

Robert Bosch Limited

Annual report and financial statements for the year ended 31 December 2015

Company Number: SC013418

Incorporated: 8 December 1924

THURSDAY



S5FK8BUX
SCT 15/09/2016 #106
COMPANIES HOUSE

Company information for the year ended 31 December 2015

Directors	Dr. S. Hoffmann Mr. A. Srinivasan Mr. J. Burton
Company secretary	Mr. J. Burton
Company number	SC013418
Registered office	C/o Bosch Rexroth Viewfield Industrial Estate Glenrothes KY6 2RD
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Atrium 1 Harefield Road Uxbridge Middlesex UB8 1EX

Contents

	Page
Strategic Report	3
Directors' Report	6
Independent auditors' report to the members of Robert Bosch Limited	9
Profit and Loss Account	12
Statement of Comprehensive Income	13
Balance Sheet	14
Statement of Changes in Equity	15
Notes to the financial statements	16

Strategic report for the year ending 31 December 2015

(All amounts in £ thousands unless otherwise stated)

The directors present their strategic report on the Company for the year ended 31 December 2015.

Principal activities

The company's principal activity during the year was the sales, marketing, distribution and servicing of power tools and automotive products purchased mainly from within the Robert Bosch group of companies.

Review of the business

In 2015, turnover increased from £248,865 to £258,249 and profit from ordinary activities before taxation decreased from a profit of £6,655 in 2014 to a profit on ordinary activities before taxation of £5,765...

The underlying operating profit has decreased from £6,906 to £6,191. The increased sales performance was offset by a mix change in the business where high margin aftermarket sales suffered due to market pressures. The company continues to successfully manage and monitor its controllable overheads which reduced despite turnover increase.

The Denham business, and in particular its automotive division, remain a key component in the success of the UK business which on the whole continues to exceed budgeted results.

Principal risks and uncertainties

a) Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

b) Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will continue to revisit the appropriateness of this policy should the company's operations change in size or nature.

c) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set by the board. The utilisation of credit limits is regularly monitored. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

d) Liquidity risk

The company currently has no requirements for debt finance outside the Robert Bosch Group.

Strategic Report for the year ended 31 December 2015 (continued)

(All amounts in £ thousands unless otherwise stated)

e) Interest rate cash flow risk

The company has interest bearing assets in the form of cash-pool balances held by Robert Bosch Holdings Malta Limited. The interest bearing assets are in the form of cash balances, the interest rate received on these balances is at the market rate. The company has a policy of maintaining debt at a fixed rate to ensure the certainty of future cash flows. These policies thereby limit the interest rate and cash flow risk.

Key performance indicators

The Company has consolidated its performance during 2015 and continues to develop future growth by successfully distributing products and servicing its customers. Progress is monitored by the board and the divisional directors by reference to the following KPIs:

	2015	2014	
Growth in sales (%)	3.8	9.4	Year on year sales growth expressed as a percentage.
Operating margin (%)	2.4	2.8	Operating margin is the ratio of operating profit (before exceptional items) to sales, expressed as a percentage.
Return on invested capital (%)	24.0	28.8	Operating profit expressed as a percentage of net assets (excluding pension deficit).
Value added per employee (£'000)	72	72	Value added is turnover less cost of material, divided by average employee capacity.

Environmental matters

In accordance with the Bosch core values, the Company continues to understand and improve its impact on the environment. This includes, but is not limited to, regular reviews of energy and packaging usage, developing products that are power efficient, and capital expenditure on its assets to improve overall efficiency.

Transition to FRS 101

During 2015, the company adopted new UK GAAP and elected to prepare these financial statements under FRS 101. This was accepted by the board of directors on 14 September 2015. Therefore, in these financial statements, the Company has adopted FRS 101 for the first time.

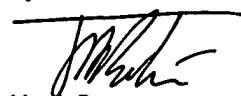
Accordingly, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006. Note 1 sets out where advantage of the FRS 101 disclosure exemptions has been taken.

Strategic Report for the year ended 31 December 2015 (continued)

(All amounts in £ thousands unless otherwise stated)

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 27.

By order of the board



Mr. J. Burton

Company Secretary

13 September 2016

Directors' Report for the year ended 31 December 2015

(All amounts in £ thousands unless otherwise stated)

The directors present their Report and the audited financial statements of the Company for the year ended 31 December 2015.

Future developments

The company has taken the decision as allowed under s414C of the Companies Act 2006 not to disclose information about impending developments or matters in the course of negotiation as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the company.

