

Company number 731261

EnerSys Limited

Report and Financial Statements

31 March 2010

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COMPANIES HOUSE

EnerSys Limited

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 2010

Results and dividends

The loss for the year after taxation amounted to £3,532,000 (2009 Profit £4,771,000) The directors do not propose a dividend for the year ended 31 March 2010 (2009 £nil)

Research and development

Ongoing and new research and development programmes have been established to launch new product ranges, enhance quality and increase the profitability of operations

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 loss for the financial year of £3,532,000

The balance sheet on page 8 of the financial statements shows that 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 19

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 1985. 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 2010 was 52 days (2009: 55 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

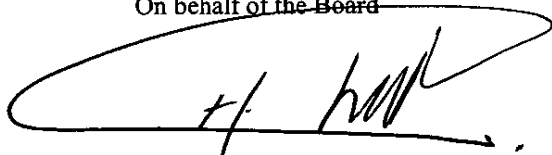
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that

- 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

A large, stylized handwritten signature in black ink, appearing to read 'H. Leonard', is written over a horizontal line.

W H Leonard

Director

Date 23/12/2010

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 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of EnerSys Limited

We have audited the financial statements of EnerSys Limited for the year ended 31 March 2010 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 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 (APB'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.

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 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

24 December 2010

Profit and loss account

for the year ended 31 March 2010

	Notes	2010 £000	2009 £000
Turnover	2	81,758	94,923
Cost of sales		(71,987)	(82,932)
Gross profit		9,771	11,991
Selling and distribution costs		(3,817)	(4,392)
Administrative expenses		(1,594)	(2,533)
Other operating income/(expense)		594	(2,982)
Operating profit	3	4,954	2,084
Profit on disposal of fixed assets		-	2,290
Profit on ordinary activities before interest and taxation		4,954	4,374
Interest payable and similar charges	6	(1,486)	(1,540)
Interest receivable and similar income	7	179	760
Profit on ordinary activities before taxation		3,647	3,594
Tax on profit on ordinary activities	8	(7,179)	1,177
Retained (loss)/ profit for the financial year	17	(3,532)	4,771

All results arise from continuing activities

Statement of total recognised gains and losses

for the year ended 31 March 2010

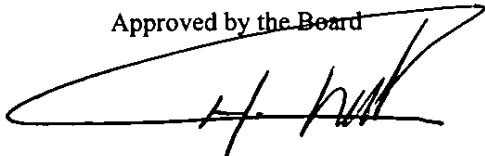
	2010 £000	2009 £000
(Loss)/profit for the year	(3,532)	4,771
Actuarial (loss)/gain recognised on pension scheme (note 22d)	(608)	422
Movement in deferred taxation in respect of pension scheme liability	170	(118)
Total recognised (loss)/gain for the year	(3,970)	5,075

Balance sheet

at 31 March 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Intangible assets	9	3,402	3,652
Tangible assets	10	11,263	12,344
Investments	11	2,876	16,907
		<u>17,541</u>	<u>32,903</u>
Current assets			
Stocks	12	4,442	4,501
Debtors	13	116,886	84,357
Cash and short-term deposits		551	1,819
		<u>121,879</u>	<u>90,677</u>
Creditors amounts falling due within one year	14	(68,824)	(49,167)
Net current assets		<u>53,055</u>	<u>41,510</u>
Total assets less current liabilities		<u>70,596</u>	<u>74,413</u>
Provisions for liabilities and charges	15	(1,433)	(1,600)
Net assets excluding pension liability		<u>69,163</u>	<u>72,813</u>
FRS 17 pension liability	22b	(326)	(6)
Net assets including pension liability		<u><u>68,837</u></u>	<u><u>72,807</u></u>
 Capital and reserves			
Called up share capital	16	68,308	68,308
Profit and loss account	17	529	4,499
Equity shareholders' funds		<u><u>68,837</u></u>	<u><u>72,807</u></u>

Approved by the Board



W H Leonard
Director

Date 23/12/2010

Reconciliation of movements in shareholders' funds

for the year ended 31 March 2010

	<i>Share Capital £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
At 31 March 2008	68,308	(576)	67,732
Profit for the year	-	4,771	4,771
Actuarial gain recognised on Pension Scheme	-	422	422
Deferred tax on pension scheme liability	-	(118)	(118)
At 31 March 2009	68,308	4,499	72,807
Loss for the year	-	(3,532)	(3,532)
Actuarial loss recognised on Pension Scheme	-	(608)	(608)
Deferred tax on pension scheme liability	-	170	170
At 31 March 2010	68,308	529	68,837

