

Company number 731261

# **EnerSys Limited**

## **Report and Financial Statements**

31 March 2012

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# EnerSys Limited

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Registered No 731261

## **Directors**

R R Kubis  
M G Maine  
R W Zuidema  
W H Leonard

## **Secretary**

Jordan Company Secretaries Limited

## **Auditors**

Ernst & Young LLP  
The Paragon  
Counterslip  
Bristol  
BS1 6BX

## **Registered Office**

21 St Thomas Street  
Bristol  
BS1 6JS

## Directors' report

Company number 731261

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

### Results and dividends

The profit for the year after taxation amounted to £3,320,000 (2011 Profit £2,475,000) The directors do not propose a dividend for the year ended 31 March 2012 (2011 £nil)

### Research and development

During the year the company's research and development activities were transferred to EnerSys Switzerland

### Principal activity and review of the business

The company is a wholly owned subsidiary of EnerSys, a company incorporated in the United States of America, whose financial statements are publicly available

The principal activity of the company during the year continued to be the manufacture and distribution of industrial batteries The directors do not expect any change in the principal activity during the next financial year

The company has made a retained profit for the financial year of £3,320,000

The balance sheet on page 9 of the financial statements shows the company's financial position at the year end Details of amounts owed from and to fellow group undertakings are shown in notes 13 and 14 on page 20

EnerSys manages its operations on a regional and divisional basis For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the European region of EnerSys, which includes the company, is discussed in the group's annual report which does not form part of this report

### Environmental

EnerSys group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities The company operates in accordance with group policies, which are described in the group's Annual Report, which does not form part of this Report Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption

## Directors' report

Company number 731261

### Principal risks and uncertainties

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with customers.

The company's export sales are principally made in Euros, with a portion in US dollars, and it is therefore exposed to the movement in the Euro to Pound exchange rate. The group's treasury function takes out contracts to manage this risk at a group level.

The company is financed by a fixed rate loan from its parent and has no third party debt. It therefore has no interest rate exposure.

Group risks are discussed in the group's annual report which does not form part of this report.

### Directors

The directors of the company who served during the year were as follows:

R R Kubis  
M G Maine  
R W Zuidema  
W H Leonard

### Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### Suppliers' payment policy

It is company policy in respect of its suppliers to develop long-term relationships with them, which includes making payments consistent with established practices agreed with suppliers and ensuring that they are aware of the terms of payment and that such terms are followed.

The average number of days purchases included within creditors at 31 March 2012 were 81 days (2011 72 days).

### Employees

Information concerning employees and their remuneration is given in note 5. It is company policy to ensure continued employment, where possible, to employees who become temporarily or permanently disabled. To satisfy that need, consultative procedures enable management and other employees to discuss matters of mutual interest, including health and safety. Through these procedures, departmental channels and the publication of financial and economic information, employees are kept informed about company and EnerSys group affairs.

In order to safeguard its employees, the company pursues a policy designed to provide secure working environments and training standards at all operating locations. The company also recognises the need to provide information on matters of concern to employees.

## Directors' report

Company number 731261

### Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are not aware, and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

### Auditors

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting

On behalf of the Board



M Maine

Director

Date

10 Oct 2012

## Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditors' report**

## **to the members of EnerSys Limited**

We have audited the financial statements of EnerSys Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Independent auditors' report

to the members of EnerSys Limited

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Ken Griffin (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP, Statutory Auditor

Bristol

12 October 2012



## Profit and loss account

for the year ended 31 March 2012

	Notes	2012 £000	2011 £000
<b>Turnover</b>	2	90,629	92,961
Cost of sales		(83,574)	(85,389)
<b>Gross profit</b>		7,055	7,572
Selling and distribution costs		(2,875)	(3,497)
Administrative expenses		(1,458)	(1,259)
Other operating income		3,173	2,251
<b>Operating profit</b>	3	5,895	5,067
Interest payable and similar charges	6	(1,430)	(1,412)
Interest receivable and similar income	7	614	333
<b>Profit on ordinary activities before taxation</b>		5,079	3,988
Tax on profit on ordinary activities	8	(1,759)	(1,513)
<b>Retained profit for the financial year</b>	17	3,320	2,475