Proposed dividend

The directors have proposed a final ordinary dividend in respect of the current financial year of 80.9p per share. This has not been included within creditors as it was not approved before the year end.

Dividends paid during the year comprise a final dividend of 1.76p per share in respect of the previous year ended 31 December 2014.

Directors

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

Dr. K. P. Fouquet (resigned 1 April 2015)
Dr. S. Hoffmann (appointed 11 February 2015)
Mr. A. Srinivasan (appointed 1 April 2015)
Mr. J. Burton

Employees

The Company is an equal opportunities employer. Applications for employment are always fully considered irrespective of gender, ethnic origin, race, religion, sexual orientation or disability.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective attitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through the in-house newspaper and newsletters, briefing groups and the distribution of the annual report.

Political contributions

There were no political donations during the year (2014: £Nil).

Qualifying third-party and pension scheme indemnity provisions

The Robert Bosch group maintains liability insurance for its directors and officers. The group has also provided an indemnity for its directors and secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This indemnity was in place during the financial year and continues to be in place at the date of the approval of these financial statements.

Directors' Report for the year ended 31 December 2015 (continued)

(All amounts in £ thousands unless otherwise stated)

Post balance sheet events

Subsequent to the balance sheet date, there were no significant events arising requiring disclosure in these financial statements.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Other information

The Company has taken the decision as allowed under s414C of the Companies Act 2006 not to disclose information about impending developments or matters in the course of negotiation as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the Company.

Directors' Report for the year ended 31 December 2015 (continued)

(All amounts in £ thousands unless otherwise stated)

Independent Auditors

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

By order of the board



Mr. J. Burton

Company Secretary

13 September 2016

Independent auditors' report to the members of Robert Bosch Limited

Report on the financial statements

Our opinion

In our opinion, Robert Bosch Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2015;
- the Profit and Loss Account and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Independent auditors' report to the members of Robert Bosch Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Independent auditors' report to the members of Robert Bosch Limited (continued)

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Alex Hookway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
13 September 2016

Profit and Loss Account for the year ended 31 December 2015

(All amounts in £ thousands unless otherwise stated)

		Year ended 31 December	
	Note	2015	2014
Continuing operations			
Turnover	3	258,249	248,865
Cost of sales		(240,941)	(228,318)
Gross profit		17,308	20,547
Distribution costs		(5,287)	(5,633)
Administrative expenses		(6,769)	(8,035)
Other operating income	4	939	27
Operating profit	5	6,191	6,906
Other interest receivable and similar income	8	41	116
Interest payable and similar charges	9	(467)	(367)
Profit on ordinary activities before taxation		5,765	6,655
Tax on profit on ordinary activities	0	(1,928)	(1,346)
Profit for the financial year		3,837	5,309

The notes on pages 16 to 41 form an integral part of these financial statements.

Statement of Comprehensive Income

(All amounts in £ thousands unless otherwise stated)

		Year ended 31 December	
	Note(s)	2015	2014
Profit for the financial year		3,837	5,309
Other comprehensive income/(expense) : items that are or may be reclassified subsequently to profit and loss			
Actuarial gains/(losses) on pension scheme	19	4,830	(6,431)
Movement on deferred tax relating to pension deficit	17	(966)	1,286
Movement on deferred tax relating to change in tax rates		(179)	-
Other comprehensive income/(expense) for the year, net of tax		3,685	(5,145)
Total comprehensive income for the year		7,522	164

The notes on pages 16 to 41 form an integral part of these financial statements.

Balance Sheet

(All amounts in £ thousands unless otherwise stated)

	Note	As at 31 December 2015	As at 31 December 2014
Fixed assets			
Tangible assets	11	2,469	3,360
		2,469	3,360
Current assets			
Stocks	12	1,957	2,137
Debtors (including £8 (2014: £8) due after more than one year)	13	59,811	62,297
Cash at bank and in hand	14	11,366	4,946
		73,134	69,380
Creditors : amounts falling due within one year	15	(42,974)	(44,604)
Net current assets		30,160	24,776
Total assets less current liabilities		32,629	28,136
Creditors : amounts falling due after more than one year	16	-	(274)
Provisions for liabilities			
Other provisions	18	(6,854)	(3,882)
Pension liability	19	(8,953)	(14,516)
		(15,807)	(18,398)
Net assets		16,822	9,464
Capital and reserves			
Called up share capital	20	9,300	9,300
Other reserves		-	-
Profit and loss account		7,522	164
Total shareholders' funds		16,822	9,464

The notes on pages 16 to 41 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 13 September 2016 and were signed on its behalf by:



Dr. S. Hoffmann
Director

Robert Bosch Limited
Registered no. SC013418

Statement of Changes in Equity for the year ended 31 December 2015

(All amounts in £ thousands unless otherwise stated)

	Note(s)	Called up share capital	Other reserves	Profit and loss account	Total share- holders' funds
Balance as at 1 January 2014		9,300	12,000	2,775	24,075
Profit for the financial year		-	-	5,309	5,309
Other comprehensive (expense)/income for the year:					
Actuarial losses on pension scheme	19	-	-	(6,431)	(6,431)
Movement on deferred tax relating to pension deficit	0, 17	-	-	1,286	1,286
Total comprehensive income for the year		-	-	164	164
Dividends		-	-	(14,775)	(14,775)
Transfer to income statement reserve		-	(12,000)	12,000	-
Total transactions with owners, recognised directly in equity		-	(12,000)	(2,775)	(14,775)
Balance as at 31 December 2014		9,300	-	164	9,464
Balance as at 1 January 2015		9,300	-	164	9,464
Profit for the financial year		-	-	3,837	3,837
Other comprehensive Income/ (expense) for the year:					
Actuarial gains on pension scheme	19	-	-	4,830	4,830
Movement on deferred tax relating to pension deficit	0, 17	-	-	(1,145)	(1,145)
Total comprehensive income for the year		-	-	7,522	7,522
Dividends	20	-	-	(164)	(164)
Total transactions with owners, recognised directly in equity		-	-	(164)	(164)
Balance as at 31 December 2015		9,300	-	7,522	16,822

The notes on pages 16 to 41 form an integral part of these financial statements.

Notes to the financial statements

(All amounts in £ thousands unless otherwise stated)

1 Accounting policies

Robert Bosch Limited is a Company incorporated and domiciled in the United Kingdom.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has adopted FRS 101 for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 27.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Fair value or revaluation as deemed cost – at 1 January 2015, fair value has been used as deemed cost for properties previously measured at fair value.

The Company's ultimate parent undertaking, Robert Bosch GmbH includes the Company in its consolidated financial statements. The consolidated financial statements of Robert Bosch GmbH are available to the public and may be obtained from Robert Bosch GmbH, Robert Bosch Platz 1, Gerlingen-Schillerhöhe, D-70049 Stuttgart, Germany.

The financial statements of Robert Bosch Limited have been prepared in accordance with Financial Reporting Standard 01, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

In these financial statements the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for tangible fixed assets, intangible assets and investment properties;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy; and
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Robert Bosch GmbH include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

- certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- disclosures required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- certain disclosures required by IFRS 3 *Business combinations* in respect of the business combinations by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

Judgements have been made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.1 Measurement convention

The financial statements are prepared under the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through the profit or loss or as available for sale and investment property. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

1.2 Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent undertaking, Robert Bosch GmbH. The directors have received confirmation that Robert Bosch GmbH intends to support the company for at least 12 months from the date of signing the financial statements.

1.3 Foreign currency

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

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the fair value less attributable transaction cost. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.6 Tangible fixed assets

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

Certain items of fixed assets that had been revalued to fair value on prior to 1 January 2015, the date of transition to FRS 101, are measured on the basis of the deemed cost, being the revalued amount at the date of that revaluation.

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

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|---|---|
| • Long-term leasehold property and improvements | The anticipated term of the lease or a period of 10 years, whichever is shorter |
| • Plant, equipment and furniture | 3-10 years |

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7 Intangible assets

Goodwill

Goodwill is stated at cost less accumulated amortisation less any accumulated impairment losses. Goodwill is allocated to cash-generating units.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Negative goodwill

Negative goodwill arising on business combinations in respect of acquisitions is included within fixed assets and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered, whether through depreciation or sale. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete the development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the costs of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of an intangible assets acquired in a business combination is its fair value at the acquisition date.

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

1.8 Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.10 Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks, investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset of cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "Cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are segregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of other assets in the unit (group of units) on a pro-rate basis.

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

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

1.11 Employee benefits

Defined contribution plans

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

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated (separately for each plan) by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least A that have maturity dates approximating the terms of the Company's obligations and that are determined in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Company's employees are members of a defined benefit pension plan that incorporates several of the Bosch UK entities. The net defined benefit cost of the plan is charged to participating entities with reference to actual employer contributions to scheme assets and actuarial valuations of the pension liability based on members of the participating employer.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

1.12 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.13 Turnover

Turnover from the supply of products and goods or from the provision of services is recognised when title and risk is transferred to the purchaser, less sales deductions. Interest and lease income is recorded according to the contractual agreement and, where appropriate, accrued pro rata temporis. In the case of finance leases, the payments are divided up using actuarial methods.

