

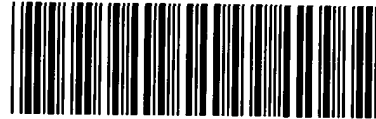
Company Registration No. 01548820

GS YUASA BATTERY SALES UK LIMITED

Strategic Report, Directors' Report and Financial Statements

Year ending 31 March 2021

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GS YUASA BATTERY SALES UK LIMITED

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GS YUASA BATTERY SALES UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Taylor
P Marciano
J Hylton
D Ugajin
P McMullen

SECRETARY

P McMullen

REGISTERED OFFICE

Unit 13
Hunts Rise
South Marston Park
Swindon
SN3 4TG

BANKER

Barclays Bank
47 High Street
Merthyr Tydfil
CF47 8DL

SOLICITOR

Thrings LLP
6 Drakes Meadow
Penny Lane
Swindon
SN3 3LL

AUDITOR

KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

GS YUASA BATTERY SALES UK LIMITED

STRATEGIC REPORT

BUSINESS REVIEW

The company's principal activity continues to be the sale and distribution of batteries.

The directors are not aware, at the date of this report, of any likely changes in the company's activities in the forthcoming period.

As shown in the profit and loss account on page 12, the company's sales have increased by 12% over the prior year which is primarily the result of increased sales in the automotive division following the rise in demand subsequent to the lockdown periods initiated by the COVID-19 pandemic. In addition, the newly established branch in Sweden is continuing to grow and it looks to establish its presence in the region.

The directors were satisfied with the performance of the company in 2020-21. Gross profit margins have improved on prior year, 13.0% compared to 12.6%, despite difficult market conditions. Operating profit is a little ahead of prior year. The directors expect profitability to continue during 2021-22.

The company's balance sheet on page 13 shows that its net assets position at the balance sheet date has remained consistent with the previous year, which is due to the profit in the year of £3.3m offset by the dividend paid in the year of £3.3m.

COVID-19 PANDEMIC

The company experienced an initial downturn in orders as a result of the COVID-19 pandemic. Subsequently, each of the Business Units have been impacted differently. The Industrial Business Unit continued to supply batteries for use in critical infrastructures such as data centres along with other fire, security and emergency lighting applications and also supplied the new temporary hospitals that were being constructed and planned. Orders returned to pre-COVID levels from Q2 onwards. The Automotive Business Unit experienced a sharp increase in demand from May 2020 due to the volume of cars throughout the country that were idle during lockdown. The Motorcycle Business Unit experienced a recovery from June onwards. There are many uncertainties that exist for the business as the economy looks to recover the impact of the pandemic, however the directors feel the business is suitably prepared and structured to continue trading profitably.

KEY PERFORMANCE INDICATORS

The directors use the following key performance indicators (KPIs) when monitoring the performance of the company:

Description	Measure	2020-21 Actual	2020-21 Target	2019-20 Actual
Turnover	Turnover	£140.0m	£120.0m	£125.2m
Gross profit margin	Gross profit margin	13.0%	12.7%	12.6%
Operating profit	Operating profit (excluding foreign exchange)	£4.5m	£3.5m	£3.3m
Stock turns	Cost of sales / Year-end stock (inc. goods in transit)	3.5	< 4.0	3.8
New business development	Number of new customers & related turnover	95 accounts, £4.4m T/O	50 accounts, £3.0m T/O	39 accounts, £1.4m T/O
Staff retention	% of resignations against headcount	6.5%	< 8.0%	10.0%

GS YUASA BATTERY SALES UK LIMITED

STRATEGIC REPORT *(continued)*

FUTURE PROSPECTS

Although changing lead prices and fluctuating exchange rates will continue to put pressure on product prices, the company's customer base has expanded, increasing its market penetration. This will assist the protection of operating margins in the future. There are plans for new product ranges and re-brands to be launched during 2021-22 which will continue to support growth and increased market penetration in sectors such as telecom, renewables, automotive, commercial vehicle and motorcycle.

