

Company registration number 02840892 (England and Wales)

**ABSL POWER SOLUTIONS LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

# ABSL POWER SOLUTIONS LTD

## COMPANY INFORMATION

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<b>Directors</b>	H Stratton-Brown M Matthews
<b>Company number</b>	02840892
<b>Registered office</b>	Building F4 Culham Science Centre Culham Abingdon Oxfordshire United Kingdom OX14 3ED
<b>Auditor</b>	BHP LLP Albert Works Sidney Street Sheffield S1 4RG

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# ABSL POWER SOLUTIONS LTD

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# **ABSL POWER SOLUTIONS LTD**

## **STRATEGIC REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2024***

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The directors present their strategic report of ABSL Power Solutions Ltd for the year ended 31 March 2024. ABSL Power Solutions Ltd is a subsidiary of EnerSys Inc, a publicly traded Group listed on the New York Stock Exchange.

#### **Principal activities**

The principal activity of the Company is the supply of batteries. The business researches, designs and manufactures battery packs for highly demanding markets specifically space.

#### **Operating and financial review**

In the year ended 31 March 2024 ABSL Power Solutions Limited consolidated its position following the COVID period. New contracts have been won and the company returned a profitable year. The business is securing new opportunities for the company in the global space battery market. Key performance indicators below highlight growth elements in the company.

#### **Principal risks and uncertainties**

The Company's customers are principally governments, their agencies and inter-governmental agencies in Europe and the Rest of the World. A severe curtailment of government spending could impact orders for the Company's products and consequently its turnover and profitability. The Directors consider that, whilst the Company cannot be immune from such pressures, the specialist markets it serves are less likely to be severely impacted by budget cuts.

The Company develops and sells products which the Directors consider are technically very advanced. Inherent in any company that relies on developing new products exploiting advanced technologies is the risk that a new product does not achieve its anticipated performance and consequently does not justify the investment that has been made to bring it to market.

The Company continues to develop its business with customers throughout the rest of the world and is showing good signs as it continues to grow profitability.

#### **Future developments**

The business is continuing to explore new cell technologies for its products as customer demands for greater flexibility and enhanced power capabilities. This business will also explore the potential to collaborate on product development utilising the capabilities of the broader EnerSys organisation and look for opportunities beyond the aerospace and defence markets, which have been the traditional mainstay of the business.

# ABSL POWER SOLUTIONS LTD

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### Key performance indicators

Given the straightforward nature of the business, the directors use standard KPI's to maintain their understanding of the development, performance or position of the business including Revenue and Operating Profits.

Metric	2024 £'000	2023 £'000	
Revenue	8,909	6,351	40% growth year on year represents a strong development in the business with a growing orderbook
EBIT	1,595	936	70% growth year on year represents strong cost controls while maintaining the expansion of the business
Trade Debtors	1,391	377	Trade debtors are impacted by timing of project deliverable milestones and monitored closely for timely receipt
WIP	2,231	1,805	Growth in delivered projects and orderbook is reflected in WIP and monitored closely for project performance.

On behalf of the board

H Stratton-Brown  
Director

28 May 2025

# **ABSL POWER SOLUTIONS LTD**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2024***

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The directors present their annual report and the audited financial statements of ABSL Power Solutions Ltd ("the company") for the year ended 31 March 2024. The Company's registered number is 02840892.

#### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H Stratton-Brown  
M Matthews

#### ***Environmental safety and health***

The directors take their responsibility in this area seriously and have in place appropriate reporting procedures which ensure that all incidents are notified and actions reviewed. Where qualified exemptions exist, in respect of batteries, the Company is working with its suppliers to meet the requirements ahead of time.

#### ***Financial risk management***

Disclosures on financial risk management is presented in note 3 of these financial statements. On this basis no discussion of financial risk management is made in the directors' report.

#### ***Creditor payment policy***

The company's policy is to agree terms of trading which are appropriate for suppliers' markets and to abide by such terms where suppliers' obligations have been met.

The average creditor payment period at 31 March 2024 was 44 days (2023: 18 days).

