

Company Registration No: 1264602

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2010
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS



THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2010

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The following page does not form part of the statutory accounts but is included as additional information for members

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THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
DIRECTORS AND PROFESSIONAL ADVISERS

DIRECTOR

Rear Admiral R Ward CB

DIRECTORS (MEMBERS OF THE COUNCIL) (resigned 20th January 2010)

Augusta Westland
Babcock International Group plc
BAESystems Integrated System Technologies Ltd
Berwin Leighton Paisner LLP
BMT Sigma Ltd
BVT Surface Fleet
Chemring Group plc
Cohort plc
DRS Tactical Systems Ltd
Aish Technologies Ltd
Finmeccanica UK Ltd
Forensic Telecommunications Services Ltd
General Dynamics UK Ltd
G3 Systems Ltd
HP Enterprise Services UK Ltd
Hale Hamilton (Valves) Ltd
KBR
Marshall Specialist Vehicles Ltd
MBDA UK Ltd
Morgan Sindall plc
MSI Defence Systems Ltd
Northrop Grumman UK
Portsmouth Aviation Ltd
Raytheon Systems Ltd
Selex Galileo
Thales UK plc
Toye Kenning and Spencer Ltd
VT Group plc

SECRETARY

Mrs E A Luck MiMgt, AIL	(resigned 27 th July 2009)
Mr T Porter ACA	(appointed 13 th October 2009, resigned 26 th March 2010)
Mr R M Sayers FCA	(appointed 20 th July 2010)

REGISTERED OFFICE

Marlborough House
Headley Road
Grayshott
Hindhead
Surrey
GU26 6LG

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
DIRECTORS AND PROFESSIONAL ADVISERS (CONTINUED)

SOLICITORS

Penningtons Solicitors LLP
da Vinci House
Basing View
Basingstoke
Hampshire
RG21 4EQ

BANKERS

National Westminster Bank plc
2nd Floor G3
2 Cathedral Hill
Guildford
GU1 3ZR

AUDITORS

Crowe Clark Whitehall LLP
Chartered Accountants and
Registered Auditors
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2010

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the year ended 31 March 2010

The financial statements comply with current statutory requirements and the Memorandum and Articles of Association

The directors' report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006

The Defence Manufacturers Association Limited (the DMA) is a registered company (No 1264602) which is limited by guarantee and registered under the laws of England and Wales

BUSINESS MERGER

On 30th September 2009, The Defence Manufacturers Association merged with The Society of British Aerospace Companies Limited (SBAC). On that date, certain assets and liabilities were transferred from the DMA and SBAC to a newly incorporated entity, ADS Group Limited (A|D|S), a company limited by guarantee having objects and affairs similar and complimentary to those of the DMA and SBAC. Details of the transfer from the DMA are disclosed in note 15 to the Financial Statements

BUSINESS REVIEW

The principal activity of the DMA prior to the merger was to foster the interests of Member companies that supply or wish to supply equipment or services to Defence markets worldwide. Primarily, it concerns itself with influencing procurement policies and procedural matters and in the promotion of Members' products and services. Any surplus income is used for the benefit of Members.

In addition, the Association of Police and Public Security Suppliers which is a Division of DMA, focuses on the Police and Public Security markets in the UK and worldwide. It too was founded to represent the interest of its Member companies to concerned official organisations.

The DMA's activities were primarily financed by organised events which generated revenues of £2.18m for the 6 months to 30th September 2009 compared with £3.55m for the previous year. Revenues from membership subscriptions were £286k for the 6 months to 30th September 2009 compared with £675k for the previous year. Membership of DMA was transferred to A|D|S.

A summary of the year's results is given on page 10 of the financial statements.

As at 31st March 2010, DMA continued to hold Marlborough House, the freehold property at Hindhead, Surrey. It is anticipated that these assets will be formally transferred to A|D|S within the next 12 months.

DIRECTORS

The DMA's affairs are controlled by the Council, the members of which are the directors and which meets regularly as the Board. The directors who have been Council members since the production of the last statutory accounts are listed on page 3. None of the directors have any financial interests in the DMA.

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2010

GOVERNANCE

The DMA is managed by the Board which meets 4 times a year

In addition, the Finance and General Purpose Committee meets 4 times a year and advises on financial, operational and strategic matters

DONATIONS

No political or charitable contributions were made during the year (2009 £nil)

AUDITORS

On 1 October 2010, Horwath Clark Whitehill LLP changed its name to Crowe Clark Whitehill LLP
Crowe Clark Whitehill LLP has expressed their willingness to be reappointed as statutory auditor for the next financial year

Approved by Members of the Council and signed by order of the Council



Mr R Sayers FCA

Secretary

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2010

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,
- 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.

So far as each of the directors at the date of this report is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED

We have audited the financial statements of The Defence Manufacturers Association Limited for the year ended 31 March 2010 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Reserves and the related notes numbered 1 to 12

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 Ethical Standards for Auditors.

