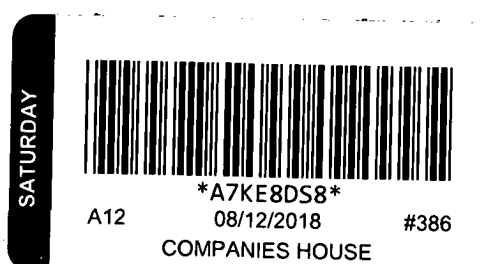


**Registered number: 02765371**

## **C&D TECHNOLOGIES (U.K.) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2017**



## **C&D TECHNOLOGIES (U.K.) LIMITED**

### **COMPANY INFORMATION**

<b>Director</b>	D Costello
<b>Registered number</b>	02765371
<b>Registered office</b>	Unit 25 Romsey Industrial Estate Greatbridge Road Romsey Hampshire SO51 0HR
<b>Independent Auditors</b>	Ernst & Young LLP Wessex House 19 Threefield Lane Southampton SO14 3QB

# **C&D TECHNOLOGIES (U.K.) LIMITED**

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## **C&D TECHNOLOGIES (U.K.) LIMITED**

### **STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017**

#### **Introduction**

The director presents her strategic report for the 11 month period ended 31 December 2017.

#### **Business review**

Turnover in the region remained steady, but following a decision made by the Parent Company it was agreed that responsibility for sales to certain customers and territories was transferred direct to the manufacturing plant responsible for the product. Business opportunities have improved in the period with increased sales volumes coming through in the Middle East and Africa regions. Project opportunities in the period and tight delivery requirements were key in complying with their timescales. Gross Profit Margins as in previous years have continued to be challenging for the Company, but with the support of the Group it was agreed to retain the business in expectation that increased revenues and margins should be achievable going forward. Subject to reliance upon the Group for the supply of inventory, the Company continues to report a positive Gross Profit and a positive Net Assets position.

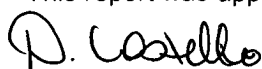
#### **Principal risks and uncertainties**

As in previous periods the principal risks to the Company remain to be competition and the volatility of lead prices in the market. These risks are managed by monitoring and revising sales prices to customers when the situation requires this.

#### **Financial key performance indicators**

	11 months ended 31 December 2017	Year ended 31 January 2017
Turnover	£5.5m	£22.6m
Gross profit margin	20.4%	4.3%
Trade debtors	£2,186k	£4,168k
Stock	£2,639k	£1,328k
Trade debtor days	142 days	115 days
Inventory days held	165 days	26 days
Net assets	£1,194k	£1,134k

This report was approved by the board on 30 November 2018 and signed on its behalf.



**D Costello**  
Director

## **C&D TECHNOLOGIES (U.K.) LIMITED**

### **DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017**

The director presents her report and the financial statements for the 11 month period ended 31 December 2017.

#### **Principal activity**

The principal activity of the Company continued to be that of the sale of electrical power storage systems for the standby power storage markets in the UK, Europe, Middle East and Africa.

#### **Results and dividends**

The profit for the period, after taxation, amounted to £59,550 (*year ended 31 January 2017 - loss £108,225*).

The director does not recommend the payment of a dividend.

#### **Directors**

The directors who served during the period were:

D Costello

D Anderson (resigned 3 November 2017)

#### **Future developments**

The importance of the EMEA region and the business opportunities within Mainland Europe remain a key area for growth for the Group. There are a number of plans currently under review with a particular focus on strengthening Sales Management through recruitment and the exploration of new opportunities across the region. We have and will continue to engage more widely than our traditional UPS Market. We are also seeking to engage more widely in other areas where we have already demonstrated success in other regions, specifically within Data Centres; Telecommunications; Renewable Energies and Oil and Gas.

#### **Going concern**

After making appropriate enquiries, the director has formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis.

#### **Disclosure of information to auditors**

The director in office at the time when this Director's report is approved has confirmed that:

- so far as she is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- she has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Post balance sheet events**

There have been no significant events affecting the Company since the 11 month period ended 31 December 2017.

**C&D TECHNOLOGIES (U.K.) LIMITED**

**DIRECTOR'S REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**Auditors**

PKF Littlejohn LLP resigned as auditor on 28 November 2017 and Ernst & Young LLP were appointed as auditor in their place. Ernst & Young LLP will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 November 2018 and signed on its behalf.