#### ***Strategic report***

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

#### **Auditor**

The auditor, BHP LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# **ABSL POWER SOLUTIONS LTD**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2024**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### **Medium-sized companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

H Stratton-Brown  
**Director**

28 May 2025

# ABSL POWER SOLUTIONS LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ABSL POWER SOLUTIONS LTD

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#### **Qualified opinion on financial statements**

We have audited the financial statements of ABSL Power Solutions Ltd (the 'company') for the year ended 31 March 2024 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for qualified opinion**

We were not appointed as auditor of the company until after 31 March 2024 and thus did not observe the counting of physical stock at the end of that year. We were unable to satisfy ourselves by alternative means concerning the physical stock quantities held at 31 March 2024, which are included in the balance sheet at £3.740m, by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary. In addition, were any adjustment to the inventory balance to be required, the strategic report would also need to be amended.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £3.740m held at 31 March 2024. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

# **ABSL POWER SOLUTIONS LTD**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ABSL POWER SOLUTIONS LTD (CONTINUED)**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit;
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# **ABSL POWER SOLUTIONS LTD**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ABSL POWER SOLUTIONS LTD (CONTINUED)**

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the trade;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations considered above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- discussions with senior management regarding relevant regulations and reviewing the company's legal and professional fees.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the director's and other management and the inspection of regulatory and legal correspondence.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **ABSL POWER SOLUTIONS LTD**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ABSL POWER SOLUTIONS LTD (CONTINUED)**

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#### **Use of our report**

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.

#### **Daniel Varley (Senior Statutory Auditor)**

For and on behalf of BHP LLP, Statutory Auditor

Chartered Accountants

Albert Works

Sidney Street

Sheffield

S1 4RG

28 May 2025

## ABSL POWER SOLUTIONS LTD

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

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		2024	2023
	Notes	£000	£000
Turnover	4	8,910	6,351
Cost of sales		(5,064)	(3,705)
<b>Gross profit</b>		<b>3,846</b>	<b>2,646</b>
Distribution costs		(489)	(402)
Administrative expenses		(1,761)	(1,308)
<b>Operating profit</b>	5	<b>1,596</b>	<b>936</b>
Interest receivable and similar income	7	167	166
Interest payable and similar expenses	8	(105)	(70)
<b>Profit before taxation</b>		<b>1,658</b>	<b>1,032</b>
Tax on profit	9	(395)	81
<b>Profit and total comprehensive income for the financial year</b>		<b>1,263</b>	<b>1,113</b>

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# ABSL POWER SOLUTIONS LTD

## BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £000	£000	2023 £000	£000
<b>Fixed assets</b>					
Tangible fixed assets	10		600		774
<b>Current assets</b>					
Stocks	11	3,740		2,732	
Debtors	13	13,259		10,088	
Deferred tax asset	17	-		248	
Cash at bank and in hand		142		478	
		<u>17,141</u>		<u>13,546</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(5,814)</u>		<u>(3,341)</u>	
<b>Net current assets</b>			<u>11,327</u>		<u>10,205</u>
<b>Total assets less current liabilities</b>			<u>11,927</u>		<u>10,979</u>
<b>Creditors: amounts falling due after more than one year</b>	14		-		(315)
<b>Net assets</b>			<u><u>11,927</u></u>		<u><u>10,664</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		12,296		12,296
Share premium account	20		54		54
Capital redemption reserve	21		1,156		1,156
Profit and loss reserves			<u>(1,579)</u>		<u>(2,842)</u>
<b>Total equity</b>			<u><u>11,927</u></u>		<u><u>10,664</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 28 May 2025 and are signed on its behalf by:

H Stratton-Brown  
Director

Company registration number 02840892 (England and Wales)

## ABSL POWER SOLUTIONS LTD

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£000	£000	£000	£000	£000
<b>Balance at 1 April 2022</b>	12,296	54	1,156	(3,955)	9,551
<b>Year ended 31 March 2023:</b>					
Profit and total comprehensive income	-	-	-	1,113	1,113
<b>Balance at 31 March 2023</b>	12,296	54	1,156	(2,842)	10,664
<b>Year ended 31 March 2024:</b>					
Profit and total comprehensive income	-	-	-	1,263	1,263
<b>Balance at 31 March 2024</b>	12,296	54	1,156	(1,579)	11,927

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

#### Company information

ABSL Power Solutions Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Building F4 Culham Science Centre, Culham, Abingdon, Oxfordshire, United Kingdom, OX14 3ED.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements ('IAS 1') to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1 Presentation of financial statements;
  - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible Assets; and
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures ('IAS 24');
- the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

#### 1.2 Going concern

In the year to 31 March 2024 the company made a profit of £1.3m (2023 Profit: £1.1m).