Notes to the financial statements

at 31 March 2010

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 2010

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

Intangible fixed assets have arisen from the purchase of the Motive Power Division of Fiamm UK Limited, Motive Power. It is made up of 3 elements Goodwill, Customer List and Customer Non Compete

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

Customer List represents the value associated with the customer list purchased from the business segment of Fiamm UK and is amortised over 5 years

Customer Non-Compete is an agreement between EnerSys and Fiamm UK for a period of 5 years and is amortised over this period

A manufacturing license has also been purchased allowing the company to use a method of manufacturing a Motive product. The agreement is for 5 years and is amortised over this period

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 2010

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

	2010 £000	2009 £000
United Kingdom	44,576	51,383
Rest of Europe	28,494	31,258
The Americas	366	3,090
Asia Pacific	588	1,190
Africa and Middle East	7,734	8,002
	<u>81,758</u>	<u>94,923</u>

Notes to the financial statements

at 31 March 2010

3. Operating profit

Operating profit is stated after charging/(crediting)

	2010 £000	2009 £000
Auditors' remuneration – audit fees	91	83
– non-audit fees	3	3
Amortisation of goodwill and intangibles	250	261
Depreciation of owned fixed assets	2,409	2,725
Restructuring	1,170	1,131
Research and development expenditure	397	195
Operating lease rentals – plant and machinery	725	542
– land and buildings	100	114
FRS 17 pension current service cost (note 22c)	-	1,267
Foreign exchange gain on group loans	(801)	(2,610)

The restructuring costs predominantly relate to the re-organisation and exit of the Manchester site

4. Directors' emoluments

	2010 £000	2009 £000
Emoluments	146	35
Company contributions paid to defined benefit schemes	-	-
	<u>146</u>	<u>35</u>

	2010 No	2009 No
Members of defined benefit schemes	-	-

Notes to the financial statements

at 31 March 2010

5. Staff costs

	2010 £000	2009 £000
Wages and salaries	13,874	16,111
Social security costs	1,954	1,363
Other pension costs (see note 22)	1,000	1,458
	<u>16,828</u>	<u>18,932</u>

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

	2010 No	2009 No
Administration	19	22
Production	375	424
Sales and marketing	112	128
	<u>506</u>	<u>575</u>

6. Interest payable and similar charges

	2010 £000	2009 £000
Interest payable on bank loans, overdrafts and other loans	-	(8)
Interest payable to group undertakings	(1,470)	(1,532)
FRS 17 other finance expense – (note 22c)	(16)	-
	<u>(1,486)</u>	<u>(1,540)</u>

7. Interest receivable and similar income

	2010 £000	2009 £000
Interest receivable from group undertakings	179	698
FRS 17 other finance income – (note 22c)	-	62
	<u>179</u>	<u>760</u>

Notes to the financial statements

at 31 March 2010

8. Tax on profit on ordinary activities

a) Analysis of tax charge/(credit)

	2010 £000	2009 £000
<i>UK corporation tax</i>		
Current tax on income for the year	528	-
Adjustments in respect of prior years	53	(83)
Charge for current year group relief surrender	2,753	-
Charge for prior year group relief surrender	3,973	-
	<u>7,307</u>	<u>(83)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences – current year (note 15)	(279)	(395)
Adjustments in respect of prior years (note 15)	151	(776)
Movement in deferred tax in respect of pension scheme assets	-	77
	<u>7,179</u>	<u>(1,177)</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 28% (2009 28%). The differences are reconciled below

	2010 £000	2009 £000
Profit on ordinary activities before tax	<u>3,647</u>	<u>3,594</u>
Tax charge on ordinary activities at 28% (2009 28%)	1,021	1,006
Adjustments in respect of prior years	53	(83)
Group relief received without payment	-	(425)
Charge for current year relief in excess of 28%	1,982	-
Charge for prior year group relief surrender	3,973	-
Other permanent differences	(1)	(671)
Timing differences provided	279	90
	<u>7,307</u>	<u>(83)</u>

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.

