searle (Chairman)  
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**

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# **MISSILES & SPACE BATTERIES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

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The directors present their report and the financial statements for the year ended 31 December 2012.

### **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 decreased by 20% compared with the previous year. This is mainly due to a gap between the end of some key contracts in 2012 and the start of new programs which have been deferred until 2013 and 2014. It is our expectation that Sales will remain at a similar level in the next two years with no significant increase anticipated.

Operating results decreased from a profit of £359,436 in 2011 to a loss £473,636 this year. This disappointing result was due to the reduction in sales and margins, a significant one-off charge for restructuring costs of £233,000, and a large increase in inventory provisions.

In 2012 the company undertook a redundancy program which significantly reduced headcount by one third, to 55. The benefits of this restructuring in terms of reduced operating costs will be seen in 2013 when the company expects to return to a reasonable level of profitability.

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, reduced during the year due to the operating loss. Cash flow in 2012 included capital expenditure of £298,350 (2011 - £759,648), and a dividend payment of £100,000 (2011 - £300,000).

Details of all amounts owed to the company's parent company and other related parties are shown in note 27 on page 20.

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 and site layout.

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 continues to develop alternative sources for all ITAR materials.

# **MISSILES & SPACE BATTERIES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

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The company has a lease on its premises in Coatbridge. During 2012 a new landlord, Gulliver's Truck Hire Limited, purchased the site. This change in ownership does not change the terms of the lease and should not have a significant impact on our business.

### **Dividends**

The company paid a dividend of £100,000 (2011: £300,000) during the year.

### **Results**

The loss for the year, after taxation, amounted to £376,028 (2011 - profit £284,314).

### **Directors**

The directors who served during the year were:

J E Searle (Chairman)  
J E E Desprez  
A Greig  
M Hainaut  
S Williams

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 30 April 2013 and signed on its behalf.

  
**A Greig**  
Director

# **MISSILES & SPACE BATTERIES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012**

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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 accounting 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**

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We have audited the financial statements of Missiles & Space Batteries Limited for the year ended 31 December 2012 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2012 and of its loss 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

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### 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

30 April 2013

# MISSILES & SPACE BATTERIES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
<b>Turnover</b>	<b>5</b>	5,063,478	6,332,820
Cost of sales		(4,477,195)	(5,009,404)
<b>Gross profit</b>		586,283	1,323,416
Selling and distribution costs		(7,623)	(38,601)
Administrative expenses		(1,049,347)	(925,379)
<b>Operating (loss)/profit</b>	<b>6</b>	(470,687)	359,436
Interest receivable and similar income	<b>7</b>	-	423
Interest payable and similar charges	<b>8</b>	(2,949)	-
<b>(Loss)/profit on ordinary activities before taxation</b>		(473,636)	359,859
Tax on (loss)/profit on ordinary activities	<b>9</b>	97,608	(75,545)
<b>(Loss)/profit for the financial year</b>	<b>18</b>	(376,028)	284,314

All amounts relate to continuing operations.

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account.

The notes on pages 9 to 20 form part of these financial statements.

# MISSILES & SPACE BATTERIES LIMITED

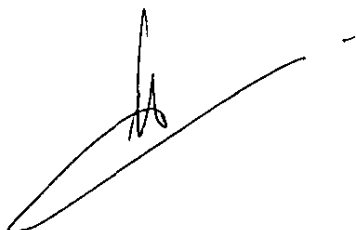
Registered number: SC162626

## BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Intangible fixed assets	10		7,549		15,141
Tangible fixed assets	11		1,402,465		1,475,751
			<u>1,410,014</u>		<u>1,490,892</u>
<b>Current assets</b>					
Stocks	12	1,454,353		1,308,149	
Debtors	13	1,079,277		1,453,549	
Cash at bank		6,557		10,577	
		<u>2,540,187</u>		<u>2,772,275</u>	
<b>Creditors: amounts falling due within one year</b>	14	(1,148,694)		(891,714)	
<b>Net current assets</b>			<u>1,391,493</u>		<u>1,880,561</u>
<b>Total assets less current liabilities</b>			<u>2,801,507</u>		<u>3,371,453</u>
<b>Provisions for liabilities</b>					
Deferred tax	15	-		(39,418)	
Other provisions	16	(92,500)		(147,000)	
			<u>(92,500)</u>		<u>(186,418)</u>
<b>Net assets</b>			<u>2,709,007</u>		<u>3,185,035</u>
<b>Capital and reserves</b>					
Called up share capital	17		350,000		350,000
Profit and loss account	18		2,359,007		2,835,035
<b>Shareholders' funds</b>	19		<u>2,709,007</u>		<u>3,185,035</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 April 2013.