All results arise from continuing activities

## Statement of total recognised gains and losses

for the year ended 31 March 2012

	2012 £000	2011 £000
Profit for the year	3,320	2,475
Actuarial (loss)/gain recognised on pension scheme (note 22d)	(1,899)	1,844
Movement in deferred taxation in respect of pension scheme liability	494	(524)
<b>Total recognised gain for the year</b>	1,915	3,795

**Balance sheet**

at 31 March 2012

	Notes	2012 £000	2011 £000
<b>Fixed assets</b>			
Intangible assets	9	2,951	3,175
Tangible assets	10	12,834	13,230
Investments	11	4,847	4,847
		<u>20,632</u>	<u>21,252</u>
<b>Current assets</b>			
Stocks	12	5,490	4,782
Debtors	13	135,159	144,885
Cash and short-term deposits		63	64
		<u>140,712</u>	<u>149,731</u>
<b>Creditors</b> amounts falling due within one year	14	(86,325)	(98,848)
<b>Net current assets</b>		<u>54,387</u>	<u>50,883</u>
<b>Total assets less current liabilities</b>		<u>75,019</u>	<u>72,135</u>
<b>Provisions for liabilities and charges</b>	15	(653)	(725)
<b>Net assets excluding pension asset</b>		<u>74,366</u>	<u>71,410</u>
FRS 17 pension asset	22b	181	1,222
<b>Net assets including pension asset</b>		<u>74,547</u>	<u>72,632</u>
 <b>Capital and reserves</b>			
Called up share capital	16	68,308	68,308
Profit and loss account	17	6,239	4,324
<b>Equity shareholders' funds</b>		<u>74,547</u>	<u>72,632</u>

Approved by the Board



M Maine

Director

Date 10 Oct 2012

## Reconciliation of movements in shareholders' funds

for the year ended 31 March 2012

	<i>Share Capital £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
At 31 March 2010	68,308	529	68,837
Profit for the year	-	2,475	2,475
Actuarial gain recognised on Pension Scheme	-	1,844	1,844
Deferred tax on pension scheme liability	-	(524)	(524)
At 31 March 2011	68,308	4,324	72,632
Profit for the year	-	3,320	3,320
Actuarial (loss)/gain recognised on Pension Scheme	-	(1,899)	(1,899)
Deferred tax on pension scheme liability	-	494	494
At 31 March 2012	68,308	6,239	74,547

## Notes to the financial statements

at 31 March 2012

### 1. Accounting policies

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention, and in accordance with all applicable UK accounting standards

#### *Consolidated financial statements*

The financial statements contain information about EnerSys Limited as an individual company and do not contain consolidated financial information about its group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as its results and those of its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, EnerSys, a company incorporated in the United States of America

#### *Statement of cash flows*

A statement of cash flows has not been presented because EnerSys Limited is a subsidiary undertaking of EnerSys who prepare consolidated financial statements that include the results of EnerSys Limited and that are publicly available

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the year end. Exchange differences arising from the re-translation of foreign currency denominated assets and liabilities together with other exchange differences arising in the year are included in the profit and loss account

#### *Turnover*

Turnover represents the invoiced value of goods and services supplied by the company, to third parties, excluding value added tax

#### *Research and development*

Research and development expenditure is expensed as incurred

#### *Pension costs*

The company operates a defined benefit and defined contribution scheme

In respect of the defined benefit scheme, the expected costs of providing pensions are charged to the profit and loss account so as to spread the costs over the service lives of the participating employees. The costs are assessed in accordance with the advice of actuaries and provision is made in the financial statements with the associated deferred taxation effect. Differences between the amounts funded and the amounts charged in the profit and loss account are treated as either provisions or prepayments in the balance sheet

Company contributions made to the defined contribution scheme are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

## Notes to the financial statements

at 31 March 2012

### 1. Accounting policies (continued)

#### *Depreciation and tangible fixed assets*

Tangible fixed assets are depreciated to their residual values on a straight-line basis over their estimated useful lives at the following rates applied to original cost

Freehold land	–	nil
Freehold and long leasehold buildings	–	2% - 5%
Short leasehold buildings	–	remaining lease period
Plant and machinery	–	7% - 35%
Computer software systems	–	10% - 25%

#### *Impairment of fixed assets*

Impairment reviews are undertaken if there are indications that the carrying values may not be recoverable

#### *Intangibles*

Goodwill from the purchase of the trade and assets of the Motive Power division of Fiamm UK has been capitalised in accordance with FRS 10 and is amortised over a period of 20 years

