Company Registration No. 01561536

GS Yuasa Battery Manufacturing UK Limited

Strategic Report, Directors' Report and Financial Statements

Year ended 31 March 2020

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Y Yamamoto
A Taylor
D Ugajin

SECRETARY

I Jones

REGISTERED OFFICE

Unit 22
Rassau Industrial Estate
Ebbw Vale
Gwent
NP23 5SD

BANKERS

Sumitomo Mitsui Banking Corporation Europe Limited
99 Queen Victoria Street
London
EC4V 4EH

Bank of Tokyo – Mitsubishi UFJ Limited
Ropemaker Place
25 Ropemaker Street
London
EC2Y 9AN

Mitsubishi UFJ Trust and Banking Corporation
24 Lombard Street
London
EC3V 9AJ

Sumitomo Mitsui Trust Bank Limited
155 Bishopsgate
London
EC2M 3XU

Barclays Bank
47 High Street
Merthyr Tydfil
CF47 8DL

SOLICITOR

Blake Morgan LLP
One Central Square
Cardiff
CF10 1FS

AUDITOR

KPMG LLP
3 Assembly Square
Cardiff
CF10 4AX

STRATEGIC REPORT

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company's principal activity continued to be the manufacture, procurement and sale of batteries. The company distributes to its sister companies within the group throughout Europe.

GS Yuasa Battery Manufacturing UK Limited has continued with its strategy of focusing on value added products.

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

The comparative financial year end was changed from 31 December 2018 to 31 March 2019 in order to align with the ultimate parent company. The financial period was extended to 15 months. All profit and loss comparatives for the prior period are for 15 months.

As shown in the profit and loss account on page 11, sales for the year were £199.2m compared with £265.9m in the 15 months to 31 March 2019. Like for like sales for the 12 months to 31 March 2019 were £212.2m. This decrease is due primarily to the price of lead, which was 5% on average lower in FY19/20 than in FY18/19. Gross margin is a little lower at 2.9% in 12 months ended 31 March 2020 compared to 3.5% in 15 months ended 31 March 2019 as a result of additional costs not recovered through sales prices. The company made an operating profit of £2.4m in the period and a profit after tax of £3.0m. The procurement operation was adversely affected by the performance of sterling against the US dollar, incurring a foreign exchange loss of £1.4m in the period, compared to a foreign exchange loss in 2019 of £1.4m. The directors continue to focus on delivering value on high quality products, increasing volume and achieving production efficiencies in the factory and expect the improvement to continue into 2020-21.

The company's balance sheet on page 12 has strengthened, the shareholder's funds showing a £24.1m surplus compared to £19.1m in 2019.

KEY PERFORMANCE INDICATORS

The directors have chosen a number of key performance indicators (KPIs) to measure the performance of the manufacturing site. All environmental measures are considerably below legal limits. GYMUK identifies, analyses, monitors and reviews factors that may affect our ability to satisfy our customers and stakeholders, as well as factors that may adversely affect the stability or our processes or our management system integrity

Category	Measure	2019-20 Actual	2019-20 Target	2018-19 Actual
Financial	Turnover	£199.2m	£198.3m	£265.9m
Financial	Gross profit margin	2.9%	1.6%	3.5%
Financial	Operating profit (excluding foreign exchange)	£3.7m	£2.8m	£6.8m
Environmental/ Production	kWh of electricity consumed per kWh of batteries produced	36.8	< 37.3	38.1
Environmental	Lead in effluent (Pb mg/litre)	1.9	< 10.0	3.1
Environmental	Tonnes of waste per tonnes of product produced	0.0793	< 0.075	0.0738
Environmental	Tonnes of CO^2 produced based on consumption of gas and electricity	6,859	< 7,067	8,555

Current and target periods: Apr-19 to Mar-20 (12 months); Prior period: Jan-18 to Mar-19 (15 months)

STRATEGIC REPORT *(continued)*

PRINCIPAL RISKS AND UNCERTAINTIES

The specialist battery market is highly competitive. The company is an integral part of the Group's strategy, which is to retain key customers and secure new business by providing value added services, having fast response times and maintaining strong relationships.

