EnerSys Ltd

Report and Financial Statements

31 March 2005

ERNST & YOUNG

Registered No: 731261

Directors
R R Kubis
M G Maine
D Zuidema

Secretary
Jordan Company Secretaries Limited

Auditors
Ernst & Young LLP
One Bridewell Street
Bristol
BS1 2AA

Registered Office
21 St Thomas Street
Bristol
BS1 6JS

Ernst & Young

Directors' report

The directors present their report and financial statements for the year ended 31 March 2005.

Results and dividends

The profit for the year after taxation amounted to £4,982,000 (2004 – profit of £1,590,000). The directors do not propose a dividend for the year ended 31 March 2005 (2004 - £Nil).

Research and development

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

Principal activity and review of the business

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. There have been no events since the balance sheet date which require disclosure.

Directors and their interests

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

R R Kubis
M G Maine
R W Evans (resigned 19 September 2005)
D Zuidema

None of the directors had any beneficial interests, which require disclosure in accordance with section 324 of the Companies Act 1985.

Events since the balance sheet date

On 1 June 2005, the company acquired the trade and assets of the motive power division of Fiamm UK, a division of Fiamm, a company incorporated in Italy. The total purchase price was €25m, paid for in cash, of which £8.6m was allocated to the UK portion. The entity has been successfully incorporated into the existing Enersys business and is expected to contribute strongly in the future.

Suppliers' payment policy

It is company policy in respect of its suppliers to develop long-term relationships with them, which includes making payment 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 2005 was 55 days (2004 – 74 days).

Employees

Information concerning employees and their remuneration is given in note 6. 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

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

Director

Date 18 Jan 2006

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Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 year. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

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Independent auditors' report

to the members of EnerSys Ltd

We have audited the company's financial statements for the year ended 31 March 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 25. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Registered Auditor
Bristol
Date 20 January 2006.

Profit and loss account

for the year ended 31 March 2005

	Notes	2005 £000	2004 £000
Turnover	2	84,348	85,393
Cost of sales	3	(69,733)	(75,514)
Gross profit		14,615	9,879
Selling and distribution costs	3	(5,229)	(5,233)
Administrative expenses	3	(1,124)	(1,397)
Other operating income		136	47
Operating profit	4	8,398	3,296
(Loss)/profit on disposal of fixed assets		(630)	24
Profit on ordinary activities before interest and taxation		7,768	3,320
Net interest (payable and similar charges)/ receivable and similar income	7	(1,227)	(822)
Profit/(loss) on ordinary activities before taxation		6,541	2,498
Tax on profit/(loss) on ordinary activities	8	1,559	908
Retained profit for the financial year	17	4,982	1,590

All results arise from continuing activities.

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Statement of total recognised gains and losses

for the year ended 31 March 2005

There are no recognised gains or losses other than the profit attributed to shareholders of the company of £4,982,000 in the year ended 31 March 2005 and the profit of £1,590,000 in the year ended 31 March 2004.

Balance sheet

at 31 March 2005

	Notes	2005 £000	2004 £000
Fixed assets			
Tangible assets	9	20,946	23,025
Investments	10	16,907	16,907
		37,853	39,932
Current assets			
Stocks	11	6,942	7,897
Debtors	12	93,660	91,957
Cash and short-term deposits		401	545
		101,003	100,399
Creditors: amounts falling due within one year	13	(63,270)	(62,351)
Net current assets		37,733	38,048
Total assets less current liabilities		75,586	77,980
Creditors: amounts falling due after more than one year	14	(11,232)	(14,644)
Provisions for liabilities and charges	15	(2,701)	(6,665)
		61,653	56,671
Capital and reserves			
Called up share capital	16	68,308	68,308
Profit and loss account	17	(6,655)	(11,637)
Equity shareholders' funds		61,653	56,671

Approved by the Board on
and signed on its behalf by:

Director

Date 18 Jan 2006

Reconciliation of movements in shareholders' funds
for the year ended 31 March 2005

	Notes	2005 £000	2004 £000
Profit for the financial year		4,982	1,590
Opening shareholders' funds		56,671	55,081
Closing shareholders' funds		61,653	56,671

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Notes to the financial statements

at 31 March 2005

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 Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228 of the Companies Act 1985 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 immediate parent, EnerSys Holdings UK Limited, a company registered in England and Wales.

Statement of cash flows

A statement of cash flows has not been presented because EnerSys Ltd is a subsidiary undertaking of EnerSys Holdings UK Limited who prepare consolidated financial statements that include the results of EnerSys Ltd 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 advise 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 2005

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.