M Hainaut  
Director



# MISSILES & SPACE BATTERIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	2	400,275	1,156,307
Returns on investments and servicing of finance	3	(2,949)	423
Taxation		(2,996)	(95,462)
Capital expenditure and financial investment	3	(298,350)	(759,648)
Equity dividends paid		(100,000)	(300,000)
<b>(Decrease)/Increase in cash in the year</b>		<b>(4,020)</b>	<b>1,620</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(4,020)	1,620
<b>Movement in net debt in the year</b>	<b>(4,020)</b>	<b>1,620</b>
Net funds at 1 January 2012	10,577	8,957
<b>Net funds at 31 December 2012</b>	<b>6,557</b>	<b>10,577</b>

The notes on pages 9 to 20 form part of these financial statements.

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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### 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
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#### 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.

#### 1.9 Pensions

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

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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### 1. Accounting Policies (continued)

#### 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.

#### 1.12 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and Loss Account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and Loss Account as the related expenditure is incurred.

### 2. Net cash flow from operations

	2012 £	2011 £
Operating (loss)/profit	(470,687)	359,436
Amortisation of intangible fixed assets	7,592	7,594
Depreciation of tangible fixed assets	371,636	248,636
(Increase) in stocks	(146,205)	222,438
Decrease in debtors	422,920	394,137
Increase/(decrease) in creditors	242,742	(131,934)
(Decrease)/increase in provisions	(27,723)	56,000
<b>Net cash inflow from operating activities</b>	<b>400,275</b>	<b>1,156,307</b>

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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

	2012 £	2011 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	423
Interest paid	(2,949)	-
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>	<b>(2,949)</b>	<b>423</b>
	<b>2012 £</b>	<b>2011 £</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(298,350)	(759,648)

### 4. Analysis of changes in net debt

	1 January 2012 £	Cash flow £	Other non-cash changes £	31 December 2012 £
Cash at bank and in hand:	10,577	(4,020)	-	6,557
<b>Net funds</b>	<b>10,577</b>	<b>(4,020)</b>	<b>-</b>	<b>6,557</b>

### 5. Turnover

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

	2012 £	2011 £
United Kingdom	2,942,363	3,713,370
Overseas	2,121,115	2,619,450
	<b>5,063,478</b>	<b>6,332,820</b>

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 6. Operating Profit

The operating profit is stated after charging:

	2012 £	2011 £
Depreciation of tangible fixed assets	371,637	248,632
Amortisation of intangible fixed assets	7,592	7,589
Auditors' remuneration	18,500	18,500
Auditors' remuneration - taxation	2,300	10,850
Auditors' remuneration - other	700	1,450
Operating lease rentals		
- plant and machinery	14,003	22,959
- land and buildings	145,896	134,683
Redundancy costs	233,429	-
Gain on foreign exchange transactions	(4,406)	(42,520)

### 7. Interest receivable

	2012 £	2011 £
Interest receivable from group companies	-	206
Bank interest receivable	-	217
	-	423

### 8. Interest payable

	2012 £	2011 £
On bank loans and overdrafts	390	-
On amounts payable to group companies	2,559	-
	2,949	-

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 9. Taxation

	2012 £	2011 £
<b>Analysis of tax (credit)/charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(48,647)	59,853
Adjustments in respect of prior periods	(9,543)	(18,333)
<b>Total current tax</b>	<u>(58,190)</u>	<u>41,520</u>
<b>Deferred tax</b> (see note 15)		
Origination and reversal of timing differences	(39,418)	34,025
<b>Tax on (loss)/profit on ordinary activities</b>	<u>(97,608)</u>	<u>75,545</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below:

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	<u>(473,636)</u>	<u>359,859</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	(116,041)	95,363
<b>Effects of:</b>		
Expenses not deductible for tax purposes	8,874	3,111
Depreciation add back	85,382	65,887
Capital allowances	(83,819)	(93,363)
Other tax adjustments	655	(4,740)
Enhanced relief for R&D expenditure	(6,248)	(6,753)
Adjustments to tax charge in respect of prior periods	(9,543)	(18,333)
Unutilised tax losses carried forward	64,550	-
Movement in short term timing differences	(2,000)	348
<b>Current tax (credit)/charge for the year</b> (see note above)	<u>(58,190)</u>	<u>41,520</u>

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 10. Intangible fixed assets

	Licenses £
<b>Cost</b>	
At 1 January 2012 and 31 December 2012	38,711
<b>Amortisation</b>	
At 1 January 2012	23,570
Charge for the year	7,592
At 31 December 2012	31,162
<b>Net book value</b>	
At 31 December 2012	7,549
At 31 December 2011	15,141

### 11. Tangible fixed assets

	Leasehold Land and buildings £	Plant, machinery and equipment £	Total £
<b>Cost</b>			
At 1 January 2012	211,974	3,990,387	4,202,361
Additions	32,777	265,573	298,350
At 31 December 2012	244,751	4,255,960	4,500,711
<b>Depreciation</b>			
At 1 January 2012	143,633	2,582,977	2,726,610
Charge for the year	35,052	336,584	371,636
At 31 December 2012	178,685	2,919,561	3,098,246
<b>Net book value</b>			
At 31 December 2012	66,066	1,336,399	1,402,465
At 31 December 2011	68,341	1,407,410	1,475,751

