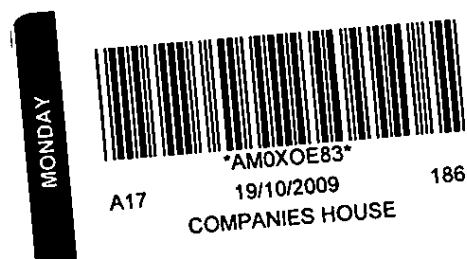


ERA Technology Limited

Directors' Report and Financial Statements  
for the year ended 31 December 2008

Registered Number 4044609



# ERA Technology Limited

## Directors' Report and Financial Statements for the year ended 31 December 2008

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# **ERA Technology Limited**

## **Directors' report for the year ended 31 December 2008**

The directors have pleasure in submitting their report, together with the audited financial statements of ERA Technology Limited ("the Company"), for the year ended 31 December 2008.

### **Results and dividends**

The Company's results for the year are set out in the profit and loss account on page 8 showing a profit for the financial year after tax of £3,633,000 (2007: £3,470,000). At 31 December 2008, the Company has net assets, including its pension scheme, of £9,546,000 (2007: £21,191,000).

Dividends paid and proposed are as set out in note 9.

### **Principal activities and business review**

During the year the Company continued to offer design, development and assessment services, consultancy, information and training in the areas of electronics, communications, software, electrical, mechanical and materials technologies.

On 1 January 2008 the Company acquired the trade and assets of Vector Fields Limited and Culham Lightning Limited, fellow subsidiary undertakings of Cobham plc. From that date the products and services of those two companies, namely the sale of software for modelling and analysing electromagnetic equipment and effects and the provision of lightning testing and consultancy, were added to the Company's portfolio of services.

These principal activities are not expected to change in the foreseeable future.

During the year total turnover amounted to £19,276,000, an increase of £2,151,000 (13%) on 2007. Operating profit increased by £895,000 (39%) to £3,209,000 (2007: £2,314,000).

The directors consider the results for the year to be satisfactory.

### **Future developments**

Subsequent to the year end, the Company has adopted the trading name Cobham Technical Services and the product brand names ERA Technology, Vector Fields Software and Lightning Testing and Consultancy. At the same time, the Company adopted the new Cobham logo. It is anticipated that this revised marketing strategy will enable the Company to benefit from the unified Cobham brand and the directors are confident that next year will again show a strong and profitable performance.

### **Research and development**

The Company is committed to research and development and has invested £365,000 (2007: £213,000) in activities during the year.

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to ensuring an adequate flow of new orders, the execution of customers' contracts on time and within budget and the recruitment and retention of appropriately qualified and experienced technical staff.

Following the acquisition of Culham Lightning, all employees and the majority of the test facilities were successfully relocated from Culham to Abingdon. The Direct Effects test facility, however, continues to be operated from the Culham premises whilst a new facility is built at Abingdon. As a consequence of supply difficulties with certain components there remains a risk that the new facility will not be operationally complete before the lease on the Culham premises expires in September 2009.

Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided on page 26 of the Cobham plc 2008 Annual Report, which does not form part of this report.

# ERA Technology Limited

## Directors' report for the year ended 31 December 2008 (continued)

### Key performance indicators

The directors of the ultimate parent undertaking, Cobham plc, manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators at the Company level (financial and non-financial) is not necessary or appropriate for an understanding of the development, performance or position of the business of ERA Technology Limited. The development, performance and position of the Cobham Avionics and Surveillance division, which includes the Company, is discussed on pages 12 and 13 of the 2008 Annual Report of Cobham plc, which does not form part of this report. KPIs for the Group as a whole are discussed on page 9 of that report.

### Financial risk management

The Company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, interest rate cash flow risk and foreign currency exchange rate risk. The Company has in place a risk management programme that seeks to limit adverse affects on the financial performance of the Company.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors of Cobham plc are implemented by the group finance department. The department has a policy and procedures manual that sets out guidelines to allow it to manage interest rate cash flow risk, credit risk and foreign currency exchange rate risk.

The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

#### *Price risk*

The Company is exposed to price risk as a result of its operations. However, given the size of the Company's operations, the costs of managing exposure to price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature. The Company has no exposure to equity securities price risks as it holds no listed or other equity investments.

#### *Credit risk*

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company also monitors existing customer accounts on an ongoing basis and takes appropriate action where necessary to minimise any potential credit risk.

#### *Liquidity risk*

The Company retains sufficient cash to ensure it has sufficient available funds for operations and planned expansions. The Company also has access to longer term funding from its ultimate parent undertaking if required.

#### *Interest rate cash flow risk*

The Company has interest bearing assets in the form of cash balances, all of which earn interest at a floating rate. In order to ensure stability of cash out flows and hence manage interest rate risk, the Company has access to fixed interest rate loans from its ultimate parent undertaking. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

#### *Foreign currency exchange rate risk*

The Company has a policy to minimise foreign currency exchange rate risk through the regular monitoring of foreign currency flows and putting in place where appropriate forward currency exchange rate contracts with the ultimate parent undertaking.

### Charitable contributions

During the year the Company made various charitable donations totalling £300 (2007: £450).