The company's sales to mainland Europe are in euros and therefore the company is exposed to movement in the euro to sterling exchange rate. The company also sources products in Europe and Asia, where prices are mostly denominated in US dollar, euro or Japanese yen, so the group is exposed to exchange rate fluctuations in these currencies.

The company purchases raw materials for which the prices are linked to the London Metal Exchange and therefore has the associated risk of price movements on the exchange.

The company's financial instruments comprise borrowings, cash and liquid resources, foreign exchange forward contracts and other items, such as trade debtors, that arise directly from its operations.

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 inter-company loans. 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 achieves this with a mixture of short-term debt and long-term debt.

Foreign currency risk

The sales to inter-company customers in continental Europe are in euros and therefore these transactions represent an exposure to foreign currency risk. Also, the company purchases products from Asia in US dollars and Japanese yen and therefore is at risk from changes in foreign currency rates. The company manages these risks by selling and purchasing foreign currency by way of foreign exchange forward contracts and spot deals. The company does not use derivative financial instruments for speculative purposes.

FUTURE PROSPECTS

Although lead prices will continue to put pressure on product prices, the company has formal lead escalator pricing agreements with its customers. This will ensure that gross margins are protected in the future.

The company will continue to find synergies in its manufacturing process and develop new value-added products to offset the continued trend of utility price increases.

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.

STRATEGIC REPORT *(continued)*

COVID-19

The initial impact of the COVID-19 pandemic was experienced in March 2020, with a sharp downturn in orders firstly from customers based in mainland Europe and then from the UK. Subsequent to the year end, the impact across the company has varied significantly depending on business unit and division.

The manufacturing division encountered a significant and immediate decline in orders of its industrial batteries, particularly from mainland Europe where more than half of its products are sold. After confirming that it could operate effectively and safely, the plant remained open throughout this period, albeit on reduced capability, as the company reacted to the decline in orders whilst continuing to supply the new temporary hospitals that were being constructed and planned, as well as other requirements for critical infrastructures, such as data centres along with other fire, security and emergency lighting applications. The manufacturing plant returned to full operations in June 2020 in response to an increase in orders and has been manufacturing to normal production levels since. The strategy for the remainder of the year is to try to recover the significant losses incurred in the first quarter.

The procurement division experienced a significant upturn in automotive battery orders from May 2020 through to July 2020 as a result of the consequences of lockdown. Industrial battery sales mirrored the manufacturing division, whilst after a delay the sales of motorcycle batteries returned to normal levels after the delayed start.

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 be profitable and generate positive cash flows in the forthcoming financial year and for the foreseeable future, thus enabling the company to meet its financial obligations as they fall due.

Accounting policy 1.2 explains in more detail why the directors consider the going concern basis appropriate.

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.

ENVIRONMENT

GS Yuasa Battery Manufacturing 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 manufacturing 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.

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 85% (2019: 86%) of the company's trade creditors are inter-company.

As at 31 March 2020, the creditor days were 63 days (2019: 58 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 366 days (2019: 456 days).

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

A Taylor
Director

13 February 2021

Registered office:
Unit 22
Rassau Industrial Estate
Ebbw Vale
Gwent
NP23 5SD

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2020. All profit and loss comparatives for the prior period are for 15 months.

RESULTS AND DIVIDENDS

The company's profit after taxation for the financial period amounted to £3,043,000 (2019: £5,321,000). The directors do not recommend the payment of a dividend (2019: £nil).

DIRECTORS

Y Yamamoto
A Taylor
D Ugajin

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 financial period.

SECTION 172 STATEMENT

The Board of Directors confirms 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 company in mind, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

The objectives of the company 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.

