

MDA SPACE AND ROBOTICS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

MDA SPACE AND ROBOTICS LIMITED

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MDA SPACE AND ROBOTICS LIMITED

COMPANY INFORMATION

Directors	D S Kenyon M P J Greenley
Company secretary	Beach Secretaries Limited
Registered number	05495455
Registered office	C/O Dac Beachcroft Llp, Portwall Place Portwall Lane Bristol BS1 9HS
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

MDA SPACE AND ROBOTICS LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	63,199	119,469
Current assets			
Debtors: amounts falling due within one year	6	2,917,360	2,305,797
Cash at bank and in hand		119,646	512,632
		<u>3,037,006</u>	<u>2,818,429</u>
Creditors: amounts falling due within one year	7	(6,487,522)	(5,565,805)
Net current liabilities		<u>(3,450,516)</u>	<u>(2,747,376)</u>
Total assets less current liabilities		<u>(3,387,317)</u>	<u>(2,627,907)</u>
Net liabilities		<u><u>(3,387,317)</u></u>	<u><u>(2,627,907)</u></u>

MDA SPACE AND ROBOTICS LIMITED**BALANCE SHEET (CONTINUED)**
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Capital and reserves			
Called up share capital	8	7,528	7,528
Share premium account		2,491,209	2,491,209
Capital contribution account		353,406	353,406
Profit and loss account		(6,239,460)	(5,480,050)
Total equity		<u>(3,387,317)</u>	<u>(2,627,907)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

D S Kenyon
Director

Date: 24 December 2021

The notes on pages 5 to 14 form part of these financial statements.

MDA SPACE AND ROBOTICS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Cashflow hedge reserve	Capital contribution account	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2019	7,528	2,491,209	(203,131)	353,406	(3,386,675)	(737,663)
Comprehensive income for the year						
	-	-	-	-	(2,093,375)	(2,093,375)
Loss for the financial year						
	-	-	203,131	-	-	203,131
Foreign exchange movement						
	-	-	203,131	-	-	203,131
Other comprehensive income for the year						
	-	-	203,131	-	(2,093,375)	(1,890,244)
Total comprehensive income for the year						
	7,528	2,491,209	-	353,406	(5,480,050)	(2,627,907)
At 1 January 2020						
Comprehensive income for the year						
	-	-	-	-	(759,410)	(759,410)
Loss for the financial year						
	-	-	-	-	(759,410)	(759,410)
Total comprehensive income for the year						
	<u>7,528</u>	<u>2,491,209</u>	<u>-</u>	<u>353,406</u>	<u>(6,239,460)</u>	<u>(3,387,317)</u>
At 31 December 2020						

MDA SPACE AND ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

MDA Space and Robotics Ltd is a private company limited by shares incorporated in England and Wales. The address of its registered office is C/O Dac Beachcroft LLP, Portwall Place, Portwall Lane, Bristol, England, BS1 9HS.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis notwithstanding the fact that the company has a deficiency on shareholders' funds at the end of the year of £3,387,317 and has recorded losses in both the current and prior year.

The directors consider this basis to be appropriate as the company has received a letter of financial support from its parent company, Neptune Operations Ltd, confirming financial support for a period of at least 12 months from the date of approval of the financial statements.

The directors have made enquiries as to the financial position and performance of its parent company and supporting group. As disclosed in the group's most recent consolidated financial statements, the group has a solvent balance sheet and has sufficient cash reserves to finance the subsidiary.

Having considered post year end trading, financial results and cash reserves of the ultimate parent undertaking, and after making enquiries, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

MDA SPACE AND ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

MDA SPACE AND ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-
	25%
Fixtures and fittings	-
	33%
Computer equipment	-
	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.6 Share capital

Ordinary shares are classified as equity.

MDA SPACE AND ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

2.8 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

MDA SPACE AND ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MDA SPACE AND ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.11 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

MDA SPACE AND ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the key judgments made by the directors are:

The recognition of revenue and profit on long-term contracts

Long-term contracts are accounted for under FRS 102. The ensuing accounting requires management's judgment to determine the appropriateness of calculating the revenue and profit to be recognised. This includes estimating the total expected costs to complete each contract, the future profitability of the contract and also the percentage of completion at the balance sheet date. Where estimated costs exceed expected revenue of the contract, the expected loss is recognised as an expense immediately. These judgements directly influence revenue, profit and expenses that can be recognised in relation to such contracts. Material changes in these estimates could affect the overall amounts recognised on individual contracts.

4. Employees

The average monthly number of employees, including directors, during the year was 20 (2019 - 17).

MDA SPACE AND ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2020	260,935	1,162	83,552	345,649
Additions	9,539	-	7,729	17,268
At 31 December 2020	270,474	1,162	91,281	362,917
Depreciation				
At 1 January 2020	169,849	1,162	55,169	226,180
Charge for the year	59,006	-	14,532	73,538
At 31 December 2020	228,855	1,162	69,701	299,718
Net book value				
At 31 December 2020	41,619	-	21,580	63,199
At 31 December 2019	91,086	-	28,383	119,469

MDA SPACE AND ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6. Debtors

	2020 £	2019 £
Trade debtors	463,992	50,266
Amounts owed by group undertakings	-	77,871
Other debtors	57,182	13,092
Prepayments and accrued income	2,396,186	2,164,568
	<u>2,917,360</u>	<u>2,305,797</u>

Amounts owed by group undertakings are interest free, have no fixed repayment date and are repayable on demand.

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	367,383	191,438
Amounts owed to group undertakings	4,838,224	4,172,614
Other taxation and social security	47,240	37,589
Other creditors	-	6,219
Accruals and deferred income	1,234,675	1,157,945
	<u>6,487,522</u>	<u>5,565,805</u>

Amounts owed to group undertakings are interest free, have no fixed repayment date and are repayable on demand.

MDA SPACE AND ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Share capital

	2020 £	2019 £
Shares classified as equity		
Allotted, called up and fully paid		
752,800 (2019 - 752,800) Ordinary shares of £0.01 each	<u>7,528</u>	<u>7,528</u>

9. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

10. Parent undertaking

The immediate parent undertaking is Neptune Operations Limited. The smallest group for which consolidated financial statements are drawn up is headed by Neptune Acquisition Holdings Inc., whose registered office is 9445 Airport Road, Brampton, Ontario, L6S 4J3.

Subsequent to the year end, on 7 April 2021, the group restructured and the smallest group for which consolidated financial statements are drawn up is now headed by MDA Ltd, whose registered office is 9445 Airport Road, Brampton, Ontario, L6S 4J3.

11. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 6 January 2022 by Simon Mayston (senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.