The company has met its day to day working capital requirements and has the provision of working capital facilities supported by its ultimate parent company, EnerSys Inc. The directors of that company have confirmed to the directors of ABSL Power Solutions Limited that they will continue to provide financial support to the company for 12 months from the date of signing the financial statements.

In the light of the information currently available to them, the directors believe that the company's ultimate parent company can support it in providing adequate funds to meet its day-to-day obligations. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies (Continued)

#### 1.3 Turnover

Revenue is shown net of value added tax and discounts.

ABSL generates revenue from the design and manufacture of battery packs for highly demanding markets specifically space. ABSL's services are typically sold in a bundled package of services which generally result in one performance obligation.

Revenue from services rendered to third parties mainly relate to fixed price contracts. Revenue is generally recognised in profit or loss as services are rendered (over time) because of continuous transfer of control to the customer. Therefore, revenue is recognised based upon the extent of progress towards completion of the performance obligation.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract.

#### 1.4 Tangible fixed assets

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to the income statement during the financial period in which they are incurred.

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

Plant and equipment	10% to 20% straight line
Right of use assets	Over period of lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

#### 1.5 Impairment of tangible and intangible assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 1.6 Stocks

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Work in progress is valued at cost, less the cost of work invoiced on incomplete contracts and less foreseeable losses.

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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**1 Accounting policies** (Continued)

**1.7 Cash at bank and in hand**

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

**1.8 Equity instruments**

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

**1.9 Taxation**

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

**Current tax**

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

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

**1.10 Employee benefits**

The Company operates a defined contribution plan for which the Company pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**1.11 Retirement benefits**

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

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 1 Accounting policies

(Continued)

#### 1.12 Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Leases for quarries do not fall within the scope of IFRS 16. These leases are considered pending transactions and the expenses are recognised in the material costs in the period in which they arise.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The interest rates were calculated on the basis of the remaining term of the leases.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives

The lease liability is included in 'Creditors' on the Balance Sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are included in the Tangible Fixed Assets in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in Exceptional Items.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies (Continued)

#### 1.13 Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects relating to developing new integrated power systems are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### 1.14 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

#### 1.15 Liabilities

##### Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### Borrowings

Borrowings are recognised upon origination at fair value of the sums paid or received in exchange for the liability, and subsequently measured at amortised cost using the effective interest method. Interest free payables are booked at their nominal value.

### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### Critical judgements

##### Deferred taxation asset

The deferred taxation asset has been recognised based upon the availability of losses brought forward and the forecasted profits of the company over the next twelve months. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2024*

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**2 Critical accounting estimates and judgements**

**(Continued)**

**Key sources of estimation uncertainty**

**Long term contracts**

Profit on long term contracts is recorded as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated to reflect the proportion of the work carried out at the year end, by recording revenue and related costs as contract activity progresses. Revenue applicable to long term contracts represents the value of work completed during the year, calculated with reference to the total expected hours to complete the contracts. Revenues derived from change orders on contracts are recognised at estimated amounts when they become probable. Amounts included on the balance sheet in relation to contracts are shown in note 12.

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 3 Financial risk management

##### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (primarily currency risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

##### (a) Market risk

###### (i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures, predominantly with the Eurozone as a proportion of the company's sales are to customers in those countries. During the year, net transactions in currencies other than GBP amounted to approximately £1.6m. (2023: £1.3m). If the currencies above had weakened/strengthened by 10% against the GBP with all other variables held constant, the post-tax profit for the year would have been approximately £0.16m higher/lower.

###### (ii) Cash flow and fair value interest rate risk

The Company has interest bearing liabilities. Short and medium term financing requirements are provided by a current account arrangement with EnerSys Luxembourg Finance Sarl. The balance owed to which was £2.8m as at 31 March 2024 (2023: £1.7m). These borrowings currently bear interest at a rate of 6.75% per annum (2023: 3.77%). This is repayable on demand.

The Company has made a long-term loan to EnerSys Luxembourg Finance Sarl with a balance of £4.75m at 31st March 2024 (2023 £4.75m). The accrued interest on the borrowing at 31st March 2024 owed by EnerSys Luxembourg Finance Sarl was £2.2m (2023, owed by EnerSys Luxembourg Finance Sarl, £2.0m). This is repayable in 2026.

As such, management consider that the Company is not significantly exposed to cash flow and fair value interest rate risk.

##### (b) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the credit quality of the customer is assessed taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. Management monitors the utilisation of credit limits regularly.

