

AGM Batteries Limited

**Annual Report and Financial Statements
for the year ended 31 March 2004**

Registered number: 3479383



AGM Batteries Limited

Annual Report and Financial Statements

Contents	Pages
Officers and Professional Advisers	1
Directors' Report	2
Independent Auditors' Report	5
Profit and Loss Account	6
Reconciliation of Movements in Shareholders' Funds	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9

Officers and Professional Advisers

Directors

Mr A M Jeffery	(Managing Director)
Mr R Proctor	(Retired 18 th May 2004)
Mr B Simms	(Appointed 18 th May 2004)
Mr A McCree	
Mr M Yamachi	
Dr P Watson	
Mr M Mizutani	(Retired 10 th June 2003)
Mr T Sonoda	(Appointed 10 th June 2003)
Mr N Komada	
Mr A Mochizuki	(Retired 29 th June 2004)
Mr F Ueda	(Appointed 29 th June 2004)
Mr D Loughborough	(Retired 28 th June 2004)
Mr C P Brown	(Appointed 11 th August 2004)

Company Secretary

Miss C G Murray

Registered Office

329 Harwell
Harwell
Didcot
Oxfordshire
OX11 0QJ

Bankers

Lloyds TSB Bank Plc
City Office
11-15 Monument Street
London
EC3V 9JA

Auditors

PricewaterhouseCoopers LLP
9 Greyfriars Road
Reading
RG1 1JG

Directors' Report for the year ended 31 March 2004

The directors present their annual report and the audited financial statements of the Company for the year ended 31 March 2004.

Principal Activity

The principal activity of the Company is the design, manufacture and sale of lithium-ion cells to meet the diverse requirements of industrial, military and consumer markets.

Review of the Business

Sales for the Financial Year 2003/04 were reduced largely due to an accelerated supply of product to AEA Technology Battery Systems Limited in the previous year. Removal of support from AEA Technology Battery Systems Limited for administration costs resulted in the Company moving into an overall loss for the Financial Year. However, customer interest continues to be strong and growing, particularly in Defence markets with long-term development programmes.

The launch of an electronically controlled version of the AGM cell has been well received by the market since *this feature provides an additional level of safety in high-energy portable power systems*

Sales & marketing activity continues to focus on high technology applications in the Defence, Home-land Security, Aerospace and Medical sectors.

Future Developments

In addition to the promotion of growth in the customer base and orders, the main focus of activity, in response to competitive pressure, will be the development of new products with even higher energy and all round performance.

Results & Dividends

The loss on ordinary activities before interest and tax for the year amounted to £841,152 (2003: £35,700 profit).

The directors do not recommend the payment of a dividend (2003: nil).

Research & Development

The development of D-cell variants with 20% increase in discharge capacity is now well under way and the product is expected to be commercially available at the beginning of 2005.

A development programme to increase cell capacity by a further 25% has been agreed with AGM's Japanese partners. This product is targeted to be available in 2006. Both developments will materially assist AGM's market penetration and future profitability.

Research & Development expenditure during the year amounted to £74,831 (2003: £101,989).

Directors and their Interests

The directors who held office during the year are shown on page 1.

The directors are elected representatives and as such have no individual shareholdings in AGM Batteries Limited. The directors' interests in the ordinary shares of the Company throughout the year ended 31 March 2004 were nil (2003: nil).

Directors' report for the year ended 31 March 2004 (continued)

Directors and their Interests (continued)

The interests of A McCree and P Watson in the ordinary shares of AEA Technology plc, the parent company, are disclosed in the AEA Technology plc Annual Report.

The interests of other directors of AGM Batteries Limited in the 12.2p (2003: 12.2p) ordinary shares of AEA Technology plc were:

	31 March 2004 No. of shares	31 March 2003 No. of shares
Mr AM Jeffery	912	-
Mr D Loughborough	-	2,295
Mr R Proctor	1,000	1,000

The interests of the other directors of AGM Batteries Limited in options to subscribe for the 12.2p ordinary shares of AEA Technology plc are set out below. All options granted are under the SAYE share option scheme (note 21) except as noted below.