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.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be 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

16 February 2021

Unit 22
Rassau Industrial Estate
Ebbw Vale
Gwent
NP23 5SD

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 MANUFACTURING UK LIMITED

Opinion

We have audited the financial statements of GS Yuasa Battery Manufacturing UK Ltd ("the company") for the period ended 31 March 2020 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 2020 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. 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. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GS YUASA BATTERY MANUFACTURING 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

Jeremy Thomas (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

3 Assembly Square

Britannia Quay

Cardiff

CF10 4AX

25 February 2021

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2020

	Note	Year ended 31 March 2020 £'000	15 months ended 31 March 2019 £'000
TURNOVER	2	**199,222**	265,876
Cost of sales		**(193,391)**	(256,673)
GROSS PROFIT		**5,831**	9,203
Distribution costs		**(316)**	(487)
Administrative expenses	3-5	**(3,164)**	(3,356)
OPERATING PROFIT		**2,351**	5,360
Interest payable and similar expenses	6	**(383)**	(744)
PROFIT BEFORE TAXATION		**1,968**	4,616
Tax on profit	7	**1,075**	705
PROFIT FOR THE FINANCIAL PERIOD		**3,043**	5,321
OTHER COMPREHENSIVE INCOME			
Revaluation of land and buildings	8	**1,955**	-
TOTAL OTHER COMPREHENSIVE INCOME		**1,955**	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		**4,998**	5,321

All activities derive from continuing operations.

The accompanying notes are an integral part of the financial statements.

BALANCE SHEET
As at 31 March 2020

	Note	As at 31 March 2020 £'000	As at 31 March 2019 £'000
FIXED ASSETS			
Tangible assets	8	10,104	7,912
Stocks	9	6,967	6,346
Debtors	10	53,946	54,439
Cash at bank and in hand		2	1
		60,915	60,786
CREDITORS: amounts falling due within one year	11	(34,651)	(36,588)
NET CURRENT ASSETS		26,264	24,198
TOTAL ASSETS LESS CURRENT LIABILITIES		36,368	32,110
CREDITORS: amounts falling due after more than one year	12	(12,246)	(12,986)
NET ASSETS		24,122	19,124
CAPITAL AND RESERVES			
Called up share capital	14	30,000	30,000
Revaluation reserve	14	3,353	1,402
Profit and loss account		(9,231)	(12,278)
SHAREHOLDER'S FUNDS		24,122	19,124

The financial statements of GS Yuasa Battery Manufacturing UK Limited, registered number 01561536, were approved by the Board of Directors and authorised for issue on 18 February 2021.

The accompanying notes form part of the financial statements.

Signed on behalf of the Board of Directors

A Taylor
Director

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2020

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2018	30,000	1,437	(17,634)	13,803
Total comprehensive income for the period				
Profit for the year	-	-	5,321	5,321
Difference between historical cost depreciation charge and actual depreciation charge calculated on revalued amount	-	(35)	35	-
Total comprehensive income for the period	-	(35)	5,356	5,321
Balance at 31 March 2019	**30,000**	**1,402**	**(12,278)**	**19,124**
Balance at 1 April 2019	30,000	1,402	(12,278)	19,124
Total comprehensive income for the period				
Profit for the period	-	-	3,043	3,043
Revaluation of land and buildings	-	1,955	-	1,955
Difference between historical cost depreciation charge and actual depreciation charge calculated on revalued amount	-	(4)	4	-
Total comprehensive income for the period	-	1,951	3,047	4,998
Balance at 31 March 2020	**30,000**	**3,353**	**(9,231)**	**24,122**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

1. ACCOUNTING POLICIES

GS Yuasa Battery Manufacturing UK Limited (the "Company") is a private 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 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.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 22.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified at fair value through the profit or loss and freehold land and buildings measured in accordance with the revaluation model.

1.2 Going concern

As at 31 March 2020, the company has net current assets of £26.3m (2019: £24.2m), net assets of £24.1m (2019: £19.1m) and reported a profit for the year then ended of £3.0m (15 month period ended 31 March 2019: £5.3m). 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 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 2020 amounted to £1,054,000, 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 2020

1.2 Going concern (continued)

The company's trade is predominantly with other companies within the GS Yuasa group; all sales of batteries made by the company and the majority of purchases of materials to generate those sales are intercompany. The company meets its day-to-day working capital requirements without the need for external finance, as it uses cash pooling arrangements with other members of the group headed by its immediate parent, GS Yuasa Battery Europe Limited. The company's performance is therefore based on the performance of the group headed by its immediate parent.