1.14 Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit and loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.15 Taxation

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

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value deferred tax is provided at the rate applicable to the sale of the property except for that part of the property that is depreciable and the Company's business model is to consume substantially all of the value through use. In the latter case the tax rate applicable to income is used.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2 Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment and note 1.6 for the useful economic lives for each class of assets.

b) Impairment of trade receivables

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and the historical experience. See note 13 for the net carrying amount of the receivables and associated impairment provision.

c) Defined benefit pension

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 19 for the disclosures of the defined benefit pension scheme.

3 Turnover

Analysis of revenue by activity:	2015	2014
Sale of goods	246,921	245,623
Rendering of services	11,328	3,242
	258,249	248,865
<hr/>		
Analysis of revenue by geographical market:	2015	2014
United Kingdom	258,249	248,865
	258,249	248,865

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

4 Other operating income

	Note	2015	2014
Transfer pricing adjustments on inter-company trading	18	1,191	898
Write-off unrecoverable tax balances		-	(744)
Foreign exchange losses		(255)	(62)
Net result/(loss) on disposal of tangible fixed assets	11	-	(114)
Other		3	49
		939	27

5 Expenses and auditors' remuneration

Included in profit/loss are the following:

	2015	2014
Staff costs	38,635	31,904
Depreciation of owned tangible fixed assets:	1,049	888
Operating lease charges:		
- Plant and machinery	1,791	1,774
- Other	3,177	2,987
Restructuring costs expensed as incurred – included in administrative expenses	5,453	-
Release of provisions unutilised	(1,771)	-

Auditors' remuneration

	2015	2014
Audit of these financial statements	100	100
Amounts receivable by the Company's auditors and its associates in respect of:		
All other services	2	-
	102	100

Amounts receivable by the Company's auditors and its associates in respect of the audit of the financial statements of the associated pension schemes is £nil (2014: £nil).

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

6 Staff numbers and costs

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

By activity	2015 Number	2014 Number
Distribution	77	85
Administration	476	471
	553	556

The aggregate payroll costs of these persons was as follows:

	2015	2014
Wages and salaries	33,983	27,404
Social security costs	3,262	3,162
Contributions to defined contribution plans	924	972
Expenses related to defined benefit plans	466	366
	38,635	31,904

7 Directors' remuneration

	2015	2014
Directors' remuneration	567	656
Company contributions to money purchase plans	14	37
	581	693

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £200 (2014: £304), and Company pension contributions of £13 (2014: £nil) were made to a money purchase scheme on his/her behalf.

	Number of directors	
	2015	2014
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	-
Defined benefit schemes	-	2

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

8 Other interest receivable and similar income

	2015	2014
Interest income on unimpaired financial assets	41	116
Total interest receivable and similar income	41	116

Interest receivable and similar income includes income from group undertakings of £nil (2014: £nil).

9 Interest payable and similar charges

	2015	2014
Net interest on defined benefit pension plan liabilities	467	365
Other	-	2
Total other interest payable and similar charges	467	367

Interest payable and similar charges includes interest payable and similar on bank loans and overdrafts of £nil (2014: £nil) and on all other loans of £1 (2014: £1). Of the above amount £nil (2014: £nil) was payable to group undertakings.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

10 Tax on profit on ordinary activities

Recognised in the profit and loss account

	2015	2015	2014	2014
<i>UK corporation tax</i>				
Current tax on income for the year	1,612		640	
Adjustments in respect of prior periods	77		(273)	
Total current tax		1,689		367
<i>Deferred tax (see note 17)</i>				
Origination and reversal of timing differences	(281)		1,091	
Impact of change in tax rate	397		(76)	
Adjustments in respect of prior periods	123		(36)	
Total deferred tax		239		979
Tax on profit on ordinary activities		1,928		1,346

Tax charge for the year is higher (2014: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2015 of 20.25% (2014: 21.49%). The differences are explained below:

Reconciliation of effective tax rate

	2015	2014
Profit for the financial year	3,837	5,309
Tax on profit on ordinary activities	1,928	1,346
Profit on ordinary activities before taxation	5,765	6,655
Tax using the corporation tax rate of 20.25% (2014: 21.49%)	1,167	1,430
Depreciation on ineligible assets	35	39
Reduction in tax rate on deferred tax balances	376	(76)
Non-deductible expenses	150	262
Adjustments in respect of prior periods	200	(309)
Total tax charge (including tax on discontinued operations)	1,928	1,346