#### *Leased assets*

Rentals under operating leases are charged to the profit and loss account on a straight line basis

#### *Investments*

Investments in subsidiary undertakings are held at cost less amounts written off and provisions for impairment

#### *Stocks*

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. Cost comprises the cost of raw materials and an appropriate proportion of labour and overheads. Provision is made for obsolete and slow moving items

#### *Cash and borrowings*

Cash and short-term deposits at the balance sheet date are deducted from bank loans and overdrafts where formal rights of set-off exist

#### *Government grants*

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful life of the relevant assets by equal annual instalments

Grants of a revenue nature are credited to income in the period to which they relate

# Notes to the financial statements

at 31 March 2012

## 1. Accounting policies (continued)

### 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions

- Provision is made for tax on gains arising from the revaluation of fixed assets, or gains on disposal of fixed assets, that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted

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

## 2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and arises from goods produced in the United Kingdom

The company operates in one business sector, the manufacture and sale of batteries

An analysis of turnover by geographical destination is as follows

	2012	2011
	£000	£000
United Kingdom	59,641	59,871
Rest of Europe	28,823	25,951
The Americas	168	360
Asia Pacific	800	1,365
Africa and Middle East	1,197	5,414
	<u>90,629</u>	<u>92,961</u>

## Notes to the financial statements

at 31 March 2012

### 3. Operating profit

Operating profit is stated after charging/(crediting)

	2012 £000	2011 £000
Auditors' remuneration – audit fees	46	64
– non-audit fees	3	3
Amortisation of goodwill and intangibles	224	227
Depreciation of owned fixed assets	2,586	2,347
Release of deferred income	-	(250)
Research and development expenditure	-	394
Operating lease rentals – plant and machinery	283	387
– land and buildings	216	149
FRS 17 pension current service cost (note 22c)	21	21
Foreign exchange gain on group loans	(1,257)	(153)

### 4. Directors' emoluments

	2012 £000	2011 £000
Emoluments	142	152

	2012 No	2011 No
Members of defined benefit schemes	-	-

## Notes to the financial statements

at 31 March 2012

### 5. Staff costs

	2012 £000	2011 £000
Wages and salaries	16,866	16,554
Social security costs	1,745	1,701
Other pension costs (see note 22)	717	765
	<u>19,328</u>	<u>19,020</u>

Prior year figures have been restated to their correct values

The average weekly number of employees during the year was as follows

	2012 No	2011 No
Administration	8	11
Production	459	469
Sales and marketing	115	102
	<u>582</u>	<u>582</u>

### 6. Interest payable and similar charges

	2012 £000	2011 £000
Interest payable to group undertakings	<u>(1,430)</u>	<u>(1,412)</u>

### 7. Interest receivable and similar income

	2012 £000	2011 £000
Interest receivable from third parties	8	19
Interest receivable from group undertakings	279	213
FRS 17 other finance income – (note 22c)	327	101
	<u>614</u>	<u>333</u>



## Notes to the financial statements

at 31 March 2012

### 8. Tax on profit on ordinary activities

#### a) Analysis of tax charge

	2012	2011
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the year	1,009	681
Adjustments in respect of prior years	-	(128)
Charge for current year group relief surrender	876	876
	<u>1,885</u>	<u>1,429</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences – current year (note 15)	(10)	50
Movement in deferred tax in respect of pension scheme assets	(116)	73
Impact of change in corporation tax rate	-	(39)
	<u>1,759</u>	<u>1,513</u>

#### (b) Factors affecting the tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 26% (2011 28%). The differences are reconciled below

	2012	2011
	£000	£000
Profit on ordinary activities before tax	5,079	3,988
	<u>5,079</u>	<u>3,988</u>
Tax charge on ordinary activities at 26% (2011 28%)	1,320	1,117
Adjustments in respect of prior years	-	(128)
Group Relief at non standard rates	648	631
Other permanent differences	(146)	(68)
Timing differences provided	63	(123)
	<u>1,885</u>	<u>1,429</u>

## Notes to the financial statements

at 31 March 2012

### 8. Tax on ordinary activities (continued)

#### c) Factors that may affect future tax charges

EnerSys Limited is a UK resident company in the EnerSys Holdings UK Limited group and as a consequence, the company is eligible to surrender UK group relief to, or claim UK group relief from, other EnerSys Holdings UK Limited group companies. These claims and/or surrenders may be made with or without charge.