	31 March 2003	Granted/ exercised in the year	Expired/ lapsed in the year	31 March 2004	Exercise price	Date from which exercisable	Expiry date
Mr AM Jeffery	956	-	(956)	-	£3.200	01/03/03	31/08/03
	10,118*	-	-	10,118	£2.956	26/06/04	26/06/11
	15,234*	-	-	15,234	£2.560	01/08/05	01/08/12
	12,933	-	-	12,933	£1.270	01/04/08	30/09/08
	-	13,636*	-	13,636	£2.200	15/07/06	15/07/13
Mr D Loughborough	18,212*	-	-	18,212	£2.965	26/06/04	26/06/11
	41,015*	-	-	41,015	£2.560	01/08/05	01/08/12
	-	54,090*	-	54,090	£2.200	15/07/06	15/07/13

* These options have been granted under the Company Share Option Plan and are subject to certain performance criteria being met (note 21).

Otherwise, no directors had an interest at any time in the year in the share capital of the Company or other company within the AEA Technology plc Group.

**Directors' report
for the year ended 31 March 2004 (continued)**

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year, that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the year. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

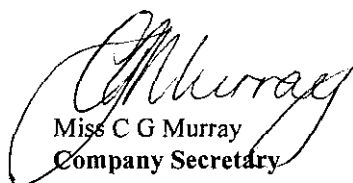
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2004 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

Elective resolutions to dispense with holding Annual General Meetings, the laying of accounts before the Company in general meeting and the appointment of auditors annually are currently in force.

By order of the Board



Miss C G Murray
Company Secretary

Independent auditors' report to the members of AGM Batteries Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

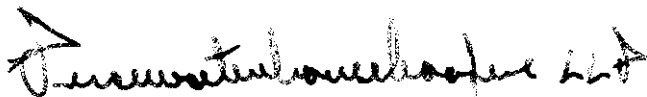
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2004 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Reading

31 January 2005

Profit and Loss Account for the year ended 31 March 2004

	Note	2004 £	2003 £
Turnover	2	3,000,880	3,141,072
Cost of sales		(2,133,938)	(2,240,516)
Gross profit		866,942	900,556
Administrative expenses		(1,860,992)	(1,018,055)
Other operating income	5	152,898	153,199
Operating (loss) / profit	6	(841,152)	35,700
Interest payable and similar charges	7	(129,864)	(167,128)
Loss on ordinary activities before taxation		(971,016)	(131,428)
Tax on loss on ordinary activities	8	-	-
Loss for the financial year	16	(971,016)	(131,428)

All activities of the Company are continuing.

The Company has no recognised gains and losses other than the loss above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents.

Reconciliation of Movements in Shareholders' (Deficit) / Funds for the year ended 31 March 2004

	Note	2004 £	2003 £
Shareholders' funds at 1 April		901,630	1,033,058
Loss for the year		(971,016)	(131,428)
Shareholders' (deficit) / funds at 31 March		(69,386)	901,630

Balance Sheet

as at 31 March 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	9	5,687,443	6,107,104
Current assets			
Stock	10	1,412,748	873,108
Debtors: amounts falling due in less than one year	11	2,581,222	3,377,352
Debtors: amounts falling due in more than one year	11	100,643	100,643
		<u>4,094,613</u>	<u>4,351,103</u>
Creditors: amounts falling due within one year	12	<u>(8,465,898)</u>	<u>(8,018,436)</u>
Net current liabilities		<u>(4,371,285)</u>	<u>(3,667,333)</u>
Total assets less current liabilities		<u>1,316,158</u>	<u>2,439,771</u>
Creditors: amounts falling due after more than one year	13	<u>(1,385,544)</u>	<u>(1,538,141)</u>
Total net (liabilities)/assets		<u>(69,386)</u>	<u>901,630</u>
Capital and reserves			
Called up share capital	15	4,064,000	4,064,000
Profit and loss account deficit	16	<u>(4,133,386)</u>	<u>(3,162,370)</u>
Equity shareholders' (deficit) / funds		<u>(69,386)</u>	<u>901,630</u>

