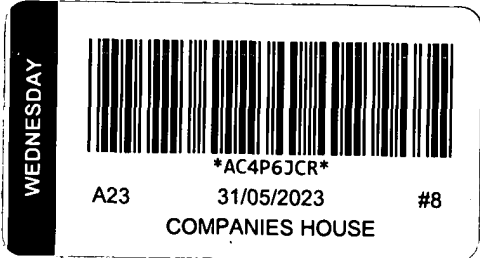


Company Registration No. 01548820

GS YUASA BATTERY SALES UK LIMITED

Strategic Report, Directors' Report and Financial Statements

Year ending 31 March 2022



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 (resigned 1st April 2023)
E Kato (appointed 1st April 2023)
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 11, the company's sales have increased by 9% over the prior year due in part to increased sales in the automotive division following the rise in demand and also due to growth achieved in the newly established branch in Sweden.

Gross profit margin is 13.0%, which is consistent with the prior year. Product price increases and high freight costs that were incurred within the group were passed on to customers wherever possible; those price increases that could not be passed on to customers were incurred within the group's manufacturing and supply chain business, GS Yuasa Battery Manufacturing UK Ltd. Operating profit is £0.3m ahead of prior year due to the additional gross profit generated from the increase in turnover, less the increase in distribution costs. The directors expect profitability to continue during 2022-23.

The company's balance sheet on page 13 shows that its net assets position at the balance sheet date has improved £1.2m compared to the previous year, which is due to the profit in the year of £4.1m offset by the dividend paid in the year of £2.9m.

KEY PERFORMANCE INDICATORS

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

Description	Measure	2021-22 Actual	2021-22 Target	2020-21 Actual
Turnover	Turnover	£152.0m	£136.6m	£140.0m
Gross profit margin	Gross profit margin	13.0%	12.8%	13.0%
Operating profit	Operating profit	£4.4m	£3.6m	£4.1m
Operating profit	Operating profit (excluding foreign exchange)	£4.2m	£3.6m	£4.5m
Stock days	Year end stock (inc. goods in transit) / cost of sales x 365 days	154	< 105	80
New business development	Number of new customers & related turnover	53 accounts, £1.8m T/O	50 accounts, £3.0m T/O	95 accounts, £4.4m T/O
Staff retention	% of resignations against headcount	6.8%	< 8.0%	6.5%

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 2022-23 which will continue to support growth and increased market penetration in sectors such as telecom, renewables, automotive, commercial vehicle and motorcycle.

GS YUASA BATTERY SALES UK LIMITED

STRATEGIC REPORT *(continued)*

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.

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 a range of matters including those set out below:

The likely consequences of any decision in the long term

The Board of Directors are committed to the long-term future of the business and decisions are made with the long term success of the business in mind.

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.

STRATEGIC REPORT *(continued)*

SECTION 172 STATEMENT *(continued)*

The interests of the company's employees

The company acknowledges its employees as one of its key stakeholders and employees' best interests are at the forefront of decisions taken by the Board. Staff are informed of latest developments of the company and group via meetings, ad hoc communications and the company newsletter. Meetings are held to discuss the company's and group's financial and operational performance.

The need to foster the company's business relationships with suppliers, customers and others

The Group operates a Quality Management System, which defines the controls and disciplines that are considered necessary 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 company prioritises the use of local companies as suppliers and places high importance on fostering partnerships that are mutually beneficial.

The impact of the company's operations on the community and the environment

The company is committed to acting responsibly in respect of its procurement activities to ensure raw materials that are used on the products sold by the company are appropriately sourced, processed and disposed, with minimal impact on the environment.

The desirability of the company maintaining a reputation for high standards of business conduct

The GYEUR Board of Directors is structured to ensure the highest levels of conduct are in place throughout all levels of the business. The Board includes two Japan-based non-executive directors and Board meetings are regularly attended by senior members of the GS Yuasa Corporation Board, including the Group's President.

The GS Yuasa Group Compliance Manual sets out the company guidelines in respect of conduct of all employees. A whistle-blowing policy is in place and individuals are encouraged to report any instances of non-compliance. The company's website displays the various policies and statements that form the basis of our CSR corporate direction, including policies in respect of anti-bribery and corruption, modern slavery, conflict of minerals, public interest and disclosure and equal opportunities.

The need to act fairly between members of the company

GYSUK is a wholly owned subsidiary of GYEUR and its interests are aligned with those of its direct and ultimate parent companies.

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.