Concentrations of credit risk with respect to trade receivables are limited due to the Company's customer base being largely 'Blue Chip' organisations. Due to this, management believe there is no further credit risk provision required in excess of normal provision for doubtful receivables.

##### (c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its cash commitments as they fall due. Liquidity risk may result from either the inability to realise financial assets quickly at their fair values or from the inability to generate cash inflows as anticipated. Management monitors rolling forecasts of the Company's liquidity reserve and cash and cash equivalents on the basis of expected cash flow.

##### Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company have focused on maximising shareholder value.

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 4 Turnover

At 31 March 2024, the Company is organised on a worldwide basis into three main geographical segments. A geographical analysis of turnover is as follows:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Europe	4,744	3,921
North America	64	1,017
Rest of the world	4,102	1,413
	<u>8,910</u>	<u>6,351</u>

At 31 March 2024, the Company was operating in only one industrial sector, further analysis would provide no further information.

#### 5 Operating profit

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	11	(27)
Fees payable to the company's auditor for the audit of the company's financial statements	28	20
Depreciation of property, plant and equipment	319	292
Cost of inventories recognised as an expense	2,014	1,944
	<u>2,372</u>	<u>2,559</u>

#### 6 Employees

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

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Production	45	43
Sales and distribution	4	3
General and administration	8	7
Total	<u>57</u>	<u>53</u>

Their aggregate remuneration comprised:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	2,608	1,909
Social security costs	296	227
Pension costs	105	82
	<u>3,009</u>	<u>2,218</u>

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

**6 Employees** **(Continued)**

The aggregate remuneration paid to Directors was nil (2023: nil). The Directors are paid by other Group companies.

There were no executives who acted as a director during the year (2023: nil) and were a member of ABSL's Company personal pension scheme. The scheme is a funded scheme of the defined contribution type.

**7 Interest receivable and similar income**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Interest income</b>		
Other interest income	167	166
	<u>          </u>	<u>          </u>

**8 Interest payable and similar expenses**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on other loans	105	70
	<u>          </u>	<u>          </u>

**9 Taxation**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	196	(81)
Adjustments in respect of prior periods	(49)	-
	<u>          </u>	<u>          </u>
<b>Total UK current tax</b>	147	(81)
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	248	-
	<u>          </u>	<u>          </u>
<b>Total tax charge/(credit)</b>	395	(81)
	<u>          </u>	<u>          </u>

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 9 Taxation (Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2024 £000	2023 £000
Profit before taxation	1,658	1,032
Expected tax charge based on a corporation tax rate of 25.00% (2023: 25.00%)	415	258
Effect of expenses not deductible in determining taxable profit	10	40
Utilisation of tax losses not previously recognised	32	(341)
Change in unrecognised deferred tax assets	14	-
Adjustment in respect of prior years	(49)	-
Deductible allowances	-	(63)
Fixed asset differences	(27)	25
<b>Taxation charge/(credit) for the year</b>	<b>395</b>	<b>(81)</b>

### 10 Tangible fixed assets

	Plant and equipment £000	Right of use assets £000	Total £000
<b>Cost</b>			
At 1 April 2023	2,624	626	3,250
Additions	299	-	299
Disposals	(16)	(154)	(170)
At 31 March 2024	2,907	472	3,379
<b>Accumulated depreciation and impairment</b>			
At 1 April 2023	2,327	149	2,476
Charge for the year	160	159	319
Eliminated on disposal	(16)	-	(16)
At 31 March 2024	2,471	308	2,779
<b>Carrying amount</b>			
At 31 March 2024	436	164	600
At 31 March 2023	297	477	774

Other classes of fixed assets which have been fully depreciated in previous periods are no longer presented in the table above.

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 11 Stocks

	2024 £000	2023 £000
Raw materials	1,509	927
Work in progress	2,231	1,805
	<u>3,740</u>	<u>2,732</u>

### 12 Contracts with customers

	2024 Period end £000	2023 Period end £000	2023 Period start £000
<b>Contracts in progress</b>			
Contract assets	4,713	2,714	2,095
Contract liabilities	(427)	(830)	(1,018)
	<u>4,286</u>	<u>1,884</u>	<u>1,077</u>

### 13 Debtors

	Due within one year		Due after one year	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	1,392	377	-	-
Contract assets (note 12)	4,713	2,714	-	-
VAT recoverable	127	123	-	-
Amounts owed by fellow group undertakings	2,259	2,089	4,750	4,750
Prepayments and accrued income	18	35	-	-
	<u>8,509</u>	<u>5,338</u>	<u>4,750</u>	<u>4,750</u>

Amounts due from group undertakings falling due within one year relate to unpaid interest on the loan falling due after more than one year.