The financial statements on pages 6 to 18 were approved by the Board of Directors on 28th January 2005 and were signed on its behalf by:



A M Jeffery
Director

Cash Flow Statement
For the year ended 31 March 2004

	Note	2004 £	2003 £
Net cash inflow from operating activities	19	84,434	947,068
Returns on investments and servicing of finance			
Interest paid		(129,864)	(167,128)
Net cash outflow from returns on investments and servicing of finance		(129,864)	(167,128)
Taxation		-	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(134,066)	(729,319)
Net cash outflow from capital expenditure and financial investment		(134,066)	(729,319)
Net cash (outflow) / inflow before use of liquid resources and financing		(179,496)	50,621
(Decrease) / increase in net cash in the year	20	(179,496)	50,621

Notes to the Financial Statements for the year ended 31 March 2004

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Tangible fixed assets

Tangible fixed assets are recorded at cost less accumulated depreciation.

Depreciation is provided to write off the cost, less their estimated residual values, on a straight-line basis, over the estimated useful economic lives of the assets. Assets in the course of construction are not depreciated. The periods of depreciation are as follows:

Plant and equipment	5 – 20 years
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Stock

Stock is valued at the lower of cost and net realisable value. For finished goods, cost comprises purchase cost plus production and related overheads.

Deferred taxation

Deferred taxation is provided on a full provision basis, without discounting, on all timing differences which have arisen but not reversed at the balance sheet date.

The deferred tax balance has been measured at the tax rate expected to apply when timing difference reverse. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Government grants

i) Capital based government grants are included within deferred grant income in respect of capital expenditure in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate.

ii) Working capital and revenue based government grants are credited to operating profit to match the expenditure to which they relate. Any amounts received that are unrecognised in the period are included within creditors in the balance sheet.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account as incurred.

Foreign currencies

All transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling on the date of the transaction, or at the contracted rate if the transaction is covered by forward exchange agreements.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at the balance sheet date or, if appropriate, at the forward contracted rate. All foreign exchange differences are taken to the profit and loss account in the period in which they arise.

Leases

Operating rentals are charged to profit and loss account on a straight-line basis over the lease term.

Pension costs

The company operates a defined contribution scheme for all employees with the exception of two employees who are members of the defined benefit scheme operated by the parent company, AEA Technology plc, known as the AEA Technology Pension Scheme. Contributions in relation to the defined contribution scheme are charged to the profit and loss account as incurred and are disclosed in note 4.

Costs in relation to the AEA Technology defined benefit pension scheme are charged to the profit and loss account so as to spread the cost over the expected average remaining services lives of employees. Variations from regular cost are spread over the average remaining services lives of the members of the schemes. Actuarial valuations of the schemes are carried out periodically and the rates of contribution payable and the pension costs are determined having regard to the results of these valuations. The funding policy may differ from the accounting policy in the recognition of any surplus/deficit or cost of benefit improvements, which may be over a shorter period than the average remaining service lives of employees.

The transitional arrangements of Financial Reporting Standard 17: Retirement Benefits have been applied in the preparation of these financial statements with the relevant disclosures being made in note 4.

Turnover

Turnover represents amounts (excluding value added tax) earned in respect of products delivered and services rendered to customers net of trade discounts.

2 Turnover

Turnover arises from the principal activity, and can be analysed by geographical destination as follows:

	2004 £	2003 £
United Kingdom	2,554,422	2,707,141
Europe	263,684	183,635
United States of America	180,274	244,478
Rest of the World	2,500	5,818
	<u>3,000,880</u>	<u>3,141,072</u>

3 Information regarding directors and employees

	2004 £	2003 £
Directors' emoluments		
Aggregate directors' emoluments	-	34,890

No directors (2003: one director) were remunerated through this company. The above emoluments do not include the emoluments of Mr A McCree and Dr P Watson who were remunerated as employees of AEA Technology plc and Mr AM Jeffery and Mr D Loughborough who were remunerated as employees of AEA Technology Battery Systems Limited. No amounts have been recharged to the company on behalf of their services and it is not possible to accurately determine the proportion of their time spent in relation to this company. Other directors are not directly paid for their services to the company.