Announcements have been made by the Chancellor of the Exchequer of proposed changes to corporation tax rates that will have an effect on the future tax charges of the company. The change in the corporation tax rate from 26% to 24%, effective 1 April 2012, was substantively enacted on 29 March 2012.

A further reduction of 1% effective on 1 April 2013 to a rate of 23% was substantively enacted on 3 July 2012. Had the financial effect of the change in tax rate been recognised there would have been a reduction in the balance of deferred tax liability of £2,000 to £39,000.

A further reduction of 1%, effective 1<sup>st</sup> April 2014, to a rate of 22% has been announced but not substantively enacted.

### 9. Intangible fixed assets

	<i>Goodwill</i> <i>£000</i>
<i>Cost</i>	
At 1 April 2011 and at 31 March 2012	4,468
<i>Accumulated depreciation</i>	
At 1 April 2011	(1,293)
Charge for the year	(224)
At 31 March 2012	(1,517)
<i>Net book value</i>	
At 31 March 2012	2,951
At 31 March 2011	3,175

Goodwill relates to the purchase of the trade and assets of the Motive Power division of Fiamm UK and has been capitalised in accordance with FRS 10 and is amortised over a period of 20 years.

## Notes to the financial statements

at 31 March 2012

### 10. Tangible fixed assets

	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Cost</i>			
At 1 April 2011	5,989	33,496	39,485
Additions	198	1,991	2,189
At 31 March 2012	6,187	35,487	41,674
<i>Accumulated depreciation</i>			
At 1 April 2011	2,943	23,312	26,255
Charge for the year	294	2,291	2,585
At 31 March 2012	3,237	25,603	28,840
<i>Net book value</i>			
At 31 March 2012	2,950	9,884	12,834
At 31 March 2011	3,046	10,184	13,230

The net book value of land and buildings at 31 March comprises

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Freehold and long leasehold	2,950	3,046

## Notes to the financial statements

at 31 March 2012

### 11. Investments

	<i>Shares in subsidiary undertakings £000</i>
<i>Cost</i>	
At 1 April 2011 and 31 March 2012	5,353
<i>Provisions</i>	
At 1 April 2011 and 31 March 2012	506
<i>Net book value</i>	
At 31 March 2012	4,847
At 31 March 2011	4,847

Details of the company's principal subsidiary undertakings are as follows

<i>Name of company</i>	<i>Country of registration, incorporation and operation</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
Hawker Energy Products Limited	England and Wales	Ordinary shares	100%	Dormant
Oldham Crompton Batteries Limited	England and Wales	Ordinary shares	100%	Dormant

Only principal subsidiary undertakings are shown above. A complete list of all subsidiary undertakings is filed with the company's annual return.

Group financial statements have not been prepared because the company is a wholly owned subsidiary of EnerSys, a company registered in the United States of America. As a result, the financial statements present information about the company as an individual undertaking and not about its group.

## Notes to the financial statements

at 31 March 2012

### 12. Stocks

	2012	2011
	£000	£000
Raw materials and consumables	181	415
Work in progress	571	438
Finished goods	4,738	3,929
	<u>5,490</u>	<u>4,782</u>

### 13. Debtors

	2012	2011
	£000	£000
Trade debtors	14,142	13,226
Amounts due from fellow group undertakings	118,028	129,714
Other debtors	2,770	1,710
Prepayments and accrued income	219	235
	<u>135,159</u>	<u>144,885</u>

### 14 Creditors: amounts falling due within one year

	2012	2011
	£000	£000
Trade creditors	3,929	2,713
Amounts owed to fellow group undertakings	76,349	91,257
Corporation tax	1,201	181
Other taxes and social security	1,176	2,396
Other creditors	302	126
Accruals and deferred income	3,368	2,175
	<u>86,325</u>	<u>98,848</u>

## Notes to the financial statements

at 31 March 2012

### 15 Provisions for liabilities and charges

	<i>Deferred taxation £000</i>	<i>Restructuring £000</i>	<i>Total £000</i>
At 1 April 2011	28	697	725
Charged during the year	(10)	(62)	(72)
At 31 March 2012	<u>18</u>	<u>635</u>	<u>653</u>

The provision for restructuring costs predominantly relates to the reorganisation and exit of the Manchester site. The remaining provision relates to committed costs which are expected to be incurred in the future.