In 2016 the UK voted to leave the European Union and on 29 March 2017, Article 50 of the Treaty of Lisbon was invoked, formally triggering the two-year process of agreeing the UK's exit from the EU which happened on 31 January 2020. The subsequent 11-month transition period ended on 31 December 2020. With the exception of the initial impact and subsequent recovery on foreign currency exposure, there has been limited impact to the business seen to date. Subsequent to the transition period ending the primary impact has been administrative, there being no material financial or operational impact on the business.

GOING CONCERN

The directors have considered the use of the going concern basis in the preparation of the financial statements in light of the current financial position of the company and forecast cash flows, and have concluded that it is appropriate at the date of signing the financial statements. In forming this conclusion, the directors have considered that the company is forecast to continue its profitability and generate positive cash flows in the forthcoming financial period and for the foreseeable future, thus enabling it to meet its financial obligations as they fall due.

Accounting policy 1.3 explains in more detail why the directors consider the going concern basis appropriate.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in a highly competitive market which is a continuing risk and could result in losing sales to its key competitors. The company manages this risk by providing value added services to its customers, having fast response times to customer queries and maintaining strong relationships with its customers.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The company finances its operations through a mixture of retained profits, bank overdraft and debt factoring through external funding providers. The company borrows in the desired currencies at both fixed and floating rates of interest.

Liquidity risk

With regard to liquidity, the company's policy throughout the period has been to ensure continuity of funding for ongoing operations and future developments; the company uses short-term debt finance to achieve this. The company's financial instruments comprise borrowings, cash and liquid resources, and other items such as trade debtors that arise directly from its operations.

Foreign currency risk

The sales to customers in Ireland and continental Europe are in euros and the transactions in the newly established branch office are primarily in Swedish krona and euro. The company also sources products in Europe and Asia, where prices are mostly denominated in US dollar, euro or Japanese yen. The company is therefore at risk from changes in foreign currency exchange rates.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

GS YUASA BATTERY SALES UK LIMITED

STRATEGIC REPORT *(continued)*

ENVIRONMENT

GS Yuasa Battery Sales UK Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

EMPLOYEE CONSULTATION

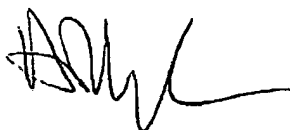
The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

CREDITOR PAYMENT POLICY AND PRACTICE

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with. Approximately 72% of the company's trade creditors are inter-company (2020: 87%).

As at 31 March 2021, the creditor days were 71 days (2020: 56 days). Creditor days are calculated by dividing total trade creditors by the total cost of sales, administrative expenses and distribution costs less staff costs and foreign exchange gain/loss and multiplying by 365 days (2020: 365 days).

Approved by the Board of Directors
and signed on behalf of the Board



A Taylor
Director

Unit 13
Hunts Rise
South Marston Park
Swindon
SN3 4TG

6 December 2021

GS YUASA BATTERY SALES UK LIMITED

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 March 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,344,000 (2020: £3,119,000). The directors have paid a dividend in the year of £3,300,000 (2020: £2,800,000).

DIRECTORS

A Taylor
P Marciano
J Hylton
D Ugajin
P McMullen

DIRECTORS' INDEMNITY INSURANCE

Directors' indemnity insurance is provided with the cost incurred by the immediate parent company, GS Yuasa Battery Europe Limited.

POLITICAL CONTRIBUTION

The company made no political donations and incurred no political expenditure during either period.

SECTION 172 STATEMENT

The Board of Directors confirm that it is in compliance with the requirements of section 172 of the Companies Act 2006. Strategic decisions are considered, in good faith, with the long-term growth and success of the GS Yuasa Battery Europe group of companies in mind, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

The Board identifies the following six stakeholder groups: customers, employees, investors, local community, supply chain and partners consisting of regulatory bodies such as Welsh Water, British Standards Institution, Natural Resources Wales and UK Accreditation Service.

The objectives of the Group and the key risks identified are set out in the strategic report, including those relating to our people and our corporate social responsibility practices, including examples of stakeholder engagement with employees and suppliers.

The Group operates a Quality Management System which is binding on all employees and defines the controls and disciplines to meet the requirements of standards issued by ISO and other regulatory bodies. The QMS ensures that the needs of all stakeholders are considered when operational decisions are made in the business.