### Directors

Except as noted, the following directors held office during the year and up to the date of signing this report:

F J Cahill	-	resigned on 27 March 2008
J E Fewtrell		
P D Long		
V J J Mifsud	-	appointed on 2 January 2008

# **ERA Technology Limited**

## **Directors' report for the year ended 31 December 2008 (continued)**

### **Statement of directors' responsibilities**

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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

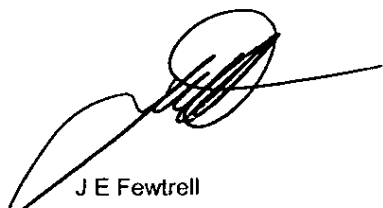
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

### **Independent auditors**

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By order of the Board



J E Fewtrell  
Company secretary

12 August 2009

# ERA Technology Limited

## Independent auditors' report to the members of ERA Technology Limited

We have audited the financial statements of ERA Technology Limited for the year ended 31 December 2008, which comprise the statement of accounting policies, the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Southampton

*14 Aug 2009*

# **ERA Technology Limited**

## **Statement of accounting policies**

### **Accounting convention**

The financial statements have been prepared on the going concern basis, under the historical cost convention, modified to include the revaluation of certain land and buildings, and in accordance with the Companies Act 1985 and applicable UK accounting standards. The principal accounting policies, which have been applied consistently throughout the year, are set out below:

### **Basis of preparation**

The financial statements contain information about ERA Technology Limited as an individual company and do not contain consolidated financial information as the parent undertaking of a group. The Company has taken advantage of the exemption under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it, and its subsidiary undertaking, are included by full consolidation in the consolidated financial statements of its ultimate parent company, Cobham plc, which are publicly available (see note 27).

### **Turnover**

Turnover is measured at the fair value of the right to consideration and excludes value added tax, other sales taxes and trade discounts. Turnover is recognised based upon the fair value of work performed to date assessed with reference to contract milestones. Other operating income includes rental income and the provision of administrative and maintenance services to tenants on the Cleeve Road site.

### **Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

### **Intangible assets**

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of the separable net assets. It has been capitalised and is being written off in equal instalments over its estimated useful life of 20 years.

As allowed under the transitional arrangements set out in FRS10, goodwill previously eliminated against reserves has not been reinstated, but will be charged to the profit and loss account on any subsequent disposal of the business to which it is related.

Impairment reviews are performed by the directors when there has been an indication of potential impairment.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at their purchase cost together with any directly attributable costs of acquisition, net of depreciation and provisions, where required, for any impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful economic life. The expected useful economic lives used for this purpose are:

# ERA Technology Limited

Freehold buildings	50 years
Building improvements	4 to 10 years
Plant and machinery	3 to 4 years
Fixtures, fittings, tools and equipment	3 to 4 years

Expected useful economic lives are reassessed annually to ensure they remain appropriate.

## Investment properties

Investment properties are not depreciated. In accordance with SSAP 19, investment properties are held at open market value. Any aggregate surplus or deficit on revaluation is transferred to a revaluation reserve, and no provision is made for depreciation of freehold properties. This departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated, is, in the opinion of the directors, necessary for the financial statements to show a true and fair view in accordance with applicable accounting standards.

The depreciation (which would, had the provisions of the Act been followed, have reduced profit for the period) is only one of the factors reflected in the valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified.

## Investments

Investments are stated at cost, less any provision for impairment in value. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

## Stocks and work in progress

Stocks and work in progress are stated at the lower of cost, stated on a First In First Out basis, which includes an appropriate proportion of production overheads, and net realisable value.

Turnover and a prudent estimate of the profit attributable to work completed on long-term contracts is recognised once the outcome of the contract can be recognised with reasonable certainty. The amount by which turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts. The costs on long-term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown in stocks as long-term contract balances.

Payments received and receivable on account of work in progress are deducted from the cost of the work carried out at the balance sheet date to the extent of the valuation of the work done.

## Financial assets and liabilities

Financial assets and liabilities are presented in accordance with paragraphs 15-50 of FRS25 as the Company has not adopted FRS26.

## Pension costs

The Company operates a defined benefit scheme. The amounts charged to operating profit are the current service costs and gains and losses on settlements. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on assets are shown net of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Company, in a separate trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amounts charged to the profit and loss account in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.



# ERA Technology Limited

## Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs.

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

All exchange differences are dealt with in the profit and loss account.

## Leases

Lease arrangements are accounted for as finance leases where substantially all the risks and rewards of ownership of the leased asset are retained by the Company. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Operating lease incentives are spread on a straight line basis over the lease term or, if shorter, over the period to the first rent review.

## Research and development

The Company undertakes research and development activities either on its own behalf or on behalf of customers.

Company funded expenditure on research activities is written off as incurred and charged to the profit and loss account.

Company funded expenditure on development activities is capitalised as an internally generated intangible asset if certain conditions are met as laid out in SSAP 13. The expenditure capitalised includes the cost of materials, direct labour and related overheads. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Capitalised development expenditure is amortised over the expected life of the product.

Where the research and development activity is performed for customers, expenditure is written off as incurred and the revenue arising is recognised in accordance with the Company's revenue recognition policy above.

## Estimation techniques

In certain circumstances the measurement of values cannot be made with absolute certainty either because absolute costs are unknown, or they require a degree of subjective review. Examples include the calculation of degrees of obsolescence of stock or degrees of completion against long term project objectives. In these instances the directors utilise the skills, knowledge and experience of suitably qualified persons to generate appropriate values. All appropriate accounting standards are adhered to in generating such values.