Notes to the financial statements

at 31 March 2010

9. Intangible fixed assets

	<i>Goodwill</i> £000	<i>Customer list</i> £000	<i>Customer non compete</i> £000	<i>Total</i> £000
<i>Cost</i>				
At 1 April 2009 and at 31 March 2010	4,468	76	58	4,602
<i>Accumulated depreciation</i>				
At 1 April 2009	(847)	(58)	(45)	(950)
Charge for the year	(223)	(15)	(12)	(250)
At 31 March 2010	(1,070)	(73)	(57)	(1,200)
<i>Net book value</i>				
At 31 March 2010	3,398	3	1	3,402
At 31 March 2009	3,621	18	13	3,652

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

Customer list represents the value associated with the customer list purchased from the business segment of Fiamm UK and is amortised over 5 years

Customer Non-Compete is an agreement between EnerSys and Fiamm UK for a period of 5 years and is amortised over this period

Notes to the financial statements

at 31 March 2010

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 2009	5,497	28,346	33,843
Additions	-	1,328	1,328
At 31 March 2010	5,497	29,674	35,171
<i>Accumulated depreciation</i>			
At 1 April 2009	2,127	19,372	21,499
Charge for the year	271	2,138	2,409
At 31 March 2010	2,398	21,510	23,908
<i>Net book value</i>			
At 31 March 2010	3,099	8,164	11,263
At 31 March 2009	3,370	8,974	12,344

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

	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>
Freehold and long leasehold	3,099	3,370

Notes to the financial statements

at 31 March 2010

11 Investments

	<i>Shares in subsidiary undertakings £000</i>
<i>Cost</i>	
At 1 April 2009	17,413
Eliminated on liquidation	(14,031)
At 31 March 2010	<u>3,382</u>
<i>Provisions</i>	
At 1 April 2009 and 31 March 2010	<u>506</u>
<i>Net book value</i>	
At 31 March 2010	<u><u>2,876</u></u>
At 31 March 2009	<u><u>16,907</u></u>

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

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.

Inter company payables with certain subsidiaries were waived prior to the liquidation of the subsidiaries resulting in no profit or loss in EnerSys Limited on liquidation of the subsidiaries.

Notes to the financial statements

at 31 March 2010

12. Stocks

	2010	2009
	£000	£000
Raw materials and consumables	373	47
Work in progress	960	444
Finished goods	3,109	4,010
	<u>4,442</u>	<u>4,501</u>

13. Debtors

	2010	2009
	£000	£000
Trade debtors	15,264	13,602
Amounts due from fellow group undertakings	100,499	70,103
Other debtors	477	-
Prepayments and accrued income	219	236
Corporation tax receivable	404	416
Deferred Tax asset (note 15)	23	-
	<u>116,886</u>	<u>84,357</u>

14. Creditors: amounts falling due within one year

	2010	2009
	£000	£000
Trade creditors	1,517	2,689
Amounts owed to fellow group undertakings	60,382	42,954
Other taxes and social security	2,001	660
Other creditors	1,492	768
Accruals and deferred income	3,432	2,096
	<u>68,824</u>	<u>49,167</u>

Notes to the financial statements

at 31 March 2010

15. Provisions for liabilities and charges

	<i>Deferred taxation £000</i>	<i>Restructuring £000</i>	<i>Total £000</i>
At 1 April 2009	105	1,495	1,600
Utilised in year	-	(1,226)	(1,226)
(Credited)/charged during the year	(128)	1,164	1,036
Transferred to Debtors	23	-	23
At 31 March 2010	-	1,433	1,433

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

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

	<i>2010 £000</i>	<i>2009 £000</i>
<i>Deferred tax assets and liabilities are analysed as follows</i>		
Accelerated capital allowances	333	275
Other timing differences	(356)	(170)
Included in (debtors)/provisions for liabilities and charges	(23)	105
Included in net pension liability (note 23b)	(127)	(2)
Net deferred tax (asset)/liability	(150)	103

16. Share capital

	<i>2010 No</i>	<i>2010 £000</i>	<i>2009 No</i>	<i>2009 £000</i>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	68,307,783	68,308	68,307,783	68,308

Notes to the financial statements

at 31 March 2010

17. Reserves

	<i>Profit and loss account</i> £000
At 31 March 2008	(576)
Profit for the year	4,771
Other recognised gains	304
	<hr/>
At 1 March 2009	4,499
Loss for the year	(3,532)
Other recognised losses	(438)
	<hr/>
At 31 March 2010	529
	<hr/>

18. Capital commitments

	<i>2010</i> £000	<i>2009</i> £000
Contracted for but not provided	-	147
	<hr/>	<hr/>

19. Other financial commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as set out below

	<i>2010</i>			<i>2009</i>		
	<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	100	85	185	100	80	180
Within two to five years	200	403	603	300	463	763
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	300	488	788	400	543	943
	<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 2010

21. Pension arrangements

a) Invensys Pension Scheme

From 6 April 2000 through to 5 July 2002, the UK employees of EnerSys Limited were eligible for membership of the Invensys Pension Scheme, which arose from the merger of the BTR Group Pension Scheme and the Siebe Pension Scheme as at that date. The Invensys Pension Scheme and its predecessors are funded defined benefit schemes. Contributions have been made in accordance with the recommendations of independent actuaries based on pension costs across the eligible group. Contributions made to the scheme during the year were £nil (2009: £nil).

b) 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 3.5% 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.