The mid-term forecasts prepared by the Board as part of its annual budgeting process are incorporated into the ultimate parent company's annual report and public announcements. These forecasts provide a framework for the next 3-year period and establish the long term targets for up to 10 years into the future, helping to form the overall vision for the business.

OTHER INFORMATION

An indication of likely future developments in the business and information on disabled employees, employee consultation and principal risks and uncertainties has been included in the Strategic Report on pages 2 to 4.

GS YUASA BATTERY SALES UK LIMITED

DIRECTORS' REPORT

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor is deemed to be reappointed and KPMG LLP will therefore continue in office.

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



A Taylor
Director

6 December 2021

Unit 13, Hunts Rise
South Marston Park
Swindon
SN3 4TG

GS YUASA BATTERY SALES UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GS YUASA BATTERY SALES UK LIMITED

Opinion

We have audited the financial statements of GS Yuasa Battery Sales UK Limited ("the company") for the year ended 31 March 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GS YUASA BATTERY SALES UK LIMITED *(continued)*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue from the sale of batteries is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company’s license to operate. We identified the following areas as those most likely to have such an effect: health and safety, employment law, regulatory capital and liquidity. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GS YUASA BATTERY SALES UK LIMITED *(continued)*

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GS YUASA BATTERY SALES UK LIMITED** *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

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.



Jeremy Thomas (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

3 Assembly Square

Britannia Quay

Cardiff

CF10 4AX

8 December 2021

GS YUASA BATTERY SALES UK LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2021

	Note	2021 £'000	2020 £'000
TURNOVER	2	139,972	125,163
Cost of sales		<u>(121,771)</u>	<u>(109,386)</u>
GROSS PROFIT		18,201	15,777
Distribution costs		(6,606)	(5,817)
Administrative expenses		<u>(7,506)</u>	<u>(5,955)</u>
OPERATING PROFIT	3-5	4,089	4,005
Interest payable and similar expenses	6	<u>(230)</u>	<u>(339)</u>
PROFIT BEFORE TAXATION		3,859	3,666
Tax on profit	7	<u>(515)</u>	<u>(547)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>3,344</u>	<u>3,119</u>

All activities derive from continuing operations.

GS YUASA BATTERY SALES UK LIMITED

BALANCE SHEET
As at 31 March 2021

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	8	575	536
CURRENT ASSETS			
Stocks	9	26,844	28,472
Debtors	10	34,569	28,746
Cash at bank and in hand		3,153	1,994
		<u>64,566</u>	<u>59,212</u>
CREDITORS: amounts falling due within one year	11	<u>(46,366)</u>	<u>(41,048)</u>
NET CURRENT ASSETS		<u>18,200</u>	<u>18,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,775</u>	<u>18,700</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	<u>(31)</u>	<u>-</u>
NET ASSETS		<u>18,744</u>	<u>18,700</u>
CAPITAL AND RESERVES			
Called up share capital	13	200	200
Profit and loss account		18,544	18,500
SHAREHOLDERS' FUNDS		<u>18,744</u>	<u>18,700</u>

The financial statements of GS Yuasa Battery Sales UK Limited, registered number 01548820, were approved by the Board of Directors and authorised for issue on 6 December 2021.

Signed on behalf of the Board of Directors



A Taylor
Director

GS YUASA BATTERY SALES UK LIMITED

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2021

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2019	200	18,181	18,381
Total comprehensive income for the year			
Profit for the year	-	3,119	3,119
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	3,119	3,119
	<hr/>	<hr/>	<hr/>
Transactions with shareholders			
Dividend payment	-	(2,800)	(2,800)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	200	18,500	18,700
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Balance at 1 April 2020	200	18,500	18,700
Total comprehensive income for the year			
Profit for the year	-	3,344	3,344
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	3,344	3,344
	<hr/>	<hr/>	<hr/>
Transactions with shareholders			
Dividend payment	-	(3,300)	(3,300)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021	200	18,544	18,744
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

GS YUASA BATTERY SALES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES

GS Yuasa Battery Sales UK Limited (the "Company") is a company limited by shares and incorporated and domiciled in England and Wales in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling.