**D Costello**  
Director

## **C&D TECHNOLOGIES (U.K.) LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017**

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless she is satisfied that she gives 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C&D TECHNOLOGIES (U.K.) LIMITED (CONTINUED)**

We have audited the financial statements of C&D Technologies (UK) Limited for the 11 month period ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cashflows and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the period 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 opinion**

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 below. 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C&D TECHNOLOGIES (U.K.) LIMITED (CONTINUED)**

work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the 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 directors' report have been prepared in accordance with applicable legal requirements.

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

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 directors' report.

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:

- 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C&D TECHNOLOGIES (U.K.) LIMITED  
(CONTINUED)**

**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.

*Ernst & Young UK*

David Marshall (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Southampton

Date: 7/12/2018

**C&D TECHNOLOGIES (U.K.) LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Note	11 months ended 31 December 2017 £	Year ended 31 January 2017 £
Turnover	4	5,508,180	22,611,247
Cost of sales		(4,384,726)	(21,648,461)
<b>Gross profit</b>		<b>1,123,454</b>	<b>962,786</b>
Distribution costs		(71,347)	(53,867)
Administrative expenses		(996,969)	(1,067,089)
Other operating income	5	-	4,497
<b>Operating profit/(loss)</b>	6	<b>55,138</b>	<b>(153,673)</b>
Interest receivable and similar income	9	23	154
<b>Profit/(loss) before tax</b>		<b>55,161</b>	<b>(153,519)</b>
Tax on profit/(loss)	10	4,389	45,294
<b>Profit/(loss) after tax</b>		<b>59,550</b>	<b>(108,225)</b>
Retained earnings at the beginning of the period		(1,382,780)	(1,274,555)
Profit/(loss) for the period		59,550	(108,225)
<b>Retained earnings at the end of the period</b>		<b>(1,323,230)</b>	<b>(1,382,780)</b>

The notes on pages 11 to 24 form part of these financial statements.

**C&D TECHNOLOGIES (U.K.) LIMITED**  
**REGISTERED NUMBER: 02765371**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	11 months ended 31 December 2017 £	Year ended 31 January 2017 £
<b>Fixed assets</b>			
Tangible assets	11	2,723	5,962
		<u>2,723</u>	<u>5,962</u>
<b>Current assets</b>			
Stocks	12	2,639,275	1,328,157
Debtors: amounts falling due within one year	13	2,350,742	4,305,520
Cash at bank and in hand		203,835	1,503,282
		<u>5,193,852</u>	<u>7,136,959</u>
Creditors: amounts falling due within one year	14	(4,002,859)	(6,008,755)
<b>Net current assets</b>		<u>1,190,993</u>	<u>1,128,204</u>
<b>Total assets less current liabilities</b>		<u>1,193,716</u>	<u>1,134,166</u>
<b>Net assets</b>		<u><u>1,193,716</u></u>	<u><u>1,134,166</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	2,516,946	2,516,946
Profit and loss account	18	(1,323,230)	(1,382,780)
<b>Shareholder's funds</b>		<u><u>1,193,716</u></u>	<u><u>1,134,166</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2018



**D Costello**  
Director

**C&D TECHNOLOGIES (U.K.) LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	<b>11 months ended 31 December 2017 £</b>	<b>Year ended 31 January 2017 £</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial period	<b>59,550</b>	<b>(108,225)</b>
<b>Adjustments for:</b>		
Depreciation of tangible assets	<b>3,240</b>	<b>3,934</b>
Interest received	<b>(23)</b>	<b>(154)</b>
Taxation charge	<b>(4,389)</b>	<b>(45,294)</b>
(Increase) in stocks	<b>(1,311,118)</b>	<b>(122,976)</b>
Decrease in debtors	<b>1,963,966</b>	<b>2,160,147</b>
(Increase)/decrease in amounts owed by groups	<b>(4,800)</b>	<b>-</b>
Increase in creditors	<b>53,622</b>	<b>30,086</b>
(Decrease)/increase in amounts owed to group undertakings	<b>(2,059,518)</b>	<b>(621,384)</b>
Corporation tax	<b>-</b>	<b>45,294</b>
<b>Net cash generated from operating activities</b>	<b>(1,299,470)</b>	<b>1,341,428</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>-</b>	<b>(3,641)</b>
Interest received	<b>23</b>	<b>154</b>
<b>Net cash from investing activities</b>	<b>23</b>	<b>(3,487)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,299,447)</b>	<b>1,337,941</b>
Cash and cash equivalents at beginning of period	<b>1,503,282</b>	<b>165,341</b>
<b>Cash and cash equivalents at the end of period</b>	<b><u>203,835</u></b>	<b><u>1,503,282</u></b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	<b>203,835</b>	<b>1,503,282</b>
	<b><u>203,835</u></b>	<b><u>1,503,282</u></b>

## **C&D TECHNOLOGIES (U.K.) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017**

#### **1. General information**

The principal activity of C&D Technologies (U.K) Limited ("the Company") continued to be that of the sale of electrical power storage systems for the standby power storage markets in the UK, Europe, Middle East and Africa.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Unit 25, Romsey Industrial Estate, Greatbridge Road, Romsey, Hampshire, SO51 0HR.