The impact of COVID-19 on the group headed by the company's immediate parent has on the whole not been significant due to the diversity across the business units. As a supplier of essential products, the group's and company's manufacturing and selling locations have remained open and operational throughout the pandemic. The lockdown restrictions announced by the UK government in January 2021 therefore do not materially change the directors' base case forecast or reasonably possible downside scenarios.

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 2020 to the year ending 31 March 2022, and withdrawal of £35m of the above facilities at their respective renewal dates. These downside scenario forecasts show that the group and company 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.

1.3 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 2020

1. ACCOUNTING POLICIES *(continued)*

1.4 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.

1.5 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.

1.6 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

1. ACCOUNTING POLICIES *(continued)*

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, for example land is treated separately from buildings.

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. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings - 50 years
- Plant and machinery - between 2 and 12.5 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.

Revaluation

Freehold land and buildings are stated at fair value less any subsequent accumulated depreciation and impairment losses. These are revalued every five years.

Gains on revaluation are recognised in other comprehensive income and accumulated in equity (revaluation reserve). However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

1.8 Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

1. ACCOUNTING POLICIES *(continued)*

1.9 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. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Where necessary, provision has been made for obsolete, slow-moving and defective stocks.

1.10 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 2020

1. ACCOUNTING POLICIES *(continued)*

1.11 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.

1.12 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.

1.13 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 include interest payable and finance charges on finance leases recognised in profit or loss using the effective interest method. 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 2020

1. ACCOUNTING POLICIES *(continued)*

1.14 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 years.

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 is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.15 Turnover

Turnover represents the invoiced amount of goods sold stated net of value added tax. Revenue is recognised on the despatch of goods, which is when risks and rewards are deemed to have transferred to the customer.

2. TURNOVER AND REVENUE RECOGNITION

The turnover and profit before taxation is attributable to the manufacture and sale of batteries from the United Kingdom. An analysis of turnover by geographical market is given below:

	Year ended 31 March 2020 £'000	**15 months ended 31 March 2019 £'000**
United Kingdom	**95,856**	132,951
Germany	**31,829**	34,052
France	**36,525**	49,612
Italy	**21,242**	27,860
Spain	**13,288**	21,110
Rest of the world	**482**	291
	199,222	265,876

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

3. EXPENSES AND AUDITOR'S REMUNERATION

	Year ended 31 March 2020 £'000	15 months ended 31 March 2019 £'000
Depreciation		
- owned assets	**784**	1,051
- leased assets	**57**	69
Exchange losses	**1,362**	1,415
Operating lease rentals		
- plant and machinery	**65**	96
Auditor's remuneration		
- audit services – financial statements	**66**	52
- taxation compliance services	**10**	10

4. DIRECTORS' EMOLUMENTS

	Year ended 31 March 2020 £'000	15 months ended 31 March 2019 £'000
Emoluments	-	-
Compensation for loss of office	-	-
Aggregate emoluments	-	-
Company contributions paid to money purchase pension scheme	-	-

No directors (2020: none) were members of the money purchase pension scheme.

The emoluments of Y Yamamoto and D Ugajin were paid by GS Yuasa International Limited and are excluded from the details above. The parent company incurred a management fee of £150,000 (2019: £221,000) in the period in respect of the directors' services. The directors consider that an appropriate allocation of this amount to the company is £100,000 (2019: £125,000). The emoluments of A Taylor were paid by GS Yuasa Battery Sales UK Limited. The directors consider that an appropriate allocation of this amount to the company is £25,000 (2019: £30,000).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

5. STAFF COSTS

	Year ended 31 March 2020 £'000	15 months ended 31 March 2019 £'000
Wages and salaries	8,944	11,086
Social security costs	784	935
Contributions to defined contribution pension plans	245	253
	9,973	12,274