The Company's parent undertaking, GS Yuasa Battery Europe Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of GS Yuasa Battery Europe Limited are available to the public and may be obtained from Unit 22, Rassau Industrial Estate, Ebbw Vale, Gwent NP23 5SD. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of GS Yuasa Battery Europe Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Accounting estimates and judgements

The company is required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. Accounting estimates and judgements have been required for the production of these financial statements and ones deemed significant are referred to in note 19.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

As at 31 March 2021, the company has net current assets of £18.2m (2020: £18.2m), net assets of £18.7m (2020: £18.7m) and reported a profit for the year then ended of £3.3m (2020: £3.1m). The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 and Brexit on the operations and its financial resources, the company will have sufficient funds, through funding from its immediate parent company, GS Yuasa Battery Europe Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on GS Yuasa Battery Europe Limited not seeking repayment of the amounts currently due to the group, which at 31 March 2021 amounted to £34,217,000, and providing additional financial support during that period, including making cash available as may be needed via an existing cash pooling facility. GS Yuasa Battery Europe Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

1.3 Going concern (continued)

The company meets its day-to-day working capital requirements by using cash balances (including cash pooling arrangements with other members of the group headed by its immediate parent, GS Yuasa Battery Europe Limited) and a sales ledger financing facility. At the balance sheet date the company had a sales ledger financing facility with a limit of £13.0m, of which £0.4m was utilised at the balance sheet date. This is renewable in February 2022, and the directors anticipate renewal at that time without any issue, based on the company's ongoing performance and results. The company has met all payments under the facility as they have fallen due, up to the date of approving the financial statements.

The impact of COVID-19 on the group headed by the company's immediate parent has not been significant. As a supplier of essential products, the group's manufacturing and selling locations have remained open and operational throughout the pandemic, including during lockdown restrictions.

The Directors have prepared consolidated cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of any reasonably possible downsides and the anticipated impact of COVID-19 on its financial resources, the group will remain profitable and cash generative and have sufficient funds to meet its liabilities as they fall due for that period.

In preparing these forecasts, management have made the following assumptions:

- the Group and Company will generate increased revenues over the next 12 months, which is supported by up to date current trading results suggesting trading is above historical performance. This assumption is based on the Group and its customer base remaining resilient to the effects of COVID-19.
- all facilities will be renewed by the finance providers on their respective maturity dates. This assumption is based on a history of strong relationships with these finance providers, together with the group's demonstration of resilience throughout the COVID-19 pandemic and its ability to deliver strong trading results, with positive cash generation.

The Group and Company meets its day-to-day working capital requirements by using cash balances, short-term bank loans and a sales ledger financing facility.

The directors' forecasts also take account of reasonably possible downside scenarios, including no sales growth through the period from the year ending 31 March 2021 to 30 September 2022, and withdrawal of £61m of the above facilities at their respective renewal dates. These downside scenario forecasts show that the group and remains able to operate within the limits of its remaining facilities and make all payments under those facilities as they fall due.

Consequently, based on the above, the Directors are confident that the company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES *(continued)*

1.5 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

1. ACCOUNTING POLICIES *(continued)*

1.7 Tangible fixed assets *(continued)*

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- Fixtures, fittings and equipment - between 3 and 10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. Where necessary, provision has been made for obsolete, slow-moving and defective stocks.

1.9 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

1. ACCOUNTING POLICIES *(continued)*

1.9 Impairment excluding stocks and deferred tax assets *(continued)*

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.10 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.11 Contingent liabilities

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.12 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest payable

Interest payable and similar expenses comprises interest payable. Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

1. ACCOUNTING POLICIES *(continued)*

1.13 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. TURNOVER AND REVENUE RECOGNITION

Turnover, which is stated net of value added tax, represents the invoiced amount of goods sold. Revenue is recognised on the despatch of goods.

Turnover consists entirely of sales originating in the United Kingdom and is attributable to one continuing activity: the sale and distribution of industrial, automotive and motorcycle batteries together with any associated equipment.