## Share-based payments

For grants made under the group's share-based payment schemes, amounts which reflect the fair value of options awarded to employees of the Company as at the time of grant are charged to the profit and loss account over the vesting period of the option and recognised as a capital contribution in equity. The valuation of the options utilises a methodology based on the Black-Scholes model, modified where required to allow for the impact of market related performance criteria. The impacts of changes in assumptions of the number of options that are expected to vest due to non market related conditions are assessed at each balance sheet date and adjusted through the profit and loss account on a cumulative basis.

The Company has taken advantage of the transitional provisions of FRS20 in respect of equity settled awards and has applied FRS20 only to equity settled awards granted after 7 November 2002.

# ERA Technology Limited

## Profit and loss account for the year ended 31 December 2008

	Note	2008		2007	
		£000	£000	£000	£000
<b>Turnover</b>	<b>1</b>		<b>19,276</b>		<b>17,125</b>
Other operating income			1,637		1,609
			<b>20,913</b>		<b>18,734</b>
Raw materials and consumables		(2,709)		(3,044)	
Other external charges		(3,294)		(2,482)	
Staff costs	7	(12,283)		(10,153)	
Depreciation		(687)		(695)	
Other operating charges		1,269		(46)	
			<b>(17,704)</b>		<b>(16,420)</b>
<b>Operating profit</b>	<b>2</b>		<b>3,209</b>		<b>2,314</b>
Interest receivable and similar income	3		1,634		2,513
Interest payable and similar charges	4		(16)		(14)
<b>Profit on ordinary activities before taxation</b>			<b>4,827</b>		<b>4,813</b>
Tax on profit on ordinary activities	5		(1,194)		(1,343)
<b>Profit for the financial year</b>	<b>21</b>		<b>3,633</b>		<b>3,470</b>

All the Company's activities are classed as continuing in the current and comparative year.

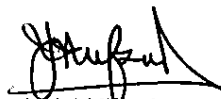
The profit on ordinary activities before taxation and the profit for the financial year have been computed on the historical cost basis, as modified by the revaluation of freehold property.

# ERA Technology Limited

## Balance sheet as at 31 December 2008

	Note	2008		2007	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible assets	10		1,005		-
Tangible assets	11		10,600		13,455
Investment properties	12		2,570		-
Investments	13		-		133
			14,175		13,588
<b>Current assets</b>					
Stock	14	468		319	
Debtors	15	7,690		5,078	
Cash at bank and in hand		13,930		16,959	
		22,088		22,356	
<b>Creditors: amounts falling due within one year</b>	16	(18,142)		(16,295)	
<b>Net current assets</b>			3,946		6,061
<b>Total assets less current liabilities</b>			18,121		19,649
Creditors: amounts falling due after more than one year	17		(1,541)		-
Provisions for liabilities and charges	18		(10)		(136)
<b>Net assets excluding pension (liability)/asset</b>			16,570		19,513
Pension (liability)/asset	23		(7,024)		1,678
<b>Net assets including pension (liability)/asset</b>			9,546		21,191
<b>Capital and reserves</b>					
Called up share capital	20		1,000		1,000
Share premium account	21		9,000		9,000
Revaluation reserve	21		1,667		2,097
Other reserve	21		453		333
Profit and loss account	21		(2,574)		8,761
<b>Total shareholders' funds</b>	21		9,546		21,191

The financial statements on pages 5 to 29 were approved by the board on 12 August 2009 and were signed on its behalf by:



V J J Milsud  
Director

## ERA Technology Limited

### Statement of total recognised gains and losses for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Profit for the financial year		3,633	3,470
Actuarial loss on pension scheme	23	(12,456)	(2,778)
Unrealised (loss)/gain on revaluation of investment property	12	(430)	250
Movement on deferred tax relating to pension asset (including rate change)		3,488	802
<b>Total (losses)/gains relating to the year and recognised since last annual report</b>		<b>(5,765)</b>	<b>1,744</b>

### Note of historical cost profits and losses for the year ended 31 December 2008

	2008 £000	2007 £000
Profit on ordinary activities before taxation	4,827	4,813
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	(18)	(18)
Historical cost profit on ordinary activities before taxation	4,809	4,795
Historical cost profit for the year retained after taxation	3,615	3,452

# ERA Technology Limited

## Notes to the financial statements for the year ended 31 December 2008

### 1. Turnover

All sales are deemed as being attributable to one class of business.

An analysis of turnover by geographical destination is given below:

	2008 £000	2007 £000
United Kingdom	12,808	12,450
Other EU countries	3,872	2,047
United States of America	842	970
Australasia	79	74
Rest of the world	1,675	1,584
	19,276	17,125

### 2. Operating profit

	2008 £000	2007 £000
<b>Operating profit is stated after charging/(crediting)</b>		
Depreciation – owned assets	687	695
Operating lease charges:		
- plant and machinery	213	231
- other	199	2
Profit on disposal of investment in joint venture (note 13)	(267)	-
Release of provision against investment in joint venture	-	(133)
Profit on disposal of tangible fixed assets	(3)	(1)
Exchange differences	(455)	(31)
Auditors' remuneration fees for the audit of the Company's annual accounts	46	32

Fees paid to the Company's auditor, PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the Company are not disclosed in these accounts since the consolidated group financial statements of the ultimate parent undertaking, Cobham plc, disclose the non-audit fees on a consolidated basis.