Retirement benefits are accruing to no directors (2003: one) under a defined benefit pension scheme. During the year no directors (2003: one) exercised options in AEA Technology plc.

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	Number	Number
By activity		
Production	17	8
Administration	4	6
	<u>21</u>	<u>14</u>
	£	£
Staff costs (including directors)		
Wages and salaries	433,250	249,641
Social security costs	32,894	18,943
Other pension costs (note 4)	14,085	9,639
	<u>480,229</u>	<u>278,223</u>

In the prior year during the period from October 2002 to the year end, all personnel, including the one director previously remunerated through the company, were remunerated by AEA Technology Battery Systems Limited, another group company, and their costs were not recharged to AGM Batteries Limited. Consequently employee numbers and staff costs for this period were excluded from the above analysis and included in the financial statements of AEA Technology Battery Systems Limited. The total costs borne by AEA Technology Battery Systems on behalf of the company during this period is given in note 22. For 2004 all personnel costs were remunerated through AGM Batteries Limited.

There are no material prepayments or accruals at either balance sheet date relating to pensions (2003: £nil).

4 Pension costs

The Company operates two pension schemes, one defined contribution and the other defined benefit type.

- a. The pension cost for the defined contribution scheme is £7,158 (2003: £3,087).

- b. The Company participates in a funded group pension scheme operated by AEA Technology plc. The pension scheme is of the defined benefit type and its assets are held in a separate trustee administered fund. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. The latest actuarial assessment of the scheme was at 31 March 2002. Particulars of the valuation are contained in the accounts of AEA Technology plc.

The 31 March 2002 valuation has been updated to 31 March 2004 by a qualified independent actuary for FRS 17 purposes. The principal assumptions are disclosed in the accounts of AEA Technology plc. The aggregate pension scheme deficit over the whole scheme at 31 March 2004 was £134.5m (2003: £159.1m). Since more than one employer participates in the AEA Technology plc scheme arrangements, the company is unable to identify its share of this deficit. The pension cost for the defined benefit scheme was £6,927 (2003: £6,552).

5 Other operating income

	2004 £	2003 £
Other operating income comprises:		
Development grant receivable from Government Enterprise Boards	152,898	153,199
	<u>152,898</u>	<u>153,199</u>

6 Operating (loss)/profit

	2004 £	2003 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible fixed assets	553,727	531,322
Operating lease charges		
Other	91,704	91,660
Research and development expenditure	<u>74,831</u>	<u>101,989</u>

The audit fee for both 2004 and 2003 has been met by another group company.

7 Interest payable and similar charges

	2004 £	2003 £
Interest payable on bank overdraft	25,877	47,939
Interest payable on loans from parent company	<u>103,987</u>	<u>119,189</u>
	<u>129,864</u>	<u>167,128</u>

8 Tax credit on loss on ordinary activities

	2004 £	2003 £
Current taxation		
United Kingdom corporation tax at 30% (2003:30%)	-	-
Amount receivable in respect of consortium relief	-	-
Current year	-	-
(Over)/under-provision in prior year	-	-
	-	-
Deferred taxation (note 14)		
Origination and reversal of timing differences	-	-
	-	-

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £	2003 £
Loss on ordinary activities before tax	(971,016)	(131,428)
Loss on ordinary activities multiplied by standard rate in the UK 30% (2003: 30%)	(291,304)	39,428
Effects of:		
Expenses not deductible for tax purposes	(45,418)	(2,168)
Accelerated capital allowances and other timing differences	336,722	(37,260)
	-	-

9 Tangible fixed assets

	Plant and equipment £
Cost	
At 1 April 2003	7,325,320
Additions	134,066
At 31 March 2004	7,459,386
Accumulated depreciation	
At 1 April 2003	1,218,216
Charge for the year	553,727
At 31 March 2004	1,771,943
Net book amount	
At 31 March 2004	5,687,443
At 31 March 2003	6,107,104