An analysis of the deferred tax liability/(asset) at 31 March is as follows

	<i>2012 £000</i>	<i>2011 £000</i>
<i>Deferred tax assets and liabilities are analysed as follows</i>		
Accelerated capital allowances	234	300
Other timing differences	(216)	(272)
Included in provisions	<u>18</u>	<u>28</u>
Included in net pension liability (note 22b)	<u>57</u>	<u>429</u>
Net deferred tax liability/(asset)	<u>75</u>	<u>457</u>

### 16. Share capital

	<i>2012 No</i>	<i>2012 £000</i>	<i>2011 No</i>	<i>2011 £000</i>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	<u>68,307,783</u>	<u>68,308</u>	<u>68,307,783</u>	<u>68,308</u>

## Notes to the financial statements

at 31 March 2012

### 17. Reserves

	<i>Profit and loss account</i> £000
At 31 March 2010	529
Profit for the year	2,475
Other recognised gains	1,320
	<hr/>
At 1 April 2011	4,324
Profit for the year	3,320
Other recognised losses	(1,405)
	<hr/>
At 31 March 2012	6,239
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### 18. Capital commitments

	2012 £000	2011 £000
Contracted for but not provided	-	-
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### 19. Other financial commitments

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012			2011		
	<i>Land and buildings</i> £000	<i>Other</i> £000	<i>Total</i> £000	<i>Land and buildings</i> £000	<i>Other</i> £000	<i>Total</i> £000
Within one year	216	254	470	216	283	499
Within two to five years	557	694	1,251	773	262	1,035
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	773	948	1,721	989	545	1,534
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 20. Contingent liabilities

In accordance with provisions contained in the Value Added Tax Act 1983, the company has entered into a joint and several guarantee for group registrations

The company has contingent liabilities arising in the ordinary course of business from which it is anticipated that no material liabilities will arise

## Notes to the financial statements

at 31 March 2012

### 21. Pension arrangements

#### a) EnerSys UK Defined Benefit Pension Scheme

The company commenced operating the EnerSys UK Defined Benefit Pension Scheme on 6 July 2002. This is a funded defined benefit plan for employees who were members of the Invensys Pension Scheme and Defined Contribution plan for members employed by EnerSys Limited after 22 March 2002. The assets of the plan are held separately from those of the company and are invested in managed funds.

Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations. The assumptions which have the most significant effect on the results are salary growth at 3.5% per annum, price inflation at 3.25% per annum and present and future pensions to increase by 3.25% per annum on that part of the pension in excess of the members' guaranteed minimum pension.

With effect from 31 January 2009, future accrual in the defined benefit section ceased and all active members at that date were provided with benefits under the defined contribution section for future service. The benefits accrued to 31 January 2009 for active members under the defined benefit section remain linked to future salary increases.

Contributions made to the scheme during the year were £172,000 (2011 £172,000).

Prior year figures have been restated to their correct values.

#### b) EnerSys UK Defined Contribution Pension Scheme

The company also operates a defined contribution pension scheme, the assets of which are held in an independently administered fund. Contributions are charged to the profit and loss account as and when incurred. The total contributions charged to the profit and loss account in the year were £545,000 (2011 £593,000).

### 22. FRS 17 Retirement benefits

#### a) Composition of the defined benefit scheme

An actuarial valuation was carried out as at 31 March 2011 and updated to 31 March 2012 by a qualified independent actuary.

The major assumptions used by the actuary were

	2012	2011
	%	%
Rate of increase in salaries	3.50	3.50
Rate of increase in pensions in payment	3.25	3.25
Discount rate	5.10	5.50
Inflation assumption	3.25	3.25

In calculating the value of the liabilities, the mortality assumption for 2009 has used the PXA92 Year of birth tables with the "mid cohort" improvement factors. 2012 has used the PNA00 long cohort with an underpin of 0.5% pa.