### 3. Interest receivable and similar income

	2008 £000	2007 £000
Bank interest receivable	598	843
Net return on pension scheme assets (note 23)	1,036	1,670
	1,634	2,513

# ERA Technology Limited

## Notes to the financial statements (continued)

### 4. Interest payable and similar charges

	2008 £000	2007 £000
Bank interest and similar charges	16	14

### 5. Tax on profit on ordinary activities

	2008 £000	2007 £000
<b>Current tax:</b>		
UK corporation tax on profit for the year	1,205	1,243
Adjustment in respect of previous years	(77)	(26)
<b>Total current tax</b>	<b>1,128</b>	<b>1,217</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	66	220
Change in tax rate – impact on deferred tax	-	12
Adjustment in respect of previous years	-	(28)
Change in tax rate – impact on pension deferred tax liability	-	(78)
<b>Total deferred tax (note 19)</b>	<b>66</b>	<b>126</b>
<b>Tax on profit on ordinary activities</b>	<b>1,194</b>	<b>1,343</b>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

	2008 £000	2007 £000
<b>Profit on ordinary activities before taxation</b>	<b>4,827</b>	<b>4,813</b>
Profit on ordinary activities multiplied by the standard rate in the UK of 28.5% (2007: 30%)	1,376	1,444
Effects of:		
Expenses not deductible for tax purposes	66	35
Expenditure qualifying for additional R&D tax deduction	(131)	(83)
Capital allowances for the year in excess of depreciation	4	(21)
Depreciation on non-qualifying fixed assets	58	67
Share-based payments	10	41
Pension costs	(105)	(201)
Profit on disposal of investment	(76)	-
Other timing differences	3	(39)
Adjustment to tax charge in respect of previous years	(77)	(26)
<b>Current tax charge for the year</b>	<b>1,128</b>	<b>1,217</b>

# ERA Technology Limited

## Notes to the financial statements (continued)

### 5. Tax on profit on ordinary activities (continued)

Factors that may affect future tax charges:

The standard rate of corporation tax in the UK changed from 30% to 28% from 1 April 2008 which will reduce future tax charges. The Company's future tax charge is also likely to be lower than the standard rate of corporation tax due to significant research and development expenditure that is expected to be incurred which qualifies for additional tax relief.

### 6. Directors' emoluments

	2008 £000	2007 £000
Aggregate emoluments	156	531

Retirement benefits are accruing to 1 (2007: 2) director under a defined benefit scheme.

The emoluments of F J Cahill and P D Long were paid by other group undertakings. Their services to this Company and to a number of fellow subsidiaries are principally of a non-executive nature and the emoluments are deemed to be wholly attributable to their services to other group undertakings. Accordingly the above details include no emoluments in respect of these directors.

### 7. Employee costs

	2008 £000	2007 £000
Wages and salaries	10,110	7,857
Share-based payments (note 8)	150	168
Social security costs	807	755
Other pension costs (note 23)	1,216	1,373
	12,283	10,153

Included within employee costs above is £1,260,000 (2007: £nil) in respect of Cobham Avionics & Surveillance divisional management. Although these individuals are not employees of the company, they are paid through the company payroll and these costs have been recovered from other group companies. The associated income has been recognised within other operating charges in the profit and loss account on page 8.

# ERA Technology Limited

## Notes to the financial statements (continued)

### 7. Employee costs (continued)

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

By activity	2008 Number	2007 Number
Engineering and consultancy	181	153
Management and administration	54	50
	235	203

### 8. Share-based payments

The Company's ultimate parent undertaking, Cobham plc, operates a number of incentive schemes which are open to certain senior executives employed within the Group which include both equity settled and cash-settled awards. The company participates in the following schemes which are all equity-settled:

- the Cobham Performance Share Plan (PSP); and
- the Cobham Executive Share Option Scheme (ESOS).

The PSP scheme allows for annual grants of conditional shares at nil cost which vest 50% based on the Group's three year Total Shareholder Return (TSR) relative to that of a sector comparator group and 50% based on the growth of the Group's underlying earnings per share (EPS) over the same period.

Under the ESOS, options are granted at a price not less than the market value of the Group's ordinary shares on, or shortly before, the date the options are granted. Exercise is conditional upon the Group's underlying EPS growth over a three year period, or vest 25% on each annual anniversary conditional only on continued employment within the Group.

Further details of these schemes can be found on pages 41, 42 and 70 to 74 of the 2008 Annual Report of Cobham plc.

In addition, entry to the Cobham Savings related Share Option Scheme (Sharesave) is available to all employees of the company. Employees may purchase shares of Cobham plc at 80% of the closing market price on the date of grant during a two-week period each year, up to a maximum contribution value of £3,000 in any one year. The shares so purchased are generally placed in an employee's share savings plan and will only be released to employees who remain in the Cobham plc group's employment for a period of three years from the date of grant.

The fair value of share-based payments relating to the employees of the Company for the year ended 31 December 2008, and expensed to the profit and loss account for that year, was assessed to be £150,000 (2007: £168,000). As the schemes relate to shares of the ultimate parent undertaking, the Company has recognised a capital contribution equal to the profit and loss account charge for the year (note 21). During the year Cobham plc has recharged £30,000 to the Company and such recharges are deducted from the capital contribution in note 21.