GS YUASA BATTERY SALES UK LIMITED

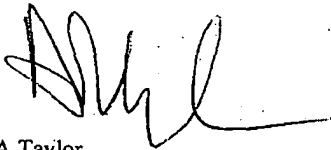
STRATEGIC REPORT *(continued)*

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 76% of the company's trade creditors are inter-company (2021: 72%).

As at 31 March 2022, the creditor days were 76 days (2021: 71 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 (2021: 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

30th May 2023

GS YUASA BATTERY SALES UK LIMITED

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 March 2022.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £4,063,000 (2021: £3,344,000). The company paid a dividend in the year of £2,900,000 (2021: £3,300,000).

DIRECTORS

A Taylor
P Marciano
J Hylton
D Ugajin (resigned 1st April 2023)
E Kato (appointed 1st April 2023)
P McMullen

DIRECTORS' INDEMNITY INSURANCE

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

STREAMLINED ENERGY & CARBON REPORTING (SECR)

The company qualifies for SECR reporting and the results are included in the financial statements of the parent company, GS Yuasa Battery Europe Ltd.

SECTION 172

The objectives of the Group with respect to Section 172 are set out in the Strategic Report.

POLITICAL CONTRIBUTION

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

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 5.

AUDITOR

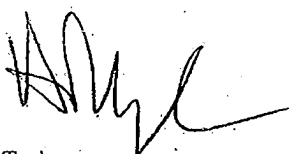
Pursuant to Section 487 of the Companies Act 2006, the auditor is deemed to be reappointed and KPMG LLP will therefore continue in office.

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

30th May 2023

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

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 2022 which comprise the Profit and Loss Account, Other Comprehensive Income, 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 2022 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.

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.

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 (continued)

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that turnover is recorded in the wrong period or fictitiously recorded.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations.
- Assessing, for a selection of turnover recorded around the year end, if it is recorded in the correct period based on the turnover recognition criteria.

Identifying and responding to risks of material misstatement related to 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 and other management (as required by auditing standards), and discussed with the directors and other management 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, anti-bribery, employment law, and Environmental protection legislation, recognising the nature of the Company's activities. 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.

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:

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

Strategic report and directors' report (continued)

- 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 year 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.

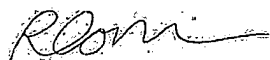
Auditor's responsibilities

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.

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.



Richard Lomax (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX
30 May 2023

GS YUASA BATTERY SALES UK LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2022

	Note	2022 £'000	2021 £'000
TURNOVER	2	151,965	139,972
Cost of sales		(132,184)	(121,771)
GROSS PROFIT		<u>19,781</u>	<u>18,201</u>
Distribution costs		(7,402)	(6,606)
Administrative expenses		(7,974)	(7,506)
OPERATING PROFIT	3-5	<u>4,405</u>	<u>4,089</u>
Interest payable and similar expenses	6	(318)	(230)
PROFIT BEFORE TAXATION		<u>4,087</u>	<u>3,859</u>
Tax on profit	7	(24)	(515)
PROFIT FOR THE FINANCIAL YEAR		<u><u>4,063</u></u>	<u><u>3,344</u></u>

All activities derive from continuing operations.

The accompanying notes form an integral part of these financial statements.

GS YUASA BATTERY SALES UK LIMITED

OTHER COMPREHENSIVE INCOME
Year ended 31 March 2022

	2022	2021
	£'000	£'000
Profit for the financial year	4,063	3,344
Other comprehensive income		
Foreign exchange difference on translation of foreign operations	<u>(4)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>(4)</u>	<u>-</u>
Total comprehensive income for the year	<u><u>4,059</u></u>	<u><u>3,344</u></u>

GS YUASA BATTERY SALES UK LIMITED

BALANCE SHEET
As at 31 March 2022

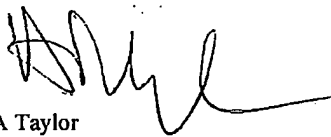
	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible assets	8	506	575
CURRENT ASSETS			
Stocks	9	55,873	26,844
Debtors	10	41,869	34,569
Cash at bank and in hand		1,211	3,153
		<u>98,953</u>	<u>64,566</u>
CREDITORS: amounts falling due			
within one year	11	<u>(79,502)</u>	<u>(46,366)</u>
NET CURRENT ASSETS		<u>19,451</u>	<u>18,200</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,957	18,775
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	<u>(54)</u>	<u>(31)</u>
NET ASSETS		<u>19,903</u>	<u>18,744</u>
CAPITAL AND RESERVES			
Called up share capital	13	200	200
Profit and loss account		<u>19,703</u>	<u>18,544</u>
SHAREHOLDERS' FUNDS		<u>19,903</u>	<u>18,744</u>

The accompanying notes form an integral part of these financial statements.