The tax rate for the current year is lower than the prior year due to changes in the Corporation tax rate which decreased from 21.00% to 20.00% from 1 April 2015.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Further reductions to the Corporation tax rate were substantively enacted as part of the Finance Bill 2015 on 26 October 2015. These reduce the Corporation tax rate to 19.00% from 1 April 2017 and to 18.00% from 1 April 2020. The deferred tax asset at 31 December 2015 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

11 Tangible fixed assets

	Long-term leasehold property and improvements	Plant and machinery	Total
Cost			
Balance at 1 January 2015	7,405	6,062	13,467
Additions	19	139	158
Disposals	(109)	(184)	(293)
Balance at 31 December 2015	7,315	6,017	13,332
Accumulated depreciation and impairment			
Balance at 1 January 2015	6,143	3,964	10,107
Depreciation charge for the year	315	734	1,049
Disposals	(109)	(184)	(293)
Balance at 31 December 2015	6,349	4,514	10,863
Net book value			
At 31 December 2014	1,262	2,098	3,360
At 31 December 2015	966	1,503	2,469

Land and buildings

The net book value of land and buildings comprises:

	2015	2014
Long leasehold	744	1,262
	744	1,262

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

12 Stocks

	2015	2014
Finished goods and goods for resale	1,957	2,137
	1,957	2,137

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £217,992 (2014: £208,040). The write-down of stocks to net realisable value amounted to £Nil (2014: £6). The reversal of write-downs amounted to £Nil (2014: £Nil). The write-down and reversal are included in cost of sales.

13 Debtors

	2015	2014
Trade debtors	40,807	34,049
Amounts owed by group undertakings	12,662	20,381
Other debtors	306	996
Deferred tax assets (see note 17)	4,970	6,354
Prepayments and accrued income	1,066	517
	59,811	62,297
Due within one year	59,803	62,289
Due after more than one year	8	8

14 Cash at bank and in hand

	2015	2014
Cash at bank and in hand	11,366	4,946
	11,366	4,946

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

15 Creditors : amounts falling due within one year

	2015	2014
Trade creditors	2,067	2,965
Amounts owed to group undertakings	19,875	21,302
Taxation and social security	2,803	2,471
Accruals and deferred income	18,229	17,866
	42,974	44,604

16 Creditors : amounts falling due after more than one year

	2015	2014
Accruals and deferred income	-	274
	-	274

17 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
Tangible fixed assets	(1,910)	(2,459)	-	-	(1,910)	(2,459)
Financial assets	(102)	(118)	-	-	(102)	(118)
Employee benefits	(1,622)	(2,912)	-	-	(1,622)	(2,912)
Provisions	(1,336)	(865)	-	-	(1,336)	(865)
Tax (assets) and liabilities	(4,970)	(6,354)	-	-	(4,970)	(6,354)
Net of tax liabilities/(assets)	-	-	-	-	-	-
Net tax (assets)/liabilities	(4,970)	(6,354)	-	-	(4,970)	(6,354)

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Movement in deferred tax assets during the year

	1 January 2015	Recognised in income	Recognised in equity	31 December 2015
Tangible fixed assets	(2,459)	549	-	(1,910)
Financial assets	(118)	16	-	(102)
Employee benefits	(2,912)	145	1,145	(1,622)
Provisions	(865)	(471)	-	(1,336)
Tax (assets) and liabilities	(6,354)	239	1,145	(4,970)
Net of tax liabilities/(assets)	-	-	-	-
Net tax (assets)/liabilities	(6,354)	239	1,145	(4,970)

Movement in deferred tax assets during the prior year

	1 January 2014	Recognised in income	Recognised in Equity	31 December 2014
Tangible fixed assets	(2,890)	431	-	(2,459)
Financial assets	(118)	-	-	(118)
Employee benefits	(1,784)	158	(1,286)	(2,912)
Provisions	(1,255)	390	-	(865)
Tax (assets) and liabilities	(6,047)	979	(1,286)	(6,354)
Net of tax liabilities/(assets)	-	-	-	-
Net tax (assets)/liabilities	(6,047)	979	(1,286)	(6,354)

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

18 Other provisions

	Dilapidation provision	Warranty provision	Property lease commitments	Reorganisa- tion provision	Total
Balance as at 1 January 2015	1,907	1,698	277	-	3,882
Provisions made during the year	-	79	60	5,425	5,564
Provisions used during the year	-	(821)	-	-	(821)
Provisions reversed during the year	(1,647)	-	(124)	-	(1,771)
Balance as at 31 December 2015	260	956	213	5,425	6,854

Dilapidation provision

The provision for dilapidations relates to expected costs to bring the leasehold properties to their original condition under contractual obligations existing at the balance sheet date. As a result of the purchase of the Denham property from a third party by Robert Bosch Holdings UK Limited (the company's immediate parent), the Denham property was subsequently leased to the company.