Details of the awards and share options outstanding during the year for all schemes are as follows:



# ERA Technology Limited

## Notes to the financial statements (continued)

### 8. Share-based payments (continued)

Number of share options	PSP	ESOS	ShareSave
At 1 January 2007	-	228,532	650,200
Awards granted	26,112	132,339	111,343
Awards forfeited	-	-	(21,467)
Exercised	-	-	(18,153)
Expired	-	-	(9,932)
At 1 January 2008	26,112	360,871	711,991
Awards granted	-	262,805	100,061
Awards forfeited	-	-	(16,836)
Exercised	-	-	(143,750)
Expired	-	-	(8,800)
Transferred	(26,112)	(78,485)	54,986
At 31 December 2008	-	545,191	697,562
Exercisable at 31 December 2008	-	-	-
Exercisable at 31 December 2007	-	69,970	-

The weighted average remaining contractual life in years of awards is as follows:

	PSP	ESOS	ShareSave
Outstanding at 31 December 2008	-	8.59	2.24
Outstanding at 31 December 2007	2.23	8.15	2.44

Under the Sharesave scheme exercises were made at various times throughout the year. The average share price in that period was £1.987 (2007: £2.036).

# ERA Technology Limited

## Notes to the financial statements (continued)

### 8. Share-based payments (continued)

All awards under the PSP scheme have a nil exercise price. The weighted average exercise prices of awards under the ESOS and ShareSave schemes are as follows:

	ESOS £	ShareSave £
At 1 January 2007	1.537	1.156
Awards granted	2.045	1.630
Awards forfeited	-	1.212
Exercised	-	1.084
Expired	-	1.240
At 1 January 2008	1.725	1.229
Awards granted	2.015	1.730
Awards forfeited	-	1.403
Exercised	-	1.076
Expired	-	1.076
Transferred	1.776	1.415
At 31 December 2008	2.003	1.334
Exercisable as at 31 December 2008	-	-
Exercisable as at 31 December 2007	1.370	-

The range of exercise prices for ESOS and ShareSave awards are as follows:

	ESOS £	ShareSave £
<b>Outstanding at 31 December 2008</b>		
Lowest exercise price	1.850	1.076
Highest exercise price	2.045	1.730
<b>Outstanding at 31 December 2007</b>		
Lowest exercise price	1.346	1.076
Highest exercise price	2.045	1.630

# ERA Technology Limited

## Notes to the financial statements (continued)

### 8. Share-based payments (continued)

Awards granted or commencing during the current and comparative year are as follows:

	PSP	ESOS	ShareSave
<b>During 2008:</b>			
Effective date of grant or commencement date	-	12 May	1 February
Fair value at date of grant or scheme commencement			
- Three-year awards	-	£0.587	£0.540
- Five-year awards	-	-	£0.610
- Seven-year awards	-	-	£0.700
<b>During 2007:</b>			
Effective date of grant or commencement date	6 June	6 June	1 February
Fair value at date of grant or scheme commencement			
- Three-year awards	£1.530	£0.473	£0.560
- Five-year awards	-	-	£0.640
- Seven-year awards	-	-	£0.730

The fair values in the table above were calculated using the Black-Scholes option pricing model (modified by a Monte Carlo simulation for PSP awards) to determine the likely impact of market-related performance conditions. The inputs into the model were as follows:

	PSP	ESOS	ShareSave
<b>2008</b>			
Weighted average share price	£2.199	£2.205	£1.950
Weighted average exercise price	nil	£2.016	£1.630
Expected volatility	27%	24%	24%-26%
Expected life	3 years	5 years	3 - 7 years
Risk free rate	4.4%	4.3%	4.5%
Expected dividend yield	n/a	2.0%	1.9%
<b>2007</b>			
Weighted average share price	£2.149	£2.088	£1.920
Weighted average exercise price	nil	£2.045	£1.530
Expected volatility	24%	23%	24%-27%
Expected life	3 years	5 years	3 - 7 years
Risk free rate	4.3%	4.3%	4.9%
Expected dividend yield	n/a	1.8%	1.8%

# ERA Technology Limited

## Notes to the financial statements (continued)

### 8. Share-based payments (continued)

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Participants of the PSP scheme receive the benefit of dividend payments and therefore dividend yields are not taken into consideration in the valuation model.

### 9. Dividends

	2008 £000	2007 £000
Final dividend for prior year of £0.60 (2007: £nil) per share	6,000	-

No dividend for the year ended 31 December 2008 has been proposed, authorised or paid.

### 10. Intangible assets

	Goodwill £000
<b>Cost</b>	
At 1 January 2008	-
Transferred from fellow subsidiary undertaking	1,095
<b>At 31 December 2008</b>	<b>1,095</b>
<b>Accumulated amortisation</b>	
At 1 January 2008	-
Charge for the year	90
<b>At 31 December 2008</b>	<b>90</b>
<b>Net book amount</b>	
<b>At 31 December 2008</b>	<b>1,005</b>
At 31 December 2007	-

Goodwill which originally arose on the acquisition of a business in 2000 was transferred from Culham Lightning Limited (a fellow subsidiary of Cobham plc) at net book value on 1 January 2008. The goodwill is being amortised on a straight-line basis over the remaining 12 years (i.e. 20 years from origin). This is the period over which the directors estimate that the value of the underlying business acquired is expected to exceed the value of the underlying assets.