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 30th May 2023.

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 2022

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2020	200	18,500	18,700
Total comprehensive income for the year			
Profit for the year	-	3,344	3,344
<i>Other comprehensive income</i>			
Foreign exchange difference on translation of foreign operations	-	-	-
Total comprehensive income for the year	-	3,344	3,344
Transactions with shareholders			
Dividend payment	-	(3,300)	(3,300)
Balance at 31 March 2021	200	18,544	18,744
Balance at 1 April 2021	200	18,544	18,744
Total comprehensive income for the year			
Profit for the year	-	4,063	4,063
<i>Other comprehensive income</i>			
Foreign exchange difference on translation of foreign operations	-	(4)	(4)
Total comprehensive income for the year	-	4,059	4,059
Transactions with shareholders			
Dividend payment	-	(2,900)	(2,900)
Balance at 31 March 2022	200	19,703	19,903

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

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

There are no significant accounting estimates applied to the preparation of these financial statements.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

As at 31 March 2022, the company has net current assets of £19.5m (2021: £18.2m), net assets of £19.9m (2021: £18.7m) and reported a profit for the year then ended of £4.1m (2021: £3.3m). The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The principal activity of the company is to act as a seller and distributor for batteries manufactured by fellow GS Yuasa Corporation Group companies, with transfer pricing arrangements in place. The company's cash flows are therefore dependent on the continuation, volume, and pricing of those operations.

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 £3.4m was utilised at the balance sheet date, and a cash pooling creditor of £37.3m.

The Directors have performed a going concern assessment which indicates that, both in the base case and severe but plausible downside scenario, the company will be reliant on GS Yuasa Battery Europe Limited continuing to make available funds via the existing cash pooling facility to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements (the 'going concern' period).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

1. ACCOUNTING POLICIES *(continued)*

1.3 *Going concern (continued)*

GS Yuasa Battery Europe Limited has indicated its intention to make available such funds as are needed by the company during the going concern assessment period. In a severe but plausible downside scenario, GS Yuasa Battery Europe Limited will receive necessary financial support from its own parent, GS Yuasa Corporation. 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.

Consequently, 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.

The assets and liabilities of foreign operations are translated to the presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

1. ACCOUNTING POLICIES *(continued)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

1. ACCOUNTING POLICIES *(continued)*

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 2022

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 when the risks and rewards are deemed to pass to the customer.

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.

	2022 £'000	2021 £'000
United Kingdom and Ireland	132,042	124,296
Western Europe	3,947	3,794
Nordics	13,126	7,626
Rest of the world	2,850	4,256
	<u>151,965</u>	<u>139,972</u>

GS YUASA BATTERY SALES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

3. EXPENSES AND AUDITOR'S REMUNERATION

	2022	2021
	£'000	£'000
Depreciation of tangible fixed assets		
- owned assets	168	137
Operating lease rentals		
- land and buildings	580	549
- plant and equipment	237	218
Exchange (gain)/loss	(186)	387
Auditor's remuneration		
- audit services – financial statements	49	33
- tax compliance services	9	9
	1,000	1,330

4. DIRECTORS' REMUNERATION

	2022	2021
	£'000	£'000
Directors' remuneration	538	492
Company contributions paid to money purchase pension scheme	35	24
	573	516

The aggregate of remuneration and amounts receivable under long-term incentive schemes of the highest paid director was £268,000 (2021: £243,000) and pension contributions of £18,000 (2021: £11,000) were made to a money purchase scheme on his behalf.

Retirement benefits are accruing to the following number of directors under:

	Number of directors	
	2022	2021
Money purchase pension schemes	3	3

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 (2021: £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 (2021: £13,000).

Included within these figures for the highest paid director and the table above are amounts relating to qualifying services provided to GS Yuasa Battery Manufacturing UK Limited (GYMUK). The directors consider an amount of £25,000 (2021: £25,000) to be an appropriate estimation for the services provided to GYMUK.

