

Company Registration No. 03479383 (England and Wales)

**AGM BATTERIES LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2020**  
**PAGES FOR FILING WITH REGISTRAR**

# **AGM BATTERIES LIMITED**

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# AGM BATTERIES LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2020

		2020		2019 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	4		-		1,287,810
Tangible assets	5		-		1,307,303
			-		2,595,113
<b>Current assets</b>					
Stocks		-		22,916	
Debtors	6	654,956		797,472	
Cash at bank and in hand		136,460		206,530	
		791,416		1,026,918	
<b>Creditors: amounts falling due within one year</b>	7	(747,489)		(1,359,292)	
<b>Net current assets/(liabilities)</b>			43,927		(332,374)
<b>Total assets less current liabilities</b>			43,927		2,262,739
<b>Creditors: amounts falling due after more than one year</b>	8		-		(909,644)
<b>Net assets</b>			43,927		1,353,095
<b>Capital and reserves</b>					
Called up share capital		7,064,000		7,064,000	
Revaluation reserve	9	-		309,820	
Profit and loss reserves		(7,020,073)		(6,020,725)	
<b>Total equity</b>			43,927		1,353,095

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 30 June 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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

## **AGM BATTERIES LIMITED**

### **BALANCE SHEET (CONTINUED)**

***AS AT 30 JUNE 2020***

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The financial statements were approved by the board of directors and authorised for issue on 30 November 2020 and are signed on its behalf by:

Mr K D Brundish

**Director**

**Company Registration No. 03479383**

# AGM BATTERIES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2020

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>As restated for the period ended 31 March 2019:</b>				
<b>Balance at 1 April 2018</b>	7,064,000	309,820	(5,845,456)	1,528,364
<b>Year ended 31 March 2019:</b>				
Loss and total comprehensive income for the year	-	-	(175,269)	(175,269)
<b>Balance at 31 March 2019</b>	7,064,000	309,820	(6,020,725)	1,353,095
<b>Period ended 30 June 2020:</b>				
Loss for the period	-	-	(999,348)	(999,348)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	(309,820)	-	(309,820)
Total comprehensive income for the period	-	(309,820)	(999,348)	(1,309,168)
<b>Balance at 30 June 2020</b>	7,064,000	-	(7,020,073)	43,927

# AGM BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 30 JUNE 2020**

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### **1 Accounting policies**

#### **Company information**

AGM Batteries Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite 1, 3rd Floor, 11-12 St James's Square, London, SW1Y 4LB.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

These accounts have been prepared on a going concern basis subject to the impact that the COVID 19 pandemic might have on the business which is unknown at this time.

The company has incurred a loss for the year of £999,348, but has net assets of £43,927 at the year end. The company continues to meet its day to day working capital requirements and has the provision of working capital facilities supported by the company's parent company, AMTE Power Limited. The directors of that company have confirmed that they will continue to provide financial support to the company for the foreseeable future.

In light of the information currently available to them, the directors believe that the company's parent company will support it in providing adequate funds to meet its day to day obligations. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. Should the parent company not support the company, adjustments would be necessary to record the additional liabilities and write down the assets to their recoverable amounts. It is not practicable to quantify these adjustments.

#### **1.3 Reporting period**

The company changed its year end from 31 March to 30 June which has produced a 15 month accounting period. The end of the reporting period was changed to support key changes within the company. The comparative period is 12 months.

#### **1.4 Turnover**

Revenue is generated from the principle activities of the company and represents amounts (excluding VAT) earned in respect of products delivered and services rendered to customers net of trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# AGM BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development Costs	over the life of the project
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#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	5-15 years straight line
Fixtures, fittings & equipment	10-20 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

During the year, the company revised its depreciation policies. This resulted in £635,293 less depreciation being recognised in relation to this change.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# AGM BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.



# AGM BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.12 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# AGM BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

#### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

## AGM BATTERIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 30 JUNE 2020**

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#### **2 Change in accounting policy**

During the year the company has changed its accounting policies in relation to the capitalisation of development costs.

In the prior year, the company wrote off all development costs and related grants to the profit and loss account.

Following a review of this policy the company has restated the prior year financial statements as follows:

Capitalised development costs of £1,287,810 have been recorded in intangible assets. Grant income of £792,741 related to these costs have been deferred as part of loan term creditors. This change in policy has increased the profit and loss reserve by £495,069.

In addition, the company had changed its depreciation policies on certain assets, but had not adjusted the policies within the financial statements. As a result of this error, depreciation has been overcharged in the previously reported financial statements.

To correct this oversight, the company has restated the depreciation charge in the current and prior years. This has resulted in a net increase in the profit and loss reserve at 1 April 2018 of £208,272 and of tangible fixed assets at that date. In 2019 there is a decrease in the depreciation charge of £427,021 and a corresponding increase in the profit and loss reserve at that date.

#### **3 Employees**

The average monthly number of persons (including directors) employed by the company during the period was:

	<b>2020 Number</b>	<b>2019 Number</b>
Total	39	33
	<u>          </u>	<u>          </u>

# AGM BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

### 4 Intangible fixed assets

	Development costs £
<b>Cost</b>	
At 1 April 2019	1,287,810
Additions	1,705,257
Disposals	(2,993,067)
At 30 June 2020	-
<b>Amortisation and impairment</b>	
At 1 April 2019 and 30 June 2020	-
<b>Carrying amount</b>	
At 30 June 2020	-
At 31 March 2019	1,287,810

On 30 June 2020, the company transferred its intangible fixed assets to its parent undertaking AMTE Power Limited at net book value.

### 5 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 April 2019	-	8,548,529	8,548,529
Additions	36,828	195,598	232,426
Disposals	(36,828)	(8,744,127)	(8,780,955)
At 30 June 2020	-	-	-
<b>Depreciation and impairment</b>			
At 1 April 2019	-	7,241,226	7,241,226
Depreciation charged in the period	1,875	198,986	200,861
Eliminated in respect of disposals	(1,875)	(7,440,212)	(7,442,087)
At 30 June 2020	-	-	-
<b>Carrying amount</b>			
At 30 June 2020	-	-	-
At 31 March 2019	-	1,307,303	1,307,303

On 30 June 2020, the company transferred its tangible fixed assets to its parent undertaking AMTE Power Limited at net book value.

# AGM BATTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2020

### 6 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	131,713	131,330
Other debtors	523,243	666,142
	<u>654,956</u>	<u>797,472</u>

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

	2020	2019
	£	£
Trade creditors	192,372	87,116
Amounts owed to group undertakings	368,445	1,149,758
Taxation and social security	127,988	26,242
Other creditors	58,684	96,176
	<u>747,489</u>	<u>1,359,292</u>

Hire purchase obligations of £nil (2019 - £21,073) are secured over the assets concerned.

### 8 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	-	909,644
	<u>-</u>	<u>909,644</u>

Hire purchase obligations of £nil (2019 - £83,558) are secured over the assets concerned.

On 30 June 2020, the company transferred its deferred grants and HP obligations to its parent undertaking AMTE Power Ltd at book value.

### 9 Revaluation reserve

	2020	2019
	£	£
At the beginning of the period	309,820	309,820
Revaluation surplus arising in the period	(309,820)	-
	<u>-</u>	<u>309,820</u>
At the end of the period	-	309,820

## AGM BATTERIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE PERIOD ENDED 30 JUNE 2020*

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#### 10 Operating lease commitments

##### **Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2020	2019
£	£
103,125	180,000
<u>103,125</u>	<u>180,000</u>

#### 11 Parent company

The company remained under the control of AMTE Power Ltd by nature of the majority shareholding.

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