Leased assets

Rentals under operating lease 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.

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 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:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of 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.

Notes to the financial statements

at 31 March 2005

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:

	2005	*2004*
	£000	*£000*
United Kingdom	42,065	39,854
Rest of Europe	28,273	26,326
The Americas	7,703	11,478
Asia Pacific	4,573	5,309
Africa and Middle East	1,734	2,426
	84,348	85,393

3. Cost of sales and operating expenses/(income)

	2005	*2004*
	£000	*£000*
Cost of sales	69,733	75,514
Selling and distribution costs	5,229	5,233
Administrative expenses	1,124	1,397
Other operating income	(136)	(47)

Restructuring costs included in cost of sales, selling and distribution costs and administrative expenses are credit of £1,451,000 (2004 debit of £5,139,000), debit of £23,000 (2004 credit of £25,000) and £Nil (2004 debit of £159,000) respectively.

4. Operating profit

Operating profit is stated after charging/(crediting):

		2005	*2004*
		£000	*£000*
Auditors' remuneration	– audit fees	115	78
	– non-audit fees	72	50
Amortisation of goodwill		-	-
Depreciation of owned fixed assets		3,501	3,466
Research and development expenditure		64	258
Operating lease rentals	– plant and machinery	491	469
	– land and buildings	51	108
Restructuring costs		(1,428)	5,273
Foreign exchange (gains)/losses		18	(76)

Notes to the financial statements

at 31 March 2005

5. Directors' emoluments

	2005	*2004*
	£000	*£000*
Emoluments	105	152
Company contributions paid to money purchase pension schemes	3	3
	108	155

	2005	*2004*
	No.	*No.*
Members of defined benefit schemes	2	2

6. Staff costs

	2005	*2004*
	£000	*£000*
Wages and salaries	17,397	20,146
Social security costs	1,318	1,423
Other pension costs (see note 21)	1,327	1,774
	20,042	23,343

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

	2005	*2004*
	No.	*No.*
Administration	87	106
Production	428	550
Sales and marketing	117	103
	632	759

7. Net interest (payable and similar charges)/receivable and similar income

	2005	*2004*
	£000	*£000*
Interest payable on bank loans, overdrafts and other loans	(2,000)	(3)
Interest payable to group undertakings	(651)	(2,372)
Foreign exchange gains/(losses) on group loans	(18)	714
	(2,669)	(1,661)
Interest receivable from group undertakings	1,442	839
Net interest payable	(1,227)	(822)

Notes to the financial statements

at 31 March 2005

8. Tax on profit on ordinary activities

a) Analysis of tax charge

	2005	*2004*
	£000	*£000*
UK corporation tax:		
Current tax on income for the year	1,300	-
Adjustments in respect of prior years	325	(132)
Total current tax (note 8b)	1,625	(132)
Deferred tax:		
Origination and reversal of timing differences – current year	(471)	955
Adjustments in respect of prior years	405	85
Tax on profit on ordinary activities	1,559	908

(b) *Factors affecting the tax charge*

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 – 30%). The differences are reconciled below:

	2005	*2004*
	£000	*£000*
Profit on ordinary activities before tax	6,541	2,498
Tax charge on ordinary activities at 30.0%	1,963	749
Adjustments in respect of prior years	325	(132)
Group relief received without payment	(263)	-
Other permanent differences	70	151
Timing differences provided	(470)	(900)
Total current tax (note 8a)	1,625	(132)

c) Factors that may affect future tax charges

EnerSys Ltd 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 2005

9. Tangible fixed assets

	Land and buildings £000	*Plant and machinery £000*	*Total £000*
Cost:			
At 1 April 2004	8,375	73,917	82,292
Additions	-	2,100	2,100
Disposals	-	(137)	(137)
Impairment	-	(1,255)	(1,255)
At 31 March 2005	8,375	74,625	83,000
Accumulated depreciation:			
At 1 April 2004	5,699	53,568	59,267
Charge for the year	64	3,437	3,501
Disposals	-	(68)	(68)
Impairment	-	(646)	(646)
At 31 March 2005	5,763	56,291	62,054
Net book value:			
At 31 March 2005	2,612	18,334	20,946
At 1 April 2004	2,676	20,349	23,025

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

	2005 £000	*2004 £000*
Freehold and long leasehold	2,612	2,676

During the year, management undertook a review of the company's operations such that a significant proportion of production activities at its Manchester Reserve Power plant were relocated to other EnerSys group locations. The review resulted in a £609,000 write-down to the net book value of plant and machinery. Management believes that the impairment was necessary to ensure that the carrying value of fixed assets accurately reflects the company's current mode of operation.