Qualified opinion on financial statements arising from limitation in audit scope

With respect to subscription income amounting to £286,136 the audit evidence was limited as there were changes in personnel within the finance department and the accounting records recording subscription income recognised in the period are incomplete. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the completeness of subscription income by using other audit procedures.

Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the completeness of subscription income, in our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 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 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.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the completeness of subscription income described above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been kept

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

- 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



Tina M Allison

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

Date 17 December 2010

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2010

	Notes	2010 £	Restated 2009 £
TURNOVER	2	2,493,023	4,281,384
Cost of Projects		(2,171,252)	(3,184,152)
		<hr/>	<hr/>
GROSS PROFIT		321,771	1,097,232
OPERATING EXPENDITURE			
Administrative Expenses		(916,023)	(1,394,790)
		<hr/>	<hr/>
OPERATING (LOSS)	3	(594,252)	(297,558)
Interest Receivable	5	1,617	48,136
		<hr/>	<hr/>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(592,635)	(249,422)
Transfer to Retirement Gratuity Fund		(13,600)	(18,000)
		<hr/>	<hr/>
		(606,235)	(267,422)
Taxation (Charged)	6		(3,384)
		<hr/>	<hr/>
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(606,235)	(270,806)
		=====	=====

The operations represented by the information above were undertaken by The Defence Manufacturers Association Limited during the year reported and are continuing having been transferred to ADS Group Limited at close of business on 30 September 2009 (see note)

The notes on pages 12 to 16 form part of these Financial Statements.

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
STATEMENT OF MOVEMENT ON RESERVES
YEAR ENDED 31 MARCH 2010

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2010 £	2009 £
Excess of (expenditure over income) for the year	(606,235)	12,762
Restatement of subscription income	(283,568)	-
	<hr/>	<hr/>
Total recognised gains and losses for the year	(889,803) =====	12,762 =====

STATEMENT OF MOVEMENT ON RESERVES

Income and Expenditure Account

	£
At 1 April 2009	971,794
Excess of expenditure over income	(606,235)
Restatement of Subscription income	(283,568)
	<hr/>
Transfer of assets and liabilities to ADS Group Limited	351,437
	<hr/>
At 31 March 2010	433,428 =====

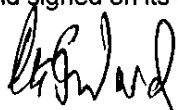
The notes on pages 12 to 16 form part of these Financial Statements.

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
BALANCE SHEET
AS AT 31 MARCH 2010

FIXED ASSETS	Notes	2010 £	<i>Restated 2009 £</i>
Tangible Assets	7	433,428	459,434
CURRENT ASSETS			
Debtors	8	-	1,676,902
Cash at bank and in hand		-	932,170
		-	2,609,072
CURRENT LIABILITIES			
Amounts falling due within one year			
Sundry Creditors	9	-	(2,380,280)
Net Current Assets		-	228,792
NET ASSETS		433,428 =====	688,226 =====
RESERVES			
Income and Expenditure Account	10	433,428 =====	688,226 =====

These financial statements have been prepared in accordance with the provisions of the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Small Entities (effective April 2008)

These financial statements were approved and authorised for issue by the Council on 15th December 2010 and signed on its behalf by



Rear Admiral Rees Ward CB

Date 15th December, 2010

The notes on pages 12 to 16 form part of the Financial Statements.

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, in accordance with

- I the Financial Reporting Standard for Smaller Entities (effective April 2008),
- II the provisions of the small companies regime within Part 15 of the Companies Act 2006

In preparing the financial statements for the current year, the company has changed its accounting policy for subscription revenue recognition. Revenue is now recognised evenly over the period of the renewal. Previously revenue had been recognised in its entirety at the point of invoicing. The company considers that this new policy now accurately reflects the period of the benefit received. Consequently, this increases the membership revenue in the current period by £63,147.

b) Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows

Freehold Land and Building	Nil
Computer Equipment	33% to 50%
Office Equipment	25%

c) Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not in the short term that they will be recovered. Deferred tax assets and liabilities are not discounted.

d) Foreign Currencies

Transactions in foreign currencies are translated at the rate ruling at the date of transaction. All monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange prevailing at that date. Exchange differences are dealt with through the income and expenditure account.

b) Events

Both revenue and costs are recognised in the period in which the event has been completed. Deposits, relating to an event, received in advance are recorded as 'received on account of after date projects' in creditors on the balance sheet. Payments, relating to an event, made in advance are recorded as expenditure on after date projects' in debtors on the balance sheet.

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

c) Retirement Gratuity Fund

Provision is made in the accounts to a retirement gratuity fund in respect of executive staff. Provision is based on 4% of salary for each year of service with 2 years used as the minimum length of service. On an executive's retirement a tax free payment is made of up to £30,000. There is no contractual right to the payment.

2 TURNOVER

Turnover represents the amount derived from the provision of services which fall within the company's ordinary activities stated net of value added tax.