The brought forward provision relating to the Denham site was released as any contractual obligation to restore the property to its original condition does not represent an outflow of resources to a third party. Remaining dilapidations relate to other leasehold properties. It is expected that the majority of this expenditure will be incurred within five years of the balance sheet date.

Warranty provision

The provision for product warranties relates to expected warranty claims on products sold in the last three years. It is expected that the majority of this expenditure will be incurred in the next financial year and the balance will be incurred within four years of the balance sheet date.

Property lease commitments

The provision for property lease commitments relates to costs arising on vacant property leases.

Reorganisation provision

The provision for reorganisation relates to costs arising due to the decision taken to move the warehousing function of the company from the Denham site to a more central UK location.

An agreement was reached with associates, which specifies the number of staff involved and the redundancy compensation package offered as well as amounts to be paid to those involved. The estimated staff restructuring costs to be incurred are £5,425 at 31 December 2015.

These costs were fully provided for in 2015. It is expected that the majority of this expenditure will be incurred within the next financial year and any balance within two years of the balance sheet date.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

19 Employee benefits

The Company operates a number of pension schemes for its employees.

Defined contribution scheme

The Company established a money purchase plan in April 1990. The plan's assets are held independently from the Company and invested in managed funds operated by major financial institutions. Any employee can contribute to the scheme; the Company will match the employee's contribution, subject to a limit, where the limit is dependent upon the length of time each employee has been a member of the scheme. The pension charge for the year was £924 (2014: £972). No prepayments or accruals have been made in respect of this scheme (2014: £Nil).

In accordance with legislation, the Company has adopted the requirements of auto-enrolment under the defined contribution scheme.

Defined benefit scheme

The Company participates in a defined benefit scheme providing benefits based on final pensionable pay that runs for Bosch group companies called the Bosch UK Retirement Benefits Scheme (BUK RBS). The assets of pension scheme are held separately from those of the Company. The amounts in the financial statements, relating to this pension scheme, are based on a full actuarial valuation dated 31 December 2015. It was agreed by the companies participating in the scheme that the assets and liabilities would be allocated as follows:

Changes in scheme assets / liabilities	Treatment
Current service cost	Actual
Member contributions	Actual
Past benefit costs/curtailments	Actual
Interest cost	Apportionment based on beginning of year scheme liabilities and current service cost, member contributions and benefits paid over year
Employer and member contributions	Actual
Benefits paid	Actual
Expected return on assets	Apportionment based on beginning of year scheme assets and contributions net of benefits paid over the year
Actuarial gains/(losses)	Apportionment in line with expected return

The actuarial valuation of BUK RBS described above used the projected unit basis and has been updated at 31 December 2015 by a qualified independent actuary, AON Hewitt, using revised assumptions that are consistent with the requirements of IAS19 *Employee Benefits*. Under the definitions set out in IAS19, the BUK RBS is a multi-employer pension scheme. The deficit for the scheme as a whole at 31 December 2015 is £36,825 (2014: £60,537).

The information disclosed below is in respect of the whole of the plan for which the company is either the sponsoring employer or has been allocated a share of the cost under an agreed group policy throughout the periods shown.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Movements in net defined liability/asset

	Defined benefit obligation		Fair value of plan assets		Net defined liability	
	2015	2014	2015	2014	2015	2014
Balance at 1 January	(65,836)	(55,679)	51,320	46,759	(14,516)	(8,920)
Included in profit or loss:						
Interest (cost)/income	(2,150)	(2,408)	1,683	2,043	(467)	(365)
	(67,986)	(58,087)	53,003	48,802	(14,983)	(9,285)
Included in OCI:						
Remeasurements (loss)/gain:						
Actuarial (loss)/gain arising from						
- Changes in demographic assumptions	(335)	-	-	-	(335)	-
- Changes in financial assumptions	6,023	(9,428)	-	-	6,023	(9,428)
- Experience adjustment	(87)	(156)	-	-	(87)	(156)
Return on plan assets excluding interest income	-	-	(771)	3,153	(771)	3,153
	(62,385)	(67,671)	52,232	51,955	(10,153)	(15,716)
Other						
Contributions paid by the employer	-	-	1,200	1,200	1,200	1,200
Benefits paid	3,362	1,835	(3,362)	(1,835)	-	-
Balance at 31 December	(59,023)	(65,836)	50,070	51,320	(8,953)	(14,516)