## Notes to the financial statements

at 31 March 2012

### 22. FRS 17 Retirement benefits (continued)

b) The assets in the scheme and the expected rates of return were

	2012		2011	
	<i>Long term rate of return Expected %</i>	<i>Value £000</i>	<i>Long term rate of return Expected %</i>	<i>Value £000</i>
Equities	8.00	10,906	8.00	10,007
Bonds	5.50	3,064	5.50	3,119
Gilts	4.50	2,352	4.50	2,367
Cash	3.50	(31)	3.50	-
		<hr/>		<hr/>
Total market value and assets		16,291		15,493
Present value of scheme liabilities		(16,053)		(13,842)
		<hr/>		<hr/>
Scheme surplus		238		1,651
Related deferred tax (liability)		(57)		(429)
		<hr/>		<hr/>
Net pension asset in the Balance Sheet		181		1,222
		<hr/> <hr/>		<hr/> <hr/>

c) Amounts recognised in the profit and loss account for the year are analysed as follows,

i) Amounts charged to operating profit

	2012 £000	2011 £000
Current service cost	21	21
	<hr/>	<hr/>
Total operating charge	21	21
	<hr/> <hr/>	<hr/> <hr/>

ii) Amounts credited to other finance income

	2012 £000	2011 £000
Expected return on pension scheme assets	1,082	907
Interest on pension scheme liabilities	(755)	(806)
	<hr/>	<hr/>
Net amount credited to other finance income	327	101
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the financial statements

at 31 March 2012

### 22. FRS 17 Retirement benefits (continued)

d) Amounts recognised in the statement of total recognised gains and losses (STRGL)

	2012 £000	2011 £000
Actual return less expected return on pension scheme assets	(151)	284
Experience gains and losses arising on the scheme liabilities	(480)	506
Changes in assumptions underlying the present value of the scheme liabilities	(1,268)	1,054
Actuarial gain/(loss) recognised in STRGL	<u>(1,899)</u>	<u>1,844</u>

The actual asset return for the year was £931,000

e) Changes in the present value of the defined benefit obligation are as follows

	2012 £000	2011 £000
Opening defined benefit obligation	<u>13,842</u>	<u>14,783</u>
Employer's part of current service cost	21	21
Interest cost	755	806
Actuarial loss/(gain)	1,748	(1,560)
Benefits paid	<u>(313)</u>	<u>(208)</u>
Closing defined benefit obligation	<u>16,053</u>	<u>13,842</u>

f) Changes in the fair value of the Plan assets are as follows

	2012 £000	2011 £000
Opening fair value of the Plan assets	<u>15,493</u>	<u>14,330</u>
Expected return on Plan assets	1,082	907
Actuarial (loss)/gain	(151)	284
Contributions by the employer	180	180
Benefits paid	<u>(313)</u>	<u>(208)</u>
Closing fair value of plan assets	<u>16,291</u>	<u>15,493</u>

## Notes to the financial statements

at 31 March 2012

### 22. FRS 17 Retirement benefits (continued)

g) Fair value of plan assets

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Plan assets at Fair Value	16,291	15,493	14,330	10,822	11,456
Present Value of Defined Benefit Liability	(16,053)	(13,842)	(14,783)	(10,830)	(12,162)
Funding position	238	1,651	(453)	(8)	(706)
Experience (losses)/gains on scheme liabilities					
Amount	(480)	(506)	(72)	(229)	(74)
Percentage of present value of scheme liabilities	3.0%	3.7%	0.5%	2.1%	0.6%
Difference between expected and actual return on scheme assets					
Amount	(151)	284	3,194	(2,864)	(1,011)
Percentage of scheme assets	0.9%	1.8%	22.3%	26.5%	8.8%

### 23. Share based payments

Share options in the company's ultimate parent undertaking, EnerSys, are granted to senior executives of the company for services they provide across the group. The nature and extent of share based payments is disclosed in the accounts of the company's ultimate parent undertaking. The charge in relation to the grant of these options has been taken in the ultimate parent company's financial statements.

### 24. Related party transactions

The company has taken advantage of the exemptions in FRS 8 from disclosing transactions with other related parties forming part of the EnerSys Group of companies as it is a wholly owned subsidiary undertaking.

### 25. Immediate parent undertaking

The immediate parent undertaking of EnerSys Limited is Chloride Industrial Batteries Ltd, a company registered in England and Wales.

### 26. Ultimate parent undertaking

The company's ultimate parent undertakings and controlling party is EnerSys, a company incorporated in the United States of America. Copies of the group financial statements are available from the parent undertakings registered office at EnerSys, 2366 Bernville Road, Reading, PA 19605, US.