# ERA Technology Limited

## Notes to the financial statements (continued)

### 11. Tangible assets

	Freehold land and buildings £000	Leasehold land and buildings (short lease) £000	Plant and machinery (including vehicles) £000	Capital work in progress £000	Total £000
<b>Cost or Valuation</b>					
At 1 January 2008	13,486	-	4,173	-	17,659
Additions	34	-	285	404	723
Reclassified to investment properties	(3,000)	-	-	-	(3,000)
Transfers from fellow subsidiaries	-	2	111	-	113
Disposals	-	-	(23)	-	(23)
<b>At 31 December 2008</b>	<b>10,520</b>	<b>2</b>	<b>4,546</b>	<b>404</b>	<b>15,472</b>
<b>Accumulated depreciation</b>					
At 1 January 2008	842	-	3,362	-	4,204
Charge for the year	201	2	484	-	687
Disposals	-	-	(19)	-	(19)
<b>At 31 December 2008</b>	<b>1,043</b>	<b>2</b>	<b>3,827</b>	<b>-</b>	<b>4,872</b>
<b>Net book amount</b>					
<b>At 31 December 2008</b>	<b>9,477</b>	<b>-</b>	<b>719</b>	<b>404</b>	<b>10,600</b>
At 31 December 2007	12,644	-	811	-	13,455

A fixed charge is held over the freehold land and buildings as security against a loan owed by Lockman Electronic Holdings Limited, the parent undertaking, to a third party.

### 12. Investment property

	Freehold property £000
<b>Valuation and net book amount</b>	
At 1 January 2008	-
Reclassified from fixed assets	3,000
Revaluation	(430)
<b>At 31 December 2008</b>	<b>2,570</b>

# ERA Technology Limited

## Notes to the financial statements (continued)

### 12. Investment property (continued)

The investment property has been valued at £2,570,000 (2007: £3,000,000), based on an estimated market price provided by external valuers, Vail Williams LLP, as at 31 December 2008.

The investment property (previously included within fixed assets) would have been included in the financial statements on a historical cost basis as follows:

	2008 £000	2007 £000
Cost	903	903
Accumulated depreciation	(72)	(54)
Net book amount based on historic cost	831	849

### 13. Investments

Investments in group undertakings comprise:

	Shares at cost £000
<b>Cost</b>	
At 1 January 2008	133
Disposal	(133)
At 31 December 2008	-
<b>Provision</b>	
At 1 January and 31 December 2008	-
<b>Net book amount</b>	
At 31 December 2008	-
At 31 December 2007	133

At 31 December 2008, the Company had the following subsidiary undertaking, which is held at a nominal value:

	Country of incorporation and operation	Class of share capital held	Proportion held	Nature of business
ERA Patents Limited	England	Ordinary	100%	Patent holding and exploitation

# ERA Technology Limited

## Notes to the financial statements (continued)

### 13. Investments (continued)

For the first three months of the year, the Company held a 40% equity interest in Telecom MODUS Limited, a joint venture arrangement with NEC Corporation of Japan established in May 1998. This investment was accounted for as an investment in accordance with FRS 9 'Associates and Joint Ventures', as the directors were of the opinion that they had only limited influence over the joint venture and the Company was not entitled to partake of any profits, or required to fund any losses, of the joint venture. The joint venture terminated on 31 March 2008 with the Company's shareholding being acquired by NEC Corporation at its original cost of £400,000. As the Company acquired the shares in January 2001 at the amount shown above, the disposal realised a profit of £267,000.

### 14. Stock

	2008	Restated 2007
	£000	£000
Raw materials and consumables	201	161
Work in progress	267	158
	468	319

There is no significant difference between the replacement cost and the value of stocks shown.

The 2007 comparative has been restated to split out work in progress balances previously shown as raw materials and consumables. The total value of stock remains unchanged.

### 15. Debtors

	2008	Restated 2007
	£000	£000
Trade debtors	3,946	2,111
Amounts recoverable on long term contracts	1,883	1,977
Amounts owed by fellow subsidiary undertakings	1,164	309
Amounts owed by related parties (note 29)	-	7
Deferred tax assets (note 19)	262	159
Other debtors	4	20
Prepayments and accrued income	431	495
	7,690	5,078

Amounts owed by fellow subsidiary undertakings are unsecured, interest free and repayable on demand.

Deferred tax assets of £262,000 (2007: £159,000) are not recoverable within one year.

The 2007 comparative has been restated to reclassify £241,000 of accrued interest from other debtors to prepayments and accrued income. The total value of debtors remains unchanged.

# ERA Technology Limited

## Notes to the financial statements (continued)

### 16. Creditors: amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	321	443
Payments on account	1,680	1,385
Amounts owed to fellow subsidiary undertakings	13,963	12,800
Other creditors	205	104
Other tax and social security	317	390
Corporation tax	557	467
Accruals and deferred income	1,099	706
	18,142	16,295

Amounts owed to fellow subsidiary undertakings include £12,660,000 (2007: £12,660,000) which is unsecured, interest free and has no fixed date of repayment. The balance of £1,303,000 (2007: £140,000) is unsecured, interest free and repayable on demand.

### 17. Creditors: amounts falling due after more than one year

	2008 £000	2007 £000
Amounts owed to fellow subsidiary undertakings	1,464	-
Other creditors	77	-
	1,541	-

Amounts owed to fellow subsidiary undertakings are unsecured, interest free and have no fixed date of repayment.