The Company has changed its accounting period from that ended in 31 January to 31 December which is in line with the accounting period end of the group. As such, these financial statements cover the period from 01 February 2017 to 31 December 2017. Therefore, the comparative presented including the related notes for the previous 12 months should be considered accordingly.

#### **2. Accounting policies**

##### **2.1 Statement of compliance**

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

##### **2.2 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.3 Going concern**

The Company's business activities, together with the factors likely to impact its development, are set out in the Business Review section of the Strategic Report.

The Company relies on its parent company C&D Technologies Inc. and fellow subsidiaries for the supply of inventory and related products which it sells to its customers. It also holds material inter-group payable and receivable balances.

During August 2017, the parent company C&D Technologies Inc. was acquired by new owners and refinanced, with revised loan facilities now in place with maturity through to 2023.

As a result, the director expects that the parent and fellow subsidiaries will be able to continue to provide the Company with the required inventory and related support to enable the Company to continue with its existing trading operations going forward.

Based on the above, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**2. Accounting policies (continued)**

**2.4 Turnover**

Turnover comprises revenue recognised by the Company in respect the supply of electrical power storage systems for the standby power storage market.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Where the above criteria have not been met at the balance sheet date, the revenue is deferred and shown under accruals and deferred income within creditors.

**2.5 Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

S/Term Leasehold Property	- Straight line over the life of the lease
Plant and machinery	- 20% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income statement.

**2.6 Related party transactions**

The Company is wholly owned by C&D Technologies Inc. Under FRS102 section 33.1A the Company is exempt from disclosing transactions entered into with fellow group members where the transacting party is also wholly owned within the group.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**2. Accounting policies (continued)**

**2.7 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.8 Cash and cash equivalents**

Cash is represented by deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**2. Accounting policies (continued)**

**2.10 Foreign currency translation**

**Functional and presentation currency**

The Company's functional currency is USD. This differs from the presentational currency which is GBP. The directors have concluded that the presentational currency should be GBP, based on the Company's location and registrations.

**Transactions and balances**

Transactions and balances are translated from the functional currency to the presentational currency as follows:

- Assets and liabilities at each balance sheet date are translated at the closing rate at that date.
- Income and expenditure transactions are translated using the relevant monthly exchange rate for the month in which the transaction occurs.
- All resulting exchange differences are recognised in the income statement.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

**2.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

**2.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.13 Interest income**

Interest income is recognised in the profit and loss account using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**2. Accounting policies (continued)**

**2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the director has made the following judgements:

- Determining appropriate provisions for bad and doubtful debts. The Company makes an assessment of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the ageing profile of debtors and historical experience.
- Determining appropriate provisions for slow moving stock. The Company buys and sells electrical power storage systems and it must consider the recoverability of the cost of these goods. When calculating a stock provision, management considers the condition and nature of the stock item and, in the case of the batteries, the maximum number of times they can be re-charged prior to sale before they are rendered obsolete.

There are considered to be no other key sources of estimation uncertainty.

# C&D TECHNOLOGIES (U.K.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

### 4. Turnover

All turnover arises from the Company's principal activity of selling specialist non-automotive batteries and accessories.

Analysis of turnover by country of destination:

	<b>11 months ended 31 December 2017 £</b>	<b>Year ended 31 January 2017 £</b>
United Kingdom	<b>1,273,366</b>	<b>1,528,977</b>
Rest of Europe	<b>881,071</b>	<b>1,621,978</b>
Rest of world	<b>3,353,743</b>	<b>19,460,292</b>
	<b><u>5,508,180</u></b>	<b><u>22,611,247</u></b>

### 5. Other operating income

	<b>11 months ended 31 December 2017 £</b>	<b>Year ended 31 January 2017 £</b>
Other operating income	<b>-</b>	<b>4,497</b>
	<b><u>-</u></b>	<b><u>4,497</u></b>

### 6. Operating profit/(loss)

The operating loss is stated after charging/(crediting):

	<b>11 months ended 31 December 2017 £</b>	<b>Year ended 31 January 2017 £</b>
Depreciation of tangible fixed assets	<b>3,239</b>	<b>3,935</b>
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<b>31,500</b>	<b>30,096</b>
Exchange differences	<b>(53,272)</b>	<b>93,424</b>
Defined contribution pension cost	<b><u>33,148</u></b>	<b><u>23,518</u></b>