An analysis of turnover by geographical market is given below.

	2021 £'000	2020 £'000
United Kingdom and Ireland	124,296	115,457
Western Europe	3,794	972
Nordics	7,626	4,846
Rest of the world	4,256	3,888
	<u>139,972</u>	<u>125,163</u>

GS YUASA BATTERY SALES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

3. EXPENSES AND AUDITOR'S REMUNERATION

	2021	2020
	£'000	£'000
Depreciation of tangible fixed assets		
- owned assets	137	142
Operating lease rentals		
- land and buildings	549	470
- plant and equipment	218	270
Exchange (gain)/loss	387	(734)
Auditor's remuneration		
- audit services – financial statements	33	61
- tax compliance services	9	14
	137	142

4. DIRECTORS' EMOLUMENTS

	2021	2020
	£'000	£'000
Emoluments	492	444
Highest paid director	243	242
Company contributions paid to money purchase pension scheme	24	18
Directors who were members of money purchase pension schemes	3	2
	492	444

The emoluments of D Ugajin were paid by GS Yuasa International Limited and are excluded from the details above. The directors consider that an appropriate allocation of this amount to the company is £10,000 (2020: £10,000).

The emoluments of P Marciano were paid by GS Yuasa Battery France S.A.S. and are excluded from the details above. The directors consider that an appropriate allocation of this amount to the company is £13,000 (2020: £13,000).

5. STAFF COSTS

	2021	2020
	£'000	£'000
Wages and salaries	4,210	3,716
Social security costs	474	368
Contributions to defined contribution pensions	189	140
	4,873	4,224

The monthly average number of employees, including directors, during the period was as follows:

	2021	2020
	Number	Number
Office and management	52	45
Sales	10	10
Stores	45	46
	107	101

GS YUASA BATTERY SALES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£'000	£'000
Bank loans and overdrafts	2	9
Interest payable on intercompany balances	228	330
	230	339
	230	339

7. TAX ON PROFIT

Total tax expense recognised in the profit and loss account

	2021		2020	
	£'000	£'000	£'000	£'000
<i>Current tax</i>				
Current tax on income for the period		479		536
Adjustments in respect of prior periods		(6)		(47)
		473		489
<i>Deferred tax (see note 12)</i>				
Current period charge	38		31	
Adjustments in respect of prior periods	4		31	
Effect of tax rate change on opening balance	-		(4)	
	42		58	
Total deferred tax		42		58
Total tax		515		547

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

7. TAX ON PROFIT *(continued)*

Reconciliation of effective tax rate

	2021	2020
	£'000	£'000
Profit for the year	3,344	3,119
Total tax expense	515	547
	<hr/>	<hr/>
Profit excluding taxation	3,859	3,666
Tax using the UK corporation tax rate of 19.00% (2020: 19.00%)	733	697
Expenses not allowed for tax purposes	24	5
Depreciation on assets ineligible for capital allowances	1	3
Group relief claimed without charge	(241)	(138)
Changes in tax rates	-	(4)
Adjustments to tax charge in respect of in previous periods	(2)	(16)
	<hr/>	<hr/>
Total tax expense included in profit or loss	515	547
	<hr/> <hr/>	<hr/> <hr/>

A deferred tax liability of £31,000 has been recognised at 31 March 2021 (2020: asset £11,000). This asset relates to capital allowances in excess of depreciation and other timing differences. In addition, a further potential deferred tax asset relating to capital losses of £43,000 (2020: £43,000) exists at the balance sheet date which has not been recognised in the financial statements since there is insufficient evidence to suggest that it is more likely than not that this asset will be utilised in the foreseeable future.

Factors that may affect future current and total tax charges:

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 March 2021 has been calculated at 19% (2020: 19%). In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will increase the company's future current tax charge and deferred tax balances accordingly. If this rate change had been substantively enacted at the balance sheet date, the deferred tax liability would have increased by approximately £10,000.