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

	Year ended 31 March 2020 Number	15 months ended 31 March 2019 Number
Office and management	6	2
Manufacturing	356	365
	362	367

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 March 2020 £'000	15 months ended 31 March 2019 £'000
Intercompany loans	6	278
Other interest payable	113	120
Intercompany finance lease interest	261	346
Bank loans and overdrafts	3	-
	383	744

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

7. TAX ON PROFIT

Total tax credit recognised in the profit and loss account

	Year ended 31 March 2020 £'000	15 months ended 31 March 2019 £'000
Current tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	195
Total current tax	-	195
Deferred tax (see note 10)		
Current period credit	(477)	(807)
Adjustments in respect of prior periods	52	-
Tax rate differences	(650)	(93)
Total deferred tax	(1,075)	(900)
Total tax	(1,075)	(705)

Reconciliation of effective tax rate

	Year ended 31 March 2020 £'000	15 months ended 31 March 2019 £'000
Profit for the period	3,043	5,321
Total tax credit	(1,075)	(705)
Profit excluding taxation	1,968	4,616
Tax using the UK corporation tax rate of 19% (2019: 19%)	374	877
Expenses not deductible for tax purposes	4	-
Depreciation on assets ineligible for capital allowances	66	46
Group relief received without charge	-	(39)
Adjustments in respect of prior periods	52	195
Recognition of previously unrecognised deferred tax asset	(921)	(1,691)
Tax rate differences	(650)	(93)
Total tax credit included in profit or loss	(1,075)	(705)

A deferred tax asset of £3,593,000 has been recognised at 31 March 2020 (31 March 2019: £2,518,000). This asset relates to trading losses incurred in previous financial years, capital allowances in excess of depreciation and other timing differences. The directors are of the opinion, based on recent and forecast trading, that the level of profits forecast in the foreseeable future will enable the asset to be utilised. In addition, a further potential deferred tax asset of £2,138,000 (2019: £3,059,000) 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

7. TAX ON PROFIT *(continued)*

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 2020 has been calculated at 19% (2019: 17%).

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost or valuation			
At 1 April 2019	3,250	50,291	53,541
Additions	-	1,078	1,078
Disposals	-	-	-
Revaluation	1,450	-	1,450
At 31 March 2020	4,700	51,369	56,069
Accumulated depreciation			
At 1 April 2019	454	45,175	45,629
Charge for the period	57	784	841
On disposals	-	-	-
Revaluation	(505)	-	(505)
At 31 March 2020	6	45,959	45,965
Net book value			
At 31 March 2020	**4,694**	**5,410**	**10,104**
At 31 March 2019	2,796	5,116	7,912

The value of land included in freehold land and buildings at 31 March 2020 amounted to £850,000 (2019: £500,000) which is not depreciated.

The net book value of assets held under finance lease at 31 March 2020 is £4,694,000 (2019: £2,796,000).

Land and buildings were valued at £4,700,000 as at 24 February 2020 by Hirons Morgan & Yapp, Chartered Surveyors, based on an open market value.

The historic cost of the revalued land and buildings is £7,466,000 (2019: £7,466,000) and accumulated depreciation of £6,100,000 (2019: £6,072,000).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

9. STOCKS

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Raw materials and consumables	**3,088**	2,782
Work in progress	**1,545**	2,327
Finished goods and goods for resale	**2,334**	1,237
	6,967	6,346

10. DEBTORS

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Trade debtors	**41,062**	44,591
Cash pooling receivable	**7,332**	5,679
Other debtors	**1,706**	1,325
Prepayments and accrued income	**148**	205
Forward foreign exchange contracts (note 19)	**105**	121
Deferred tax asset (see below)	**3,593**	2,518
	53,946	54,439
Deferred tax asset		
Fixed asset timing differences	**(77)**	35
Tax losses	**3,693**	2,507
Other timing differences	**(23)**	(24)
	3,593	2,518
Deferred taxation		
At start of period	**2,518**	1,618
Current period credit	**1,075**	900
At end of period	**3,593**	2,518

Included in trade debtors are amounts owed by intermediate parent undertaking of £11,000 (2019: £72,000), immediate parent undertaking of £16,000 (2019: £188,000), group undertakings of £40,584,000 (2019: £44,217,000) and affiliated companies of £270,000 (2019: £nil).