### 18. Provisions for liabilities and charges

	Contract provisions £000
At 1 January 2008	136
Utilised during the year	(126)
At 31 December 2008	10

Contract provisions represent management's best estimate of the amount by which the expected benefits from certain specific contracts are lower than the unavoidable cost of meeting its obligations under those contracts. The time frame within which such provisions will unwind varies by contract, but is generally within one year.



# ERA Technology Limited

## Notes to the financial statements (continued)

### 19. Deferred tax

The deferred tax asset comprises:

	2008 £000	2007 £000
Depreciation in advance of capital allowances	100	67
Other timing differences	162	92
	262	159

The total provision for deferred tax is as follows:

Depreciation in advance of capital allowances and other timing differences	262	159
Deferred tax asset/(liability) on pension liability/asset (note 23)	2,732	(653)
	2,994	(494)

Net deferred tax:

At 1 January	(494)	(1,170)
Transferred from fellow subsidiaries	66	-
Charged to profit and loss account (note 5)	(66)	(126)
Credited to the statement of total recognised gains and losses	3,488	802
At 31 December	2,994	(494)

### 20. Share capital

	2008 £000	2007 £000
<b>Authorised:</b>		
20,000,000 ordinary shares of 10p each	2,000	2,000
<b>Allotted, called up and fully paid:</b>		
10,000,000 ordinary shares of 10p each	1,000	1,000

# ERA Technology Limited

## Notes to the financial statements (continued)

### 21. Reserves

	Share premium account £000	Revaluation reserve £000	Other reserve £000	Profit and loss account £000
As at 1 January 2008	9,000	2,097	333	8,761
Profit for the financial year	-	-	-	3,633
Dividends (note 9)	-	-	-	(6,000)
Revaluation of investment property (note 12)	-	(430)	-	-
Capital contribution for the year (note 8)	-	-	120	-
Actuarial loss on pension scheme (note 23)	-	-	-	(8,968)
<b>As at 31 December 2008</b>	<b>9,000</b>	<b>1,667</b>	<b>453</b>	<b>(2,574)</b>

The other reserve relates to share-based payments awarded to certain employees of the Company by the ultimate parent undertaking, Cobham plc (note 8).

### 22. Reconciliation of movements in total shareholders' funds

	2008 £000	2007 £000
Profit for the financial year	3,633	3,470
Dividends (note 9)	(6,000)	-
Capital contribution from parent (note 8)	120	168
Actuarial loss on pension scheme (note 23)	(12,456)	(2,778)
Deferred tax arising on loss in pension scheme	3,488	802
Revaluation of investment property (note 12)	(430)	250
Net (deduction from)/addition to shareholders' funds	(11,645)	1,912
Opening shareholders' funds	21,191	19,279
<b>Closing shareholders' funds</b>	<b>9,546</b>	<b>21,191</b>

# ERA Technology Limited

## Notes to the financial statements (continued)

### 23. Pension commitments

The Company operates defined benefit and defined contribution pension schemes with assets held in separate trustee administered funds. Since 8 August 2003, new employees have only been able to join the defined contribution scheme.

#### Defined contribution scheme

The Company operates a defined contribution scheme, the ERA Technology Limited Stakeholder Pension Scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charged represents contributions payable by the Company to the fund and amounted to £145,000 (2007: £23,000). At 31 December 2008 there were contributions outstanding of £36,000 (2007: £20,000).

#### Defined benefit scheme

The Company operates a funded defined benefit pension scheme, the ERA Technology Limited Pension Fund, to which the Company and employees contribute. The benefits payable from the scheme are defined in the scheme rules and are based on final salary and length of contributing service.

The scheme is fully funded based on the actuarial valuation at 30 June 2007 and contributions are paid to the scheme in accordance with the recommendations of independent actuaries. The contributions take account of the future funding requirement of the scheme in order to arrive at a level percentage of pensionable pay from year to year.

The most recent actuarial valuation, as at 30 June 2007, showed that the market value of the scheme's assets was £65,327,000 and that the actuarial value of those assets represented 106% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The main actuarial assumptions used were:

Return on investments	6.85% per annum (pre-retirement) 5.25% per annum (post-retirement)
Salary increases	4.5% per annum with no allowance for promotions
Pension increases in excess of Guaranteed Minimum Pensions	3.0% per annum

The valuation was based on the attained age method.

The present funding rate (8% for the Company and 6% for the employees, increasing to 10% and 7% respectively in April 2008) is calculated to eliminate the surplus indicated in the valuation report over the estimated average remaining service lives of the members.

The valuation used for FRS 17 disclosure has been based on the most recent full actuarial valuation updated to 31 December 2008 by a qualified independent actuary. Since the scheme is now closed to new entrants, the age profile of the scheme's in service membership will increase over time. Under the funding method described by FRS 17, the current service cost will increase as a percentage of pensionable salaries as members approach retirement. The principal assumptions made by the actuary were:

	2008	2007
Rate of increases in salaries	3.50%	3.80%
Pensions in payment increases	3.00%	3.30%
Inflation rate	3.00%	3.30%
Expected return on scheme assets	6.77%	7.29%
Discount rate	6.30%	5.82%

# ERA Technology Limited

## Notes to the financial statements (continued)

### 23. Pension commitments (continued)

The mortality assumption used in 2008 is denoted by actuaries as "PA92 year of birth projections long cohort". The mortality assumption at 31 December 2007 was "PA92 year of birth projections medium cohort".