The charge for the year amounted to £Nil (2009: £1,267,000), which represents the current service cost of the scheme in the year.

c) 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 £1,000,000 (2009: £191,000).

22. FRS 17 Retirement benefits

a) Composition of the defined benefit scheme

An actuarial valuation was carried out as at 31 March 2009 and updated to 31 March 2010 by a qualified independent actuary.

The major assumptions used by the actuary were:

	2010	2009
	%	%
Rate of increase in salaries	3.50	3.25
Rate of increase in pensions in payment	3.25	3.00
Discount rate	5.50	6.75
Inflation assumption	3.50	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. 2010 has used the PNA00 median cohort with an underpin of 0.5% pa.

Notes to the financial statements

at 31 March 2010

22. FRS 17 Retirement benefits (continued)

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

	2010		2009	
	<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	7.00	9,436	7.00	6,948
Bonds	5.50	2,091	6.75	2,154
Gilts	4.50	2,803	4.50	1,636
Cash	3.50	-	3.00	84
		<hr/>		<hr/>
Total market value and assets		14,330		10,822
Present value of scheme liabilities		(14,783)		(10,830)
		<hr/>		<hr/>
Scheme deficit		(453)		(8)
Related deferred tax asset		127		2
		<hr/>		<hr/>
Net pension liability in the Balance Sheet		(326)		(6)
		<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

	2010 £000	2009 £000
Current service cost	-	(1,267)
	<hr/>	<hr/>
Total operating charge	-	(1,267)
	<hr/> <hr/>	<hr/> <hr/>

ii) Amounts (charged)/credited to other finance income

	2010 £000	2009 £000
Expected return on pension scheme assets	707	796
Interest on pension scheme liabilities	(723)	(734)
	<hr/>	<hr/>
Net amount (charged)/credited to other finance income	(16)	62
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

at 31 March 2010

22. FRS 17 Retirement benefits (continued)

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

	2010 £000	2009 £000
Actual return less expected return on pension scheme assets	3,194	(2,864)
Experience gains and losses arising on the scheme liabilities	(71)	(229)
Changes in assumptions underlying the present value of the scheme liabilities	(3,731)	3,515
Actuarial (loss)/gain recognised in STRGL	<u>(608)</u>	<u>422</u>

The actual asset return for the year was £3,901,000

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

	2010 £000	2009 £000
Opening defined benefit obligation	<u>10,830</u>	<u>12,162</u>
Employer's part of current service cost	-	1,267
Interest cost	723	734
Contributions from Plan members and NI age related rebates	-	293
Actuarial (gain)/loss	3,803	(3,286)
Benefits paid	<u>(573)</u>	<u>(340)</u>
Closing defined benefit obligation	<u>14,783</u>	<u>10,830</u>

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

	2010 £000	2009 £000
Opening fair value of the Plan assets	<u>10,822</u>	<u>11,456</u>
Expected return on Plan assets	707	796
Actuarial gain/(loss)	3,194	(2,864)
Contributions by the employer	180	1,510
Contributions by Plan members and NI age related rebates	-	293
Benefits paid	<u>(573)</u>	<u>(369)</u>
Closing fair value of plan assets	<u>14,330</u>	<u>10,822</u>

Notes to the financial statements

at 31 March 2010

22. FRS 17 Retirement benefits (continued)

g) Fair value of plan assets

	2010 £000	2009 £000	2008 £000	2007 £000	2006 £000
Plan assets at Fair Value	14,330	10,822	11,456	10,153	8,381
Present Value of Defined Benefit Liability	(14,783)	(10,830)	(12,162)	(10,485)	(7,978)
Funding position	(453)	(8)	(706)	(332)	403
Experience (losses)/gains on scheme liabilities					
Amount	(72)	(229)	74	(156)	79
Percentage of present value of scheme liabilities	(0.5%)	(2.1%)	0.6%	(1.5%)	1.0%
Difference between expected and actual return on scheme assets					
Amount	3,194	(2,864)	(1,011)	(50)	1,021
Percentage of scheme assets	22.3%	(26.5%)	(8.8%)	(0.5%)	12.2%

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, USA.