# C&D TECHNOLOGIES (U.K.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

### 7. Auditors' remuneration

	11 months ended 31 December 2017 £	Year ended 31 January 2017 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	31,500	30,096
	<u>31,500</u>	<u>30,096</u>

### 8. Employees

Staff costs were as follows:

	11 months ended 31 December 2017 £	Year ended 31 January 2017 £
Wages and salaries	370,920	459,621
Social security costs	12,339	28,819
Cost of defined contribution scheme	33,148	23,518
	<u>416,407</u>	<u>511,958</u>

The director's emoluments and contributions to pension schemes were paid by other companies belonging to the C&D Technologies Inc. group. The qualifying services provided to the Company by the director were incidental to other activities within the group. Accordingly, the director did not receive any remuneration including pension benefits for services as director of the Company during the 11 months period ended 31 December 2017 (year ended 31 January 2017: £Nil)

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

	11 months ended 31 December 2017 No.	Year ended 31 January 2017 No.
Selling and distribution	7	9
Administration	3	3
	<u>10</u>	<u>12</u>

**C&D TECHNOLOGIES (U.K.) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**9. Interest receivable**

	<b>11 months ended 31 December 2017 £</b>	<b>Year ended 31 January 2017 £</b>
Other interest receivable	<b>23</b>	<b>154</b>
	<b><u>23</u></b>	<b><u>154</u></b>

**10. Taxation**

	<b>11 months ended 31 December 2017 £</b>	<b>Year ended 31 January 2017 £</b>
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	-	(45,294)
<b>Total current tax</b>	<b><u>-</u></b>	<b><u>(45,294)</u></b>
<b>Deferred tax</b>		
Current year deferred tax	9,632	-
Adjustments in respect of previous periods	(14,021)	-
<b>Total deferred tax</b>	<b><u>(4,389)</u></b>	<b><u>-</u></b>
<b>Taxation on loss on ordinary activities</b>	<b><u>(4,389)</u></b>	<b><u>(45,294)</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**10. Taxation (continued)**

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is lower than (2017 - the same as) the standard rate of corporation tax in the UK of 19.18% (year ended 31 January 2017 - 20%). The differences are explained below:

	<b>11 months ended 31 December 2017 £</b>	<b>Year ended 31 January 2017 £</b>
Profit/(loss) on ordinary activities before tax	<u><b>55,161</b></u>	<u><b>(153,519)</b></u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.18% (2017 - 20%)	<b>10,578</b>	<b>(30,704)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>291</b>	<b>458</b>
Capital allowances for period/year in excess of depreciation	<b>-</b>	<b>(1,164)</b>
Adjustments to tax charge in respect of prior periods	<b>(14,021)</b>	<b>(45,294)</b>
Unrelieved tax losses carried forward	<b>-</b>	<b>32,204</b>
Other differences leading to an increase (decrease) in the tax charge	<b>(1,237)</b>	<b>(794)</b>
<b>Total tax charge for the period/year</b>	<u><b>(4,389)</b></u>	<u><b>(45,294)</b></u>

**Factors that may affect future tax charges**

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2017 on 7 September 2017. These reduce the standard rate to 17% from 1 April 2020.

Tax losses available to be carried forward by the Company as at 31 December 2017 against future profits are estimated at £228,000 (year ended 31 January 2017: £221,000).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**11. Tangible fixed assets**

	<b>S/Term Leasehold Property £</b>	<b>Plant and machinery £</b>	<b>Furniture, fittings &amp; Office equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 February 2017	<b>21,658</b>	<b>56,311</b>	<b>97,101</b>	<b>175,070</b>
At 31 December 2017	<b>21,658</b>	<b>56,311</b>	<b>97,101</b>	<b>175,070</b>
<b>Depreciation</b>				
At 1 February 2017	<b>21,658</b>	<b>55,267</b>	<b>92,183</b>	<b>169,108</b>
Charge for the period on owned assets	<b>-</b>	<b>1,020</b>	<b>2,219</b>	<b>3,239</b>
At 31 December 2017	<b>21,658</b>	<b>56,287</b>	<b>94,402</b>	<b>172,347</b>
<b>Net book value</b>				
At 31 December 2017	<b>-</b>	<b>24</b>	<b>2,699</b>	<b>2,723</b>
At 31 January 2017	<b>-</b>	<b>1,044</b>	<b>4,918</b>	<b>5,962</b>