At 31 December 2008 (and in 2007) it has been assumed that members will not commute any of their pension for cash on retirement. This is based on experience of a low level of commutations in the scheme.

The assets in the scheme and the expected rate of return were:

	2008 £000	2007 £000
Fair value of scheme assets	51,697	66,023
Present value of scheme liabilities	(61,453)	(63,692)
(Deficit)/surplus in scheme	(9,756)	2,331
Related deferred tax asset/(liability)	2,732	(653)
Net pension (liability)/asset	(7,024)	1,678

The fair values of assets in the scheme as a percentage of total plan assets are:

	2008	2007
Equity instruments	78.5%	77.3%
Debt instruments	21.4%	22.6%
Other assets	0.1%	0.1%
	100.0%	100.0%

Scheme assets do not include any property occupied by the Company.

Analysis of amount charged to operating profit:

	2008 £000	2007 £000
Current service cost	1,071	1,350

Analysis of amount credited to other finance income:

	2008 £000	2007 £000
Expected return on pension scheme assets	4,776	4,636
Interest on pension scheme liabilities	(3,740)	(2,966)
Net return	1,036	1,670

# ERA Technology Limited

## Notes to the financial statements (continued)

### 23. Pension commitments (continued)

Analysis of amount recognised in the statement of total recognised gains and losses:

	2008 £000	2007 £000
Actual return less expected return on pension scheme assets	(18,084)	(345)
Changes in financial assumptions	5,628	(2,433)
Actuarial loss recognised in the statement of total recognised gains and losses	(12,456)	(2,778)

It has not been possible to split out the experience gains and losses arising on scheme liabilities from changes in financial assumptions; the effect is not considered to be material.

The actual return on scheme assets was a loss of £13,308,000 (2007: gain of £4,291,000)

Movement in scheme assets during the year:

	2008 £000	2007 £000
Scheme assets at the beginning of the year	66,023	62,564
Expected return	4,776	4,636
Actuarial loss	(18,084)	(345)
Contributions by members	342	323
Contributions by employer	404	340
Benefits paid	(1,764)	(1,495)
Scheme assets at the end of the year	51,697	66,023

Movement in scheme liabilities during the year:

	2008 £000	2007 £000
Scheme liabilities at the beginning of the year	63,692	58,115
Current service cost	1,071	1,350
Interest cost	3,740	2,966
Actuarial (gain)/loss	(5,628)	2,433
Contributions by members	342	323
Benefits paid	(1,764)	(1,495)
Scheme liabilities at the end of the year	61,453	63,692

The Company expects to contribute £496,000 to its defined benefit pension scheme in 2009.

# ERA Technology Limited

## Notes to the financial statements (continued)

### 23. Pension commitments (continued)

The history of the scheme for the current and previous four years is as follows:

	2008 £000	2007 £000	2006 £000	2005 £000	2004 £000
Present value of defined benefit obligation:	61,453	63,692	58,115	56,822	43,198
Fair value of scheme assets	51,697	66,023	62,564	58,302	49,249
(Deficit)/surplus	(9,756)	2,331	4,449	1,480	6,051
Experience adjustments on scheme assets	(18,084)	(345)	864	6,077	896
Experience adjustments on scheme liabilities	-	-	(52)	(1,298)	404

### 24. Contingent liabilities

The Company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. In addition, the Company has issued an unlimited guarantee to support these group facilities.

### 25. Capital commitments

The Company had capital commitments of £175,000 at 31 December 2008 (2007: £76,000).

### 26. Financial commitments

The following annual operating lease commitments existed at the year end expiring as follows:

	Land and buildings		Other	
	2008 £000	2007 £000	2008 £000	2007 £000
Within one year	12	-	60	44
Between two and five years	56	-	117	156
After five years	73	-	-	-
	141	-	177	200

### 27. Ultimate parent undertaking

The Company's immediate parent undertaking is Lockman Electronic Holdings Limited.

The ultimate parent undertaking and controlling party is Cobham plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Cobham plc consolidated financial statements can be obtained from the Company Secretary at Cobham plc, Brook Road, Wimborne, Dorset BH21 2BJ.

# ERA Technology Limited

## Notes to the financial statements (continued)

### 28. Cash flow statement

As noted above, the Company is a wholly owned subsidiary of Lockman Electronic Holdings Limited and is included in the consolidated financial statements of Cobham plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

### 29. Related party disclosures

The Company has taken the exemption under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Cobham plc group or investees of the Cobham plc group.

The Company has undertaken transactions, on an arm's length basis, with Telecom MODUS Limited which was a joint venture company of ERA Technology Limited as described in note 13 and was therefore a related party until the end of March 2008. Activity during the period for which it was a related party and balances at the 2007 year end were as follows:

	<b>2008 Purchases in period £000</b>	<b>2007 Purchases in year £000</b>	<b>2007 Creditor balance £000</b>
Telecom MODUS Limited	-	3	-

	<b>2008 Sales in period £000</b>	<b>2007 Sales in year £000</b>	<b>2007 Debtor balance £000</b>
Telecom MODUS Limited	112	707	7

No amounts have been written off during the period, nor any doubtful debt provisions considered necessary.

### 30. Post balance sheet events

With effect from 23 March 2009, the Company adopted the trading name Cobham Technical Services.