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Notes to the financial statements

at 31 March 2005

10. Investments

	Shares in subsidiary undertakings
	£000
Cost:	
At 1 April 2004 and 31 March 2005	17,413
Provisions:	
At 1 April 2004 and 31 March 2005	506
Net book value:	
At 31 March 2005 and 31 March 2005	16,907

Details of the company's principal subsidiary undertaking are as follows:

Name of company	*Country of registration, incorporation and operation*	*Holding*	*Proportion held*	*Nature of business*
VHB Industrial Batteries Limited	England and Wales	Ordinary shares	100%	Industrial
Hawker Batteries Limited	England and Wales	Ordinary shares	100%	Dormant

As permitted by section 231 (5) of the Companies Act 1985, 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 Holdings UK Limited, a company registered in England and Wales. As a result, the financial statements present information about the company as an individual undertaking and not about its group.

11. Stocks

	2005	*2004*
	£000	*£000*
Raw materials and consumables	941	1,552
Work in progress	2,332	2,078
Finished goods	3,669	4,267
	6,942	7,897

Notes to the financial statements

at 31 March 2005

12. Debtors

	2005	2004
	£000	£000
Trade debtors	10,739	12,043
Amounts due from fellow group undertakings	81,837	77,403
Corporation tax receivable	-	890
Other debtors	704	1,255
Prepayments and accrued income	380	366
	93,660	91,957

Included in amounts due from fellow group undertakings are amounts totalling £11,000 (2004 - £4,383,000) that are recoverable in over one year.

13. Creditors: amounts falling due within one year

	2005	2004
	£000	£000
Trade creditors	6,964	10,521
Amounts owed to fellow group undertakings	50,932	46,179
Corporation tax	820	-
Other taxes and social security	1,680	1,230
Other creditors	1,027	1,673
Accruals and deferred income	1,847	2,748
	63,270	62,351

14. Creditors: amounts falling due after more than one year

	2005	2004
	£000	£000
Loans owed to fellow group undertakings	11,211	14,605
Other creditors	21	39
	11,232	14,644

Loans owed to fellow group undertakings accrue interest at 7.5% per annum and are wholly repayable on 22 March 2012.

Notes to the financial statements

at 31 March 2005

15. Provisions for liabilities and charges

	Deferred taxation	*Restructuring*	*Total*
	£000	*£000*	*£000*
At 1 April 2004	1,886	4,779	6,665
Utilised in year	-	(2,602)	(2,602)
Charged during the year	66	-	66
Released during the year	-	(1,428)	(1,428)
At 31 March 2005	1,952	749	2,701

The provision for restructuring costs predominantly relates to the reorganisation of the Manchester Reserve Power business. The release during the year related to a reassessment of the costs to be incurred on redundancy and future pensions liabilities. The remaining provision relates to committed costs which are expected to be incurred within one year of the balance sheet date.

An analysis of the deferred tax provision at 31 March is as follows:

	2005	*2004*
	£000	*£000*
Deferred tax assets and liabilities are analysed as follows:		
Accelerated capital allowances	2,261	2,172
Other timing differences	(309)	(286)
	1,952	1,886

16. Share capital

	2005	*2005*	*2004*	*2004*
	No.	*£000*	*No.*	*£000*
Authorised:				
Ordinary shares of £1 each	100,000,000	100,000	100,000,000	100,000
Allotted, called up and fully paid:				
Ordinary shares of £1 each	68,307,783	68,308	68,307,783	68,308

Notes to the financial statements

at 31 March 2005

17. Reserves

	Profit and loss account £000
At 1 April 2003	(13,227)
Profit for the year	1,590
At 1 April 2004	(11,637)
Profit for the year	4,982
At 31 March 2005	(6,655)

18. Capital commitments

	2005 £000	*2004 £000*
Contracted for but not provided	-	16

19. Other financial commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as set out below:

	At 31 March 2005			*At 31 March 2004*		
	Land and buildings £000	*Other £000*	*Total £000*	*Land and buildings £000*	*Other £000*	*Total £000*
Within one year	41	424	465	16	83	99
Within two to five years	83	484	567	46	452	498
At 31 March	124	908	1,032	62	535	597

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 2005

21. Pension arrangements

a) Invensys Pension Scheme

From 6 April 2000 through to 5 July 2002, the UK employees of Enersys Ltd have been 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 (2004 - £ Nil). Following the disposal of the company, by Invensys plc, on 22 March 2002 the sales agreement provided that EnerSys Ltd could continue to be a participating member until 5 July 2002. Details of the latest actuarial valuation are included in the financial statements of Invensys plc.