10 Stock

	2004 £	2003 £
Raw materials and consumables	802,972	776,025
Work in Progress	480,377	64,376
Finished goods and goods for resale	129,399	32,707
	<u>1,412,748</u>	<u>873,108</u>

11 Debtors

	2004 £	2003 £
Amounts falling due within one year		
Trade debtors	315,360	225,418
Amounts owed by fellow subsidiaries	2,026,721	2,042,212
Other debtors	157	-
Corporation tax: amount receivable for consortium relief	-	880,136
VAT recoverable	206,332	188,128
Prepayments and accrued income	32,652	41,458
	<u>2,581,222</u>	<u>3,377,352</u>
Amounts falling due in more than one year		
Deferred tax (note 14)	100,643	100,643
	<u>2,681,865</u>	<u>3,477,995</u>

12 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank overdraft	960,492	780,996
Trade creditors	1,064,079	37,923
Amounts due to parent company	3,574,583	4,766,666
Amounts due to other group companies	1,961,156	1,152,963
Deferred grant income in respect of capital expenditure	152,898	153,199
Accruals and deferred income	752,690	1,126,689
	<u>8,465,898</u>	<u>8,018,436</u>

The net amount due to parent company includes two loans totalling £4,400,000 (2003: £4,700,000). Interest is payable on £2,200,000 of this loan at 1% above base rate. Interest does not accrue on other amounts due to the parent company or other group companies. There is no fixed date for repayment for either loan.

13 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Deferred grant income in respect of capital expenditure:		
Due between 1 and 2 years	152,898	153,199
Due between 2 and 5 years	458,694	459,597
Due in greater than 5 years	773,952	925,345
	<u>1,385,544</u>	<u>1,538,141</u>

14 Deferred taxation

	2004 £	2003 £
Amounts (recognised)/provided in respect of deferred taxation		
Accelerated capital allowances	1,293,743	950,536
Tax effect of losses carried forward	(1,394,386)	(1,051,179)
Deferred tax asset	<u>(100,643)</u>	<u>(100,643)</u>

Cumulative unrecognised deferred tax comprises £248,550 (2003: £268,371) in respect of losses carried forward.

15 Called up share capital

	2004 £	2003 £
Authorised		
Class A - 5,500,000 ordinary shares at £1 each	5,500,000	5,500,000
Class B - 2,500,000 ordinary shares at £1 each	2,500,000	2,500,000
Class C - 2,000,000 ordinary shares at £1 each	2,000,000	2,000,000
	<u>10,000,000</u>	<u>10,000,000</u>
Called up, allotted and fully paid		
Class A - 2,460,200 ordinary shares at £1 each	2,460,200	2,460,200
Class B - 891,000 ordinary shares at £1 each	891,000	891,000
Class C - 712,800 ordinary shares at £1 each	712,800	712,800
	<u>4,064,000</u>	<u>4,064,000</u>

All shares have equal dividend and voting rights, and priority to amounts receivable on winding up.

16 Profit and loss account

	2004 £
At 1 April 2003	(3,162,370)
Loss for the year	(971,016)
At 31 March 2004	<u>(4,133,386)</u>

17 Financial commitments

At 31 March 2004 the Company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings 2004 £	2003 £
Within 2 to 5 years	<u>152,500</u>	<u>152,500</u>
	<u>152,500</u>	<u>152,500</u>

18 Contingent liabilities

The Company is a member of the AEA Technology plc VAT group along with the parent company and 24 other subsidiaries. The Company is jointly liable for the total VAT liability of the Group, which was £5,028,535 at 31 March 2004 (2003: £5,3316,692).