GS YUASA BATTERY SALES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

5. STAFF COSTS

	2022 £'000	2021 £'000
Wages and salaries	4,321	4,210
Social security costs	549	474
Contributions to defined contribution pensions	199	189
	5,069	4,873

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

	2022 Number	2021 Number
Office and management	59	52
Sales	12	10
Stores	48	45
	119	107

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £'000	2021 £'000
Bank loans and overdrafts	33	2
Interest payable on intercompany balances	285	228
	318	230

7. TAX ON PROFIT

Total tax expense recognised in the profit and loss account

	2022		2021	
	£'000	£'000	£'000	£'000
<i>Current tax</i>				
Current tax on income for the period		-		479
Adjustments in respect of prior periods		1		(6)
		1		473
<i>Deferred tax (see note 12)</i>				
Current period charge	11		38	
Adjustments in respect of prior periods	1		4	
Effect of tax rate change on opening balance	11		-	
		23		42
Total deferred tax		23		42
Total tax		24		515

GS YUASA BATTERY SALES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

7. TAX ON PROFIT *(continued)*

Reconciliation of effective tax rate

	2022	2021
	£'000	£'000
Profit for the year	4,063	3,344
Total tax expense	24	515
Profit excluding taxation	4,087	3,859
Tax using the UK corporation tax rate of 19.00% (2021: 19.00%)	777	733
Expenses not allowed for tax purposes	29	24
Depreciation on assets ineligible for capital allowances	1	1
Super-deduction expenditure	(6)	-
Group relief claimed without charge	(790)	(241)
Changes in tax rates	11	-
Adjustments to tax charge in respect of in previous periods	2	(2)
Total tax expense included in profit or loss	24	515

A deferred tax liability of £54,000 has been recognised at 31 March 2022 (2021: liability £31,000). This liability relates to capital allowances in excess of depreciation offset by other timing differences. A potential deferred tax asset relating to capital losses of £57,000 (2021: £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:

In the 3 March 2021 Budget, it was announced that the UK corporation tax rate will increase to 25% from 1 April 2023. This increase was substantively enacted on 14 May 2021 and will increase the Company's future current tax charge accordingly. The deferred tax asset at 31 March 2022 has been calculated at 25% (2021: 19%).

8. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment
	£'000
Cost	
At 1 April 2021	2,511
Additions	99
Disposals	-
At 31 March 2022	2,610
Accumulated depreciation	
At 1 April 2021	1,936
Charge for the period	168
Disposals	-
At 31 March 2022	2,104
Net book value	
At 31 March 2022	506
At 31 March 2021	575

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

9. STOCKS

	2022 £'000	2021 £'000
Goods for resale	55,873	26,844

10. DEBTORS

	2022 £'000	2021 £'000
Trade debtors	39,742	34,009
Prepayments and accrued income	792	560
VAT receivable	1,004	-
Corporation tax receivable	331	-
	<u>41,869</u>	<u>34,569</u>

Included in trade debtors are amounts owed by immediate parent undertaking of £43,000 (2021: £11,000) and group undertakings of £1,074,000 (2021: £322,000). 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.

In the current year, the company has changed the classification of rebates balances from debtors to creditors to reflect a re-assessment of the underlying nature of individual balances and transactions. The prior year numbers have not been restated based on their materiality.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Sales ledger finance facility	3,402	356
Trade creditors	28,691	25,593
Cash pooling payable	37,318	15,731
Other taxes and social security costs	439	480
Corporation tax liability	-	42
Accruals and deferred income	9,652	4,164
	<u>79,502</u>	<u>46,366</u>

Included in trade creditors are amounts owed to immediate parent undertaking of £232,000 (2021: £288,000) and group undertakings of £22,382,000 (2021: £18,198,000). 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.

In the current year, the company has changed the classification of rebates balances from debtors to creditors to reflect a re-assessment of the underlying nature of individual balances and transactions. The prior year numbers have not been restated based on their materiality.

GS YUASA BATTERY SALES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

12. PROVISIONS FOR LIABILITIES AND CHARGES

	2022 £'000	2021 £'000
Deferred tax liability		
Capital allowances in excess of depreciation	(59)	(47)
Other timing differences	5	16
	(54)	(31)
Deferred taxation		
At 1 April 2021	(31)	
Current period charge	(23)	
At 31 March 2022	(54)	

13. CALLED UP SHARE CAPITAL

	2022 £'000	2021 £'000
Called up, allotted and fully paid		
200,000 Ordinary shares of £1 each	200	200
	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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Within one year	200	580	221	188
Between two and five years	-	200	241	302
	200	780	462	490

On 7th February 2022, the company entered into an Agreement for Lease relating to new premises which the company expect to occupy from financial year FY23/24. The rents, term of years, covenants, provisions, conditions and other matters to be granted by and contained in the lease are subject to variations as at 31 March 2022 and so the lease for the property has not been included in the above disclosure.

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 £199,000 (2021: £189,000). The unpaid contributions outstanding as at the balance sheet date, included in accruals and deferred income (note 11), are £28,000 (2021: £26,000).

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 (2021: unlimited).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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.