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.

The EnerSys UK Defined Benefit Pension Scheme commenced on 6 July 2002. 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 4% per annum, price inflation at 3% per annum and present and future pensions to increase by 3% per annum on that part of the pension in excess of the members' guaranteed minimum pension.

The charge for the year amounted to £1,831,000 (2004 - £1,684,000), which represents the contributions paid by the company to 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 £90,000 (2004 - £24,000).

22. FRS 17 Retirement Benefits – Transitional Disclosures

a) Composition of the defined benefit scheme

The company operates a defined benefit scheme in the UK, being the EnerSys UK Defined Benefit Pension Scheme. An actuarial valuation was carried out as at 31 March 2005 by a qualified independent actuary.

The major assumptions used by the actuary were:

	2005	*2004*
	%	*%*
Rate of increase in salaries	4.00	3.75
Rate of increase in pensions in payment	3.00	2.75
Discount rate	5.75	5.75
Inflation assumption	3.00	2.75

Notes to the financial statements

at 31 March 2005

22. FRS 17 Retirement Benefits – Transitional Disclosures (continued)

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

	At 31 March 2005		*At 31 March 2004*	
	Long term rate of return expected	*Value*	*Long term rate of return expected*	*Value*
	%	*£000*	*%*	*£000*
Equities	6.75	3,625	6.75	2,405
Bonds	5.75	1,115	5.75	740
Gilts	4.75	836	4.75	555
Cash	3.75	62	3.75	75
Total market value and assets		5,638		3,775
Present value of scheme liabilities		(5,614)		(3,582)
Scheme surplus		24		193
Related deferred tax liability		(7)		(58)
Net pension asset		17		135

c) Amounts which would be charged to operating profit

	2005	*2004*
	£000	*£000*
Current service cost	1,831	1,732
Past service cost	-	-
Total operating charge	1,831	1,732

d) Amounts which would be credited to other finance income

	2005	*2004*
	£000	*£000*
Expected return on pension scheme assets	287	89
Interest on pension scheme liabilities	(259)	(76)
Net (charge)/return	28	13

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Notes to the financial statements

at 31 March 2005

22. FRS 17 Retirement Benefits – Transitional Disclosures (continued)

e) Amounts which would be recognised in the statement of total recognised gains and losses (STRGL):

	2005	*2004*
	£000	*£000*
Actual return less expected return on pension scheme assets	397	82
Experience gains and losses arising on the scheme liabilities	167	13
Changes in assumptions underlying the present value of the scheme liabilities	(143)	3
Actuarial gain recognised in STRGL	421	98

f) Movement in the surplus during the year:

	2005	*2004*
	£000	£000
Surplus at the start of the year	193	130
Current service cost	(1,831)	(1,732)
Contributions	1,213	1,684
Other finance (charges)/Income	28	13
Actuarial gain	421	98
Surplus in scheme at 31 March 2005	24	193

g) *History of experience gains and losses*

	2005	*2004*
	£000	£000
Difference between the expected and actual return on scheme assets:		
Amount £000	397	82
Percentage of scheme assets	7.0%	2.2%
Experience (losses)/gains on scheme liabilities:		
Amount £000	167	13
Percentage of present value of scheme liabilities	3.0%	0.4%
Total actuarial gain recognised in statement of total recognised gains and losses:		
Amount £000	421	98
Percentage of present value of scheme liabilities	7.5%	2.7%

Notes to the financial statements

at 31 March 2005

22. FRS 17 Retirement Benefits – Transitional Disclosures (continued)

h) Reconciliations of net assets and reserves under FRS17

	31 March 2005		*31 March 2004*	
		Profit & loss		*Profit & Loss*
	Net assets	*reserve*	*Net assets*	*reserve*
	£000	*£000*	*£000*	*£000*
Net assets/profit and loss reserve as stated in balance sheet	60,945	(7,363)	56,671	(11,637)
FRS17 net pension asset	17	17	135	135
Net assets/profit & loss reserve including defined benefit asset	60,962	(7,346)	56,806	(11,502)

23. 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.

24. Immediate parent undertaking

The immediate parent undertaking of EnerSys Ltd is EnerSys Holdings UK Limited, a company registered in England and Wales.

25. Ultimate parent undertaking

The company's ultimate parent undertaking is EnerSys, a company incorporated in the United States of America, whose financial statements are publicly available.