There were £4,750k non-current receivables due to the Company from EnerSys Luxembourg Finance Sarl. at 31 March 2024 (2023: £4,750k). This relates to a loan bearing an interest rate of 3.5% per annum which is repayable by 24 March 2026.

### 14 Creditors

	Notes	Due within one year		Due after one year	
		2024 £000	2023 £000	2024 £000	2023 £000
Creditors	15	5,305	3,039	-	-
Corporation tax		227	48	-	-
Other taxation and social security		118	90	-	-
Lease liabilities	16	164	164	-	315
		<u>5,814</u>	<u>3,341</u>	<u>-</u>	<u>315</u>

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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15 Creditors	2024	2023
	£000	£000
Trade creditors	608	179
Contract liabilities (note 12)	427	830
Amounts owed to fellow group undertakings	2,790	1,726
Accruals	1,480	304
	<u>5,305</u>	<u>3,039</u>

Amounts due to group undertakings relate to a current working capital arrangement and will be repaid as and when funds are available. Interest is charged at a variable rate of 1.5% above the UK Base rate and in FY24 amounted to £96k (2023: £52k).

16 Lease liabilities	2024	2023
Maturity analysis	£000	£000
Within one year	164	164
In two to five years	-	151
	<u>164</u>	<u>315</u>
Total undiscounted liabilities	<u>164</u>	<u>315</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2024	2023
	£000	£000
Current liabilities	164	164
Non-current liabilities	-	315
	<u>164</u>	<u>479</u>

Other leasing information is included in note 23.

17 Deferred taxation	Assets	
	2024	2023
	£000	£000
Deferred tax balances	-	248
	<u>-</u>	<u>248</u>

# ABSL POWER SOLUTIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 17 Deferred taxation (Continued)

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	<b>Tax losses £000</b>
Asset at 1 April 2022	145
<b>Deferred tax movements in prior year</b>	
Credit/(charge) to profit or loss	103
Asset at 1 April 2023	248
<b>Deferred tax movements in current year</b>	
Credit/(charge) to profit or loss	(248)
Liability at 31 March 2024	-

Unrecognised deferred tax assets in relation to fixed asset differences amounted to £4k (2023: £15k).

### 18 Retirement benefit schemes

	<b>2024 £000</b>	<b>2023 £000</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	105	82
	105	82

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	<b>2024 Number</b>	<b>2023 Number</b>	<b>2024 £000</b>	<b>2023 £000</b>
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	12,296,280	12,296,280	12,296	12,296
	12,296,280	12,296,280	12,296	12,296

Each holder of an ordinary share is entitled to one vote for each share held at all meetings of shareholders and will be entitled to any dividends declared by the Board of Directors.

### 20 Share premium account

	<b>2024 £000</b>	<b>2023 £000</b>
At the beginning and end of the year	54	54
	54	54

Share premium represents the amount paid for shares in excess of par value.

## ABSL POWER SOLUTIONS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

#### 21 Capital redemption reserve

	2024 £000	2023 £000
At the beginning and end of the year	1,156	1,156

The capital redemption reserve represents the difference between the nominal value of company shares previously redeemed or purchased and the amount paid to repurchase the shares.

#### 22 Contingent liabilities

At 31 March 2024, guarantees were in place in relation to the Company's operations totalling £561k (2023: £914k). This comprised Performance bonds of £461k (2023: £814k) and VAT / Duty deferment guarantee of £100k (2023: £100k).

No economic outflow is expected as a result of these contingencies.

#### 23 Other leasing information

##### Lessee

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2024 £000	2023 £000
Expense relating to short-term leases	159	149
Interest expense on lease liabilities	8	18

Information relating to lease liabilities is included in note 16.

#### 24 Controlling party

EnerSys Inc, a company incorporated in the United States of America, is considered to be the ultimate parent company. Copies of the accounts of EnerSys can be obtained from the head office at the following address; 2366 Bernville Rd, Reading, Pennsylvania, 19605, USA. This is the smallest and largest group which prepares consolidated accounts.

The immediate parent company of ABSL Power Solutions Ltd is EnerSys Holdings UK Ltd.

#### 25 Prior year reclassification

An amount of £898k has been reclassified from cost of sales to administrative costs in the comparative figures in order to be consistent with the current year presentation. This reclassification has had no impact on profit or net assets.

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