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

Affiliated companies are companies that are owned or part-owned by the ultimate parent undertaking.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Bank loans and overdrafts	935	3,387
Trade creditors	31,786	31,409
Finance lease obligation owed to immediate parent undertaking (note 13)	740	729
Other taxes and social security costs	211	199
Corporation tax liability	-	195
Accruals and deferred income	979	669
	34,651	36,588

Included in trade creditors are amounts owed to intermediate parent undertaking of £14,410,000 (2019: £13,619,000), immediate parent undertaking of £1,052,000 (2019: £1,332,000), group undertakings of £2,000 (2019: £63,000) and affiliated companies of £11,453,000 (2019: £12,102,000).

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

Affiliated companies are companies that are owned or part-owned by the ultimate parent undertaking.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Finance lease obligation owed to immediate parent undertaking (note 13)	12,246	12,986

13. INTEREST BEARING LOANS AND BORROWINGS

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Finance lease liabilities are payable as follows:		
Between one and two years	868	740
Between two and five years	4,434	4,469
After five years	6,944	7,777
	12,246	12,986
On demand or within one year	740	729
	12,986	13,715

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

14. CALLED UP SHARE CAPITAL

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Allotted, called up and fully paid		
As at 31st March 2019 and 31st March 2020		
(30,000,000 shares of £1 each)	30,000	30,000

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.

Revaluation reserve

Where tangible fixed assets are revalued, the cumulative increase in the fair value of the property in excess of any previous impairment losses is included in the revaluation reserve.

15. PENSION COMMITMENTS

The company operates a defined contribution pension scheme, the Yuasa Battery Pension Scheme, for its employees. The pension cost charge represents contributions payable by the company which amounted to £245,000 (2019: £253,000). The unpaid contributions outstanding as at the balance sheet date, included in accruals and deferred income (note 11), are £42,000 (2019: £28,000).

16. OTHER FINANCIAL COMMITMENTS

At the balance sheet date, the company had total commitments under non-cancellable operating leases as set out below:

	Other than land and buildings	
	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Within one year	54	50
Between two and five years	94	23
	148	73

17. 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 unlimited exposure under this agreement (2019: unlimited).

18. 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

19. FINANCIAL INSTRUMENTS

Derivative financial instruments

The company enters into foreign exchange forward contracts to manage the group's exposure to foreign exchange rate risk. As at 31 March 2020, the company had outstanding commitments under foreign exchange forward contracts of $17,500,000 (2019: $18,800,000). The fair value of these contracts at the balance sheet date represented an asset of £105,000 (2019: £121,000).

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value	
	As at 31 March 2020 £'000	**As at 31 March 2019 £'000**
Forward exchange contracts	**105**	121
Freehold land and buildings	**4,694**	2,796
	4,799	2,917

The carrying amounts of the financial assets and liabilities include:

	As at 31 March 2020 £'000	**As at 31 March 2019 £'000**
Assets measured at fair value through profit or loss	**4,799**	2,917
Assets measured at amortised cost	**66,220**	65,781
Liabilities measured at amortised cost	**(46,897)**	(49,574)
	24,122	19,124

20. POST BALANCE SHEET EVENTS

On 31st July 2020 the company settled in full the outstanding balance on the finance lease held with its immediate parent undertaking. The loan and interest accrued was repaid through the cash pooling facility.

21. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is GS Yuasa Battery Europe Limited, incorporated in England and Wales, 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 2020

22. ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements in applying the Company's accounting policies

The following are critical judgements, including those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

i. Recognition of deferred tax asset

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. In the justification of the deferred tax asset, the directors have considered the estimated profits over a medium term forecast and have judged that there will be sufficient profits to justify recognition of the asset.