**12. Stocks**

	<b>11 months ended 31 December 2017 £</b>	<b>Year ended 31 January 2017 £</b>
Finished goods and goods for resale	<b>2,639,275</b>	<b>1,328,157</b>
	<b>2,639,275</b>	<b>1,328,157</b>

An impairment loss of £33,617 (year ended 31 January 2017: £24,749) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

# C&D TECHNOLOGIES (U.K.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

### 13. Debtors

	31 December 2017 £	31 January 2017 £
Trade debtors	2,186,188	4,167,520
Amounts owed by group undertakings	4,800	-
Other debtors	25,061	-
Prepayments and accrued income	91,483	99,179
Deferred taxation	43,210	38,821
	<u>2,350,742</u>	<u>4,305,520</u>

### 14. Creditors: Amounts falling due within one year

	11 months ended 31 December 2017 £	Year ended 31 January 2017 £
Trade creditors	173,395	154,086
Amounts owed to group undertakings	3,532,279	5,591,796
Taxation and social security	8,310	9,322
Other creditors	8,980	4,115
Accruals and deferred income	279,895	249,436
	<u>4,002,859</u>	<u>6,008,755</u>

Amounts owed to the parent and fellow subsidiary undertakings are unsecured, interest-free and are repayable on demand.

There is a fixed and floating charge over all of the assets of the Company in favour of PNC Bank, National Association.

There is a fixed and floating charge over all of the assets of the Company in favour of Cortland Capital Market Services LLC.



# C&D TECHNOLOGIES (U.K.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

### 15. Financial instruments

	11 months ended 31 December 2017 £	Year ended 31 January 2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	203,835	1,503,282
Financial assets that are debt instruments measured at amortised cost	2,216,049	4,167,520
	<u>2,419,884</u>	<u>5,670,802</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(3,902,825)	(5,977,361)
	<u>(3,902,825)</u>	<u>(5,977,361)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts due from group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors and amounts due to group undertakings.

### 16. Deferred taxation

	2017 £
At beginning of year	38,821
Charged to profit or loss	4,389
<b>At end of year</b>	<u><u>43,210</u></u>

The deferred tax asset is made up as follows:

	31 December 2017 £	31 January 2017 £
Accelerated capital allowances	3,492	4,987
Tax losses carried forward	38,897	32,099
Other short term timing differences	821	1,735
	<u>43,210</u>	<u>38,821</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**17. Share capital**

	<b>11 months ended 31 December 2017 £</b>	<i>Year ended 31 January 2017 £</i>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
2,516,946 Ordinary shares of £1 each	<u><b>2,516,946</b></u>	<u><b>2,516,946</b></u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

**18. Reserves****Profit and loss account**

The profit and loss reserve represents accumulated losses.

**19. Pension commitments**

The Company operates a defined contribution (money purchase) pension scheme for senior managers and employees who previously transferred their pension arrangements from the Johnson Controls Limited pension scheme. The Company also provides a group personal pension scheme which is a defined contribution in nature for the employees who have joined the Company since the acquisition by C&D Technologies Inc. Both schemes are administered by Charlwood Leigh, an independent financial broking service, on behalf of the insurer Standard Life. Contributions to each employee's pension arrangement are charged to the profit and loss account in the year. The charge for the 11 months ended 31 December 2017 was £33,148 (year ended 31 January 2017: £23,518), and £4,831 was accrued at 31 December 2017 (year ended 31 January 2017: £5,886).

**20. Commitments under operating leases**

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>11 months ended 31 December 2017 £</b>	<i>Year ended 31 January 2017 £</i>
Not later than 1 year	<b>35,000</b>	<b>69,409</b>
Later than 1 year and not later than 5 years	<b>-</b>	<b>30,333</b>
	<u><b>35,000</b></u>	<u><b>99,742</b></u>

Lease payments recognised as an expense during the year amounted to £71,951 (2017: £76,093).

## **C&D TECHNOLOGIES (U.K.) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017**

#### **21. Related party transactions**

The Company has not undertaken any transactions with related parties during the period other than fellow members of C&D Technologies Inc. Group.

Such transactions are exempt from disclosure under FRS 102 section 33.1A on the basis that all companies are 100% owned within the group.

The year end balances owed to the group is included within 'amounts owed to group undertakings' in creditors.

#### **22. Controlling party**

The immediate parent company at the balance sheet date was C&D Technologies Inc. which is the parent of the smallest and largest group to consolidate these financial statements and is incorporated in the United States of America. Copies of C&D Technologies Inc. consolidated financial statements can be requested from 1400 Union Meeting Road, Blue Bell, Pennsylvania 19422-0858.  
KPS Capital Partners LP is the ultimate parent undertaking and controlling party.