Plan assets

The fair value of the plan assets was:

	2015	2014
Equity instruments	20,580	20,477
Debt instruments	25,604	27,906
Insurance contracts	2,848	1,933
Other	1,038	1,004
Total	50,070	51,320

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by European governments and AAA- or AA-rated. All other plan assets are not quoted in an active market.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2015	2014
	%	%
Discount rate at 31 December	3.75	3.35
Future salary increases	2.70	3.80
Future pension increases		
RPI (min 0%, max 5%)	3.15	3.10
RPI (min 0%, max 5%)	3.60	3.65
RPI (min 0%, max 5%)	2.55	2.40
Inflation	2.20	2.20

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	Male	Female
	(Years)	(Years)
Current pensioner at age 65:	22.0	21.8
Future retiree aged 45 upon reaching 65:	23.7	23.6

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the discount rate.

	2015	2014
Discount rate at 31 December – 3.75% (2014: 3.35%)	59,023	65,836
Discount rate at 31 December – 4.25% (2014: 3.85%)	54,547	59,907
Discount rate at 31 December – 3.25% (2014: 2.85%)	63,992	72,534

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 1 January 2015 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst an analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

20 Capital and reserves

Called up share capital

In thousands of shares	Ordinary shares	
	2015	2014
On issue at 1 January	9,300	9,300
On issue at 31 December – fully paid	9,300	9,300
Allotted, called up and fully paid	2015	2014
Ordinary shares of £1 each	9,300	9,300
	9,300	9,300

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

Dividends

The following dividends were recognised during the year:

	2015	2014
Interim dividend for 2015: Nil p (2014: 129.03p) per qualifying ordinary share	-	12,000
Final dividend for 2014: 1.76p (2014: final dividend for 2013 : 29.84p) per qualifying ordinary share	164	2,775
	164	14,775

After the balance sheet date dividends of 80.9p per qualifying ordinary share (2014: 1.76p) were proposed by the directors. The dividends have not been provided for.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

21 Operating leases

At 31 December 2015, the company had aggregate commitments under non-cancellable operating leases as follows:

	2015	2014
<i>Land and buildings:</i>		
Less than one year	2,953	2,832
Between one and five years	5,653	8,061
More than five years	-	-
	8,606	10,893
<i>Other:</i>		
Less than one year	1,202	1,155
Between one and five years	1,478	1,241
More than five years	-	-
	2,680	2,396
	11,286	13,289

During the year £4,968 was recognised as an expense in the profit and loss account in respect of operating leases (2014: £4,761).

22 Commitments

Capital commitments

There are no capital commitments outstanding at the end of the financial year (2014: nil).

23 Contingencies

There are no contingent liabilities.

24 Related parties

Under FRS 101.8 j) and k) the company is exempt from Related Party Disclosures as required in paragraph 17 of IAS24 and those 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.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

25 Ultimate parent Company and parent Company of larger group

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Robert Bosch GmbH, a Company incorporated in Germany. Copies of Robert Bosch GmbH consolidated financial statements can be obtained from Robert Bosch GmbH, Robert Bosch Platz 1, Gerlingen-Schillerhöhe, D-70049 Stuttgart, Germany.

The ultimate controlling party is Robert Bosch GmbH.

26 Subsequent events

Subsequent to the balance sheet date, there were no events that are not disclosed in these financial statements.

27 Explanation of transition to FRS 101 from old UK GAAP

As stated in Note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 31 December 2013 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