3 OPERATING LOSS

	2010 £	2009 £
Operating Loss is stated after charging		
Staff Costs (note 4)	831,073	1,476,940
Auditors Remuneration	11,250	15,250
	=====	=====
Depreciation of tangible fixed assets (note 7)		
Owned assets	4,884	10,177
	=====	=====

4 SALARY COSTS

	2010 £	2009 £
Staff Costs		
Fees and Salaries	777,340	1,347,081
Pension Costs	53,733	129,859
	=====	=====
	831,073	1,476,940
	=====	=====

Pension Costs

The company contributes to the independent pension schemes of its employees and such contributions are charged to the income and expenditure account as and when they become payable.

5 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
Receivable - Bank Deposit Interest	1,617	48,136
	=====	=====

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

6 TAXATION

Corporation Tax Payable	NIL =====	3,384 =====
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7 FIXED ASSETS

	Freehold Property £	Computer and Office Equipment £	Total £
Cost			
At beginning of year	433,428	338,695	772,123
Additions	-	9,691	9,691
Transfer to ADS Group	-	(348,386)	(348,386)
At end of year	433,428	-	433,428
Depreciation			
At beginning of year	-	312,689	312,689
Charge for year	-	4,884	4,884
Transfer to ADS Group	-	(317,573)	(317,573)
At end of year	-	-	-
Net Book Value			
31 March 2010	433,428	-	433,428
31 March 2009	433,428	26,006	459,434

The freehold property is considered to have a residual value not less than its cost and hence has not depreciated in value. It is the intention of the council to maintain the property through regular repairs and maintenance to such a standard that it will not depreciate in value.

On 1st October 2009 a merger took place between The Defence Manufacturers Association Limited (DMA) and the Society of British Aerospace Companies Limited (SBAC) and the trade and working capital of both of these companies was transferred to a newly incorporated company ADS Group Limited A|D|S.

The Memorandum and Articles of Association for the DMA and SBAC were amended so that A|D|S voting rights were 3 times the aggregate of all other votes which are capable of being cast, resulting in both companies being under the control of A|D|S.

It is anticipated that in the next 12 months the remaining assets held within DMA will be formally transferred to A|D|S.

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

8	DEBTORS	2010	Restated 2009
		£	£
	Trade Debtors	-	495,891
	Expenditure on after date projects	-	918,427
	Other Debtors and Prepayments	-	262,584
		<hr/>	<hr/>
		-	1,676,902
		=====	=====
9	CREDITORS	2010	Restated 2009
		£	£
	Amounts falling due within one year		
	Received on account of after date events	-	1,644,482
	Trade Creditors	-	207,261
	Taxation and Social Security	-	114,995
	Other Creditors	-	181,534
	Deferred Income	-	232,008
		<hr/>	<hr/>
		-	2,380,280
		=====	=====
10	INCOME & EXPENDITURE ACCOUNT		
	Balance at 1 April 2009	971,794	
	Deficit for Year	(606,235)	
	Restatement of Subscription Income	(283,568)	
	Transfer of assets to ADS Group Limited	351,437	
		<hr/>	
	Balance at 31 March 2010	433,428	
		=====	

11 DEFERRED TAXATION

A provision for deferred tax has not been provided for in respect of timing differences relating to provisions and fixed assets qualifying for capital allowances and trading losses carried forward as there is insufficient evidence at present that the asset will be recovered in the foreseeable future. The deferred tax asset would become repayable should the company make profits in the future in excess of tax losses carried forward.

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

15 TRANSFER OF ASSETS AND LIABILITIES TO ADS GROUP LIMITED

On 30th September 2009, The Defence Manufacturers Association (the DMA) merged with The Society of British Aerospace Companies Limited (SBAC). On that date, certain assets and liabilities were transferred from the DMA and SBAC to a newly incorporated entity, ADS Group Limited (A|D|S), a company limited by guarantee having objects and affairs similar and complimentary to those of the DMA and SBAC. Summary details of the transfer from the DMA are shown below.

	£
FIXED ASSETS	
Tangible assets	<u>28,343</u>
CURRENT ASSETS	
Debtor	428,325
Cash at bank and in hand	<u>777,736</u>
	1,206,061
CREDITORS: Amounts falling due within one year	<u>1,813,742</u>
NET CURRENT LIABILITIES	(607,681)
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>(579,338)</u>
RESERVES TRANSFERRED TO ADS GROUP LIMITED	<u>(579,338)</u>

THE DEFENCE MANUFACTURERS ASSOCIATION LIMITED
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2010
FOR THE INFORMATION OF THE DIRECTORS ONLY

	<u>2010</u>	<u>Restated 2009</u>
Income	£'000	£'000
Events	2,180	3,549
Subscriptions	286	675
Advertising and Publications	27	58
Interest Receivable	2	48
	<u>2,495</u>	<u>4,330</u>
Expenditure		
Events	2,172	3,184
Publications and Research	89	121
Fees and Salaries	501	822
Office Services and Supplies	309	427
Auditors' Remuneration	11	15
Depreciation	5	10
	<u>3,087</u>	<u>4,579</u>
(DEFICIT)	<u>(592)</u>	<u>(249)</u>
Transfer to Retirement Gratuity Fund	<u>(14)</u>	<u>18</u>
NET (DEFICIT) BEFORE TAXATION	<u>(606)</u> =====	<u>(267)</u> =====