19 Reconciliation of operating (loss) / profit to net cash inflow from operating activities

	2004 £	2003 £
Operating (loss) / profit	(841,152)	35,700
Depreciation	553,727	531,322
(Increase) in stocks	(539,640)	(239,418)
Decrease in debtors	796,130	(1,664,085)
Increase in creditors	268,267	2,431,492
(Decrease) in deferred grant income	(152,898)	(147,943)
Net cash inflow from operating activities	84,434	947,068

20 Reconciliation to net debt and analysis of net debt

	2004 £	2003 £
Net (debt) at 1 April	(780,996)	(831,617)
(Decrease)/increase in cash in the year	(179,496)	50,621
Net (debt) at 31 March	(960,492)	(780,996)

	At 1 April 2003 £	Cash flow £	At 31 March 2004 £
Cash at bank and in hand	-	-	-
Overdraft	(780,996)	(179,496)	(960,492)
	<u>(780,996)</u>	<u>(179,496)</u>	<u>(960,492)</u>

21 Share option schemes and LTIP**SAYE share option scheme**

An Inland Revenue-approved scheme is operated by the Company's parent company, AEA Technology plc. The scheme provides for all eligible employees of the parent company and its subsidiaries who enter into a save-as-you-earn contract to be granted an option to acquire shares of AEA Technology plc at a price, which is fixed at the time of the option, was granted. Options may be exercised three or five years after the commencement of the savings contract.

Further details of the scheme are given in the Annual Accounts of AEA Technology plc.

Company Share Option Plan

In 1999, the Company's parent company, AEA Technology plc, established an Inland Revenue-approved CSOP and an unapproved CSOP for which all employees are eligible. At 31 March 2004, options were outstanding under the 2001, 2002 and 2003 CSOP schemes at option prices of £2.965, £2.950 and £2.200 respectively. They are subject to AEA Technology plc share price performance over a three-year performance period from 1 April.

Further details of the scheme are given in the Annual Accounts of AEA Technology plc.

22 Related party disclosures

The Directors regard AEA Technology plc as the ultimate controlling party.

During the year, AGM Batteries Limited has resourced its operations through the sub-contracting of personnel, goods and services from all three of its shareholders and their related parties.

Included within amounts due to related parties below are loans of £2,200,000 (2003 : £2,500,000) on which there is interest accruing at 1% above the base rate, and £2,200,000 (2003 : £2,200,000) on which there is no interest accruing. There is no fixed date for repayment set on either loan.

	2004 £	2003 £
Sales to:		
AEA Technology Battery Systems Limited	2,476,376	2,736,347
Japan Storage Battery Company Limited	-	-
Mitsubishi Materials Corporation	-	-
AEA Technology plc	-	-
Accentus plc	-	-
Recharges to:		
AEA Technology Battery Systems Limited	400,155	286,137
Recharges from:		
AEA Technology Battery Systems Limited	2,124,292	-
Purchases from:		
AEA Technology plc	94,853	121,922
GS Battery Finance UK Limited	2,492,836	2,145,799
AEA Technology Battery Systems Limited	2,313	144,168
Accentus Plc	-	1,744
Fixed asset purchases from:		
GS Battery Finance Limited	97,606	729,573
Amounts due to related parties:		
AEA Technology plc	4,454,719	4,766,666
AEA Technology Battery Systems Limited	1,961,156	1,150,893
GS Battery Finance UK Limited	959,277	683,846
Accentus Plc	-	2,070
Amounts owed by related parties:		
AEA Technology plc	880,136	-
AEA Technology Battery Systems Limited	2,026,721	2,042,212
GS Battery Finance UK Limited	-	68,037

In addition to the above amounts, in 2003 personnel and administration costs totalling £1,112,000 were borne on behalf of AGM Batteries Limited by AEA Technology Battery Systems Limited

AEA Technology Battery Systems Limited and Accentus plc are wholly owned subsidiaries of AEA Technology plc. Japan Storage Battery Company Limited is the parent company of GS Battery Finance UK Limited, one of the Company's shareholders. Mitsubishi Materials Corporation is one of the company's shareholders.

23 Ultimate parent company

The Company is a 60.5% subsidiary of AEA Technology plc, the ultimate parent company and controlling party which is incorporated in Great Britain.

Copies of the ultimate parent company's consolidated accounts may be obtained from the Secretary of AEA Technology plc, 329 Harwell, Didcot, Oxfordshire. OX11 0QJ.