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 12. Stocks

	2012 £	2011 £
Raw materials and consumables	1,111,938	1,062,059
Work in progress	225,300	200,608
Finished goods and goods for resale	117,115	45,482
	<u>1,454,353</u>	<u>1,308,149</u>

### 13. Debtors

	2012 £	2011 £
Trade debtors	971,618	1,081,137
Amounts owed by parent and related undertakings	-	292,554
Other debtors	48,668	1,020
Prepayments and accrued income	58,991	78,838
	<u>1,079,277</u>	<u>1,453,549</u>

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

	2012 £	2011 £
Payments received in advance	351,578	147,729
Trade creditors	199,639	159,132
Amounts owed to parent and related undertakings	314,316	168,099
Corporation tax	-	12,538
Other taxes and social security costs	112,242	200,267
Other creditors	20,786	29,077
Accruals and deferred income	150,133	174,872
	<u>1,148,694</u>	<u>891,714</u>

Included in amounts owed to parent and related undertakings is £312,264 (2011 - debtor of £67,783) 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%

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 15. Deferred taxation

	2012 £	2011 £
At beginning of year	39,418	5,393
Charge/(credit) for year	(39,418)	34,025
At end of year	-	39,418

The provision for deferred taxation is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	49,372	49,311
Short-term timing differences	(7,452)	(9,893)
Unutilised losses	(41,920)	-
	-	39,418

The company has an unprovided deferred tax asset of £18,684 in respect of unutilised tax losses.

### 16. Provisions

	Deferred grant income £	Warranty £	Total £
At 1 January 2012	100,000	47,000	147,000
Additions	50,000	-	50,000
Utilised in the year	-	(4,500)	(4,500)
Transferred against fixed asset additions	(100,000)	-	(100,000)
At 31 December 2012	50,000	42,500	92,500

#### Deferred grant income

The final instalment was received for the grant claim relating to the dry room project. The grant will be depreciated on the same basis as the dry room amortisation once it has been applied.

#### Warranty

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

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 17. Share capital

	2012 £	2011 £
<b>Authorised</b>		
450,000 Ordinary shares of £1 each	450,000	450,000
<b>Allotted, called up and fully paid</b>		
350,000 Ordinary shares of £1 each	350,000	350,000

### 18. Reserves

	Profit and loss account £
At 1 January 2012	2,835,035
Loss for the year	(376,028)
Dividends: Equity capital	(100,000)
At 31 December 2012	2,359,007

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

	2012 £	2011 £
Opening shareholders' funds	3,185,035	3,200,721
(Loss)/profit for the year	(376,028)	284,314
Dividends (Note 20)	(100,000)	(300,000)
Closing shareholders' funds	2,709,007	3,185,035

### 20. Dividends

	2012 £	2011 £
Dividends paid on equity capital	100,000	300,000

### 21. Capital commitments

At 31 December 2012 the company had capital commitments as follows:

	2012 £	2011 £
Contracted for but not provided in these financial statements	115,120	74,210

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 22. Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2012	2011	2012	2011
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	-	-	5,167	1,972
Between 2 and 5 years	-	-	4,648	19,061
After more than 5 years	145,896	134,682	-	-
	<u>145,896</u>	<u>134,682</u>	<u>-</u>	<u>-</u>

### 23. Staff costs

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

	2012	2011
	£	£
Wages and salaries	2,154,142	2,058,112
Social security costs	188,856	204,704
Pension and other benefit costs	159,303	159,227
	<u>2,502,301</u>	<u>2,422,043</u>

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

	2012	2011
	No.	No.
Manufacturing, research and development	69	76
Administration	8	8
	<u>77</u>	<u>84</u>

### 24. Pension costs

	2012	2011
	£	£
<b>Defined contribution</b>		
Contributions payable by the company for the year	<u>125,742</u>	<u>116,900</u>

# MISSILES & SPACE BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 25. Directors' remuneration

	2012 £	2011 £
Emoluments for qualifying services	97,242	95,334
Company pension contributions to money purchase pension schemes	8,987	10,637
	<u>106,229</u>	<u>105,971</u>

During the year retirement benefits were accruing to 1 director (2011 - 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 2012

### 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:

	2012 £	2011 £
<b>Aerospatiale Batteries SA</b>		
Sale of goods and services	696,679	847,821
Purchase of goods and services	374,622	975,688
Balance due from	35,427	183,649
Balance due to	33,375	161,364
	<u>312,264</u>	<u>161,364</u>
	2012 £	2011 £
<b>EADS NV</b>		
Sale of goods and services	30,459	-
Purchase of good and services	-	-
Balance due from	-	67,783
Balance due to	312,264	-
	<u>312,264</u>	<u>-</u>
	2012 £	2011 £
<b>Advanced Thermal Batteries Incorporated</b>		
Sale of goods and services	205,679	201,457
Purchase of goods and services	93,730	121,082
Balance due from	-	41,125
Balance due to	-	6,735
	<u>-</u>	<u>47,860</u>