		1 January 2014			31 December 2014		
			Effect of trans- ition to			Effect of trans- ition to	
	Note	UK GAAP	FRS 101	FRS 101	UK GAAP	FRS 101	FRS 101
Fixed assets							
Tangible assets		3,410	-	3,410	3,360	-	3,360
		3,410	-	3,410	3,360	-	3,360
Current assets							
Stocks		2,073	-	2,073	2,137	-	2,137
Trade debtors		36,914	-	36,914	34,049	-	34,049
Amounts owed by group undertakings		22,334	-	22,334	20,381	-	20,381
Other debtors		473	-	473	996	-	996
Deferred tax asset	a	4,263	1,784	6,047	3,451	2,903	6,354
Prepayments and accrued income		465	-	465	517	-	517
Cash at bank and in hand		24,941	-	24,941	4,946	-	4,946
		91,463	1,784	93,247	66,477	2,903	69,380
Creditors : amounts falling due within one year							
Trade creditors		(6,283)	-	(6,283)	(2,965)	-	(2,965)
Amounts owed to group undertakings		(31,865)	-	(31,865)	(21,302)	-	(21,302)
Taxation and social security		(1,779)	-	(1,779)	(2,471)	-	(2,471)
Accruals and deferred income		(19,838)	-	(19,838)	(17,866)	-	(17,866)
		(59,765)	-	(59,765)	(44,604)	-	(44,604)
Net current assets/(liabilities)		31,698	1,784	33,482	21,873	2,903	24,776
Total assets less current liabilities		35,108	1,784	36,892	25,233	2,903	28,136
Creditors : amounts falling due after more than one year							
Other creditors		(270)	-	(270)	(274)	-	(274)
		(270)	-	(270)	(274)	-	(274)
Provisions for liabilities							
Other provisions		(3,627)	-	(3,627)	(3,882)	-	(3,882)
Pension liability		(7,136)	(1,784)	(8,920)	(11,613)	(2,903)	(14,516)
		(10,763)	(1,784)	(12,547)	(15,495)	(2,903)	(18,398)
Net assets/(liabilities)		24,075	-	24,075	9,464	-	9,464

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

	Note	1 January 2014			31 December 2014		
		UK GAAP	Effect of transition to FRS 101	FRS 101	UK GAAP	Effect of transition to FRS 101	FRS 101
Capital and reserves							
Called up share capital		9,300	-	9,300	9,300	-	9,300
Other reserves		12,000	-	12,000	-	-	-
Profit and loss account		2,775	-	2,775	164	-	164
Total shareholders' funds		24,075	-	24,075	9,464	-	9,464

Notes to the reconciliation of equity

- a) Under UK GAAP, pension accounting was previously disclosed in accordance with FRS 17 "Retirement benefits". Following the adoption of FRS 101, pension accounting now is in accordance with IAS 19 "Employee benefits". This does not change the balance sheet treatment of pension balances but FRS 101 requires the disaggregation of balances so that informational content is not lost through setting off related balances. Previously, deferred tax balances in relation to the defined benefit pension scheme was off-set against the pension liability. This has now been reclassified so as to include the deferred tax asset with other deferred tax balances.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Reconciliation of profit/(loss) for 2014

	Note	2014	
		UK GAAP	Effect of transition to FRS 101
			FRS 101
Turnover		248,865	-
Cost of sales		(228,318)	-
Gross profit		20,547	-
Distribution costs		(5,633)	-
Administrative expenses		(8,035)	-
Other operating income/(expense)		27	-
Operating profit/(loss)		6,906	-
Other interest receivable and similar income	d	519	(403)
Interest payable and similar charges	c	(119)	(248)
Profit/(loss) on ordinary activities before taxation	b	7,306	(651)
Tax on profit/(loss) on ordinary activities	e	(1,476)	130
Profit/(loss) for the financial year		5,830	(521)
Actuarial (loss)/gain on pension scheme	f	(7,082)	651
Movement on deferred tax relating to pension deficit	g	1,416	(130)
Total comprehensive income		164	-

Notes to the reconciliation of profit/(loss)

- b) The adoption of IAS 19 to replace FRS 17 requires a restatement of the net interest on the net defined liability charged to the profit and loss statement. Previously this was recorded as a credit of £285,000 under FRS 17. This has been replaced by a charge of £366,000 under IAS 19, resulting in an adjustment of £651,000.
- c) This adjustment reflects the booking of the £651,000 referred to in (b), offset by the reclassification of interest income and expense incurred in 2014 of £403,000. This has been undertaken to comply with FRS 101 disclosure note requirements, remove off-setting specifically disallowed by FRS 101, and ease consistency with 2015 treatment under FRS 101.
- d) See note (c).
- e) As FRS 101 disclosure of pension resulted in adjustments to profit for the financial year, amendment was also required to the tax charge for the financial year.
- f) The adoption of IAS 19 to replace FRS 17 requires an additional restatement of the actuarial loss on the pension scheme in the statement of comprehensive income. Previously this was recorded as a charge of £7,082,000 under FRS 17. This has been replaced by a charge of £6,431,000 under IAS 19, resulting in an adjustment of £651,000. This is equal and opposite to the profit and loss adjustment in (b) and results in a nil effect on total comprehensive income, and therefore equity, after the effects of taxation.
- g) Movement of charge from the statement of comprehensive income to the profit and loss account under IAS 19, results in a similar adjustment to the taxation charge (see note e)).