GS YUASA BATTERY SALES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

8. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £'000
Cost	
At 1 April 2020	2,335
Additions	176
Disposals	-
	-
At 31 March 2021	2,511
Accumulated depreciation	
At 1 April 2020	1,799
Charge for the period	137
Disposals	-
	-
At 31 March 2021	1,936
Net book value	
At 31 March 2021	575
At 31 March 2020	536

9. STOCKS

	2021 £'000	2020 £'000
Goods for resale	26,844	28,472

GS YUASA BATTERY SALES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

10. DEBTORS

	2021 £'000	2020 £'000
Trade debtors	34,009	28,024
Prepayments and accrued income	560	711
Deferred tax asset (see note 12)	-	11
	34,569	28,746
	34,569	28,746

Included in trade debtors are amounts owed by immediate parent undertaking of £11,000 (2020: £21,000) and group undertakings of £322,000 (2020: £530,000). The balances arose out of trading activities and are settled in the normal course of business.

Group undertakings are companies that are owned by the immediate parent undertaking.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Bank loans and overdrafts	356	-
Trade creditors	25,593	18,253
Cash pooling payable	15,731	18,722
Other taxes and social security costs	480	879
Corporation tax liability	42	266
Accruals and deferred income	4,164	2,928
	46,366	41,048
	46,366	41,048

Included in trade creditors are amounts owed to immediate parent undertaking of £288,000 (2020: £240,000) and group undertakings of £18,198,000 (2020: £15,685,000). The balances arose out of trading activities and are settled in the normal course of business.

Group undertakings are companies that are owned by the immediate parent undertaking.

The cash pooling payable balance is owed to the immediate parent undertaking. The balance has no fixed repayment terms and interest is applied at market rates.

12. PROVISIONS FOR LIABILITIES AND CHARGES

	2021 £'000	2020 £'000
Deferred tax asset/(liability)		
Capital allowances in excess of depreciation	(47)	(21)
Other timing differences	16	32
	(31)	11
	(31)	11
Deferred taxation		
At 1 April 2020	11	
Current period charge	(42)	
	(31)	
At 31 March 2021	(31)	

GS YUASA BATTERY SALES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

13. CALLED UP SHARE CAPITAL

	2021	2020
	£'000	£'000
Called up, allotted and fully paid 200,000 Ordinary shares of £1 each	200	200

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

14. OTHER FINANCIAL COMMITMENTS

At the balance sheet date the company had total commitments under non-cancellable operating leases (related to leases other than land and buildings) as set out below:

	Land and buildings		Other	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Within one year	580	470	188	176
Between two and five years	200	866	302	267
	780	1,336	490	443

15. PENSION COMMITMENTS

The company operates a defined contribution pension scheme, the Yuasa Battery Pension Scheme, for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company which amounted to £189,000 (2020: £140,000). The unpaid contributions outstanding as at the balance sheet date, included in accruals and deferred income (note 11), are £26,000 (2020: £24,000).

16. CONTINGENT LIABILITIES

In April 2017, the company renewed its cross-guarantee agreement with its bankers Barclays Bank. The cross-guarantee extends across the UK-based subsidiaries of the GS Yuasa Battery Europe Limited group. There is an unlimited exposure under this agreement (2020: unlimited).

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption given by FRS 102 'Related party disclosures' not to disclose related party transactions between subsidiary undertakings, 100% of whose voting rights are controlled within the group.

18. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is GS Yuasa Battery Europe Limited which heads the smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the annual report and financial statements are available from its registered office at Unit 22 Rassau Industrial Estate, Ebbw Vale, Gwent NP23 5SD.

The ultimate parent undertaking and controlling party is GS Yuasa Corporation, a company incorporated in Japan. GS Yuasa Corporation heads the largest group of which the company is a member and for which group financial statements are drawn up. Copies of its annual report and financial statements are available from its registered office at 1, Inobanda-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto, 601-8520, Japan.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

19. ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

i. Impairment of debtors

The company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the customer, the ageing profile of the customer and historical experience.

ii. Impairment of stock

The company identifies obsolete, slow-moving and defective stocks by considering factors including the ageing profile of the stock and historical experience. An impairment is recognised if the estimated selling price less costs to complete and sell exceeds cost.