Robert Bosch Limited

Annual report and financial statements for the year ended 31 December 2019

Company Number: SC013418

Incorporated: 8 December 1924

Company information for the year ended 31 December 2019

Directors	J. Burton S. Hoffmann A. Srinivasan
Company secretary	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

Strategic report for the year ended 31 December 2019

(All amounts in £ thousands unless otherwise stated)

The directors present their strategic report for the year ended 31 December 2019.

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 2019, revenue increased from £329,578 to £360,417 and profit before income taxation increased from a profit of £4,201 in 2018 to a profit before income taxation of £7,818. Continued good development from Automotive Aftermarket was underpinned by the new battery business model and availability of key products in a tight market. Challenging conditions continued in the Power Tool sales division where a highly competitive market and strong competitors impacted on pricing. Bosch Engineering Group benefited from double-digit growth with key customers. Profit before taxation increased as a result of improved margin from trading. Also in 2019 the effect of GMP equalisation to the Robert Bosch pension funds booked in 2018 was reduced following actuarial advice. Operating profit has increased from £4,403 to £8,472.

The statement of financial position at the end of the year declined from prior year as the net asset position of the business was reduced due to a large dividend payment to the parent company.

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.

Strategic report for the year ended 31 December 2019 (continued)

(All amounts in £ thousands unless otherwise stated)

Key performance indicators

The company has consolidated its performance during 2019 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:

	2019	2018	
Growth in sales (%)	**9.4**	2.7	Year on year sales growth expressed as a percentage.
Operating margin (%)	**1.4**	1.6	Operating margin is the ratio of operating profit (before exceptional items) to sales, expressed as a percentage.
Return on invested capital (%)	**21.3**	18.1	Operating profit expressed as a percentage of net assets (excluding pension deficit).
Value added per employee (£'000)	**81**	162	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.

Going concern

The ultimate parent company, Robert Bosch GmbH, has confirmed it will provide financial support as necessary for the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

By order of the board

J. Burton
Company Secretary

16 July 2020

Strategic report for the year ended 31 December 2019 (continued)

(All amounts in £ thousands unless otherwise stated)

d) Liquidity risk

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

e) Interest rate cash flow risk

The company has interest bearing assets in the form of cash-pool balances held by Robert Bosch UK Holdings 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.

COVID-19 developments

On March 23, 2020 the United Kingdom government extended previous guidance in response to the Covid-19 virus with a series of actions becoming effective immediately. There is a general consensus that these actions will have a wide range of severe impacts, which are uncertain as of today, both in their severity and their duration.

Local Management is forecasting the effect of the above events on the Company, not having yet determined them on the organization and on the financial statements.

Reporting on compliance with section 172 requirements

In performance of their statutory duties and in accordance with s172 (1) Companies Act 2006, the board of directors of Robert Bosch Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 (1) (a-f) of the act.) in the decisions taken during the year ended 31st December 2019.

Each year, the Board undertakes an in-depth review of the Company's strategy, including a business plan for subsequent years. Once approved by the Board, the plan and strategy form the basis for financial budgets, resource plans and investment decisions and also the future strategic direction of the Company. In making decisions concerning the business plan and future strategy, the Board has regard to a variety of matters including the interests of various stakeholders, the consequences of its decisions in the long term and its long term reputation.

Further details how the Board considers the interests of various stakeholders can be found on pages 3-8 of these financial statements.

Directors' report for the year ended 31 December 2019 (continued)

(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 2019.

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 recommended no dividend will be paid in relation to the year ended 31 December 2019.

Dividends paid during the year comprise a final dividend of £6,705, equivalent to 72.10p per share, in respect of the previous year ended 31 December 2018.

Political donations and political expenditure

There were no political donations during the year (2018: £Nil).

Directors

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

J. Burton

S. Hoffmann

A. Srinivasan

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.

Research and development

The company engages in research and development activity in relation to its automotive division.

The value charged to the income statement for 2019 was £58,036 (2018: £48,619).

Events after the end of the reporting period

Subsequent to the date of the statement of financial position, there were no events other than the COV-19 developments already discussed in the strategic report, that are not disclosed in these financial statements.

The Group Letter of Support was extended and signed after the COVID-19 event began thereby providing extended support through the crisis.

Directors' report for the year ended 31 December 2019 (continued)

(All amounts in £ thousands unless otherwise stated)

Stakeholder engagement

With employees

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.

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.

With suppliers, customers, and others

As part of the global Bosch group, the company operates a "Code of Business Conduct" to which all associates are expected to adhere and receive regular training. It sets out how the company's associates are expected to act in their day to day business activities. In conjunction with the Bosch values, it provides a rock-solid foundation on which trust can grow – trust that is essential if the company is to grow and be successful for the benefit of all its stakeholders.

This includes, but is not limited to:

- Lawful, regulation-compliant, responsible, and fair conduct;
- Avoiding conflicts of interest;
- Keeping confidential information secret and handling sensitive data responsibly;
- Observing rules of fair competition, create unambiguous and documented agreements with suppliers and customers, and have a zero-tolerance to corruption in any form;
- Producing quality, safe products and services to the highest quality and reliability;
- Respect for the intellectual property of third-parties.

The company's executive management is responsible for compliance to the Code of Business Conduct. The corporate internal auditing department (C/AU), including its local units, has an unlimited right to request information and conduct audits, provided these do not run contrary to statutory or company regulations.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

Directors' report for the year ended 31 December 2019 (continued)

(All amounts in £ thousands unless otherwise stated)

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that:

- As 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.

Independent Auditors

On 16 July 2020 for reasons of good corporate governance, the directors of Bosch Group intend to appoint Ernst & Young as their auditors for the year ended 31 December 2020. Therefore, PricewaterhouseCoopers will not be reappointed.

By order of the board

J. Burton
Company Secretary

16 July 2020

Independent auditors' report to the members of Robert Bosch Limited

Report on the audit of the financial statements

Opinion

In our opinion, Robert Bosch Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' 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 auditors' 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.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

16 July 2020

Income statement for the year ended 31 December 2019

(All amounts in £ thousands unless otherwise stated)

		Year ended 31 December	
Continuing operations	*Note*	**2019**	2018 Restated*
Revenue	*4*	**360,417**	329,578
Cost of sales		**(301,222)**	(237,081)
Gross profit		**59,195**	92,497
Distribution costs		**(44,405)**	(80,786)
Administrative expenses		**(9,641)**	(7,887)
Net impairment gains on financial and contract assets	*5*	**474**	654
Other income/(expense)		**2,849**	(75)
Operating profit	*6*	**8,472**	4,403
Finance income	*8*	**163**	59
Finance expense	*8*	**(817)**	(261)
Finance expense - net	*8*	**(654)**	(202)
Profit before income tax		**7,818**	4,201
Income tax expense	*9*	**(2,084)**	(821)
Profit for the financial year		**5,734**	3,380

The notes on pages 16 to 49 are an integral part of these financial statements.

All activity is derived from continuing operations.

* During the year the Directors have reviewed the categorisation of certain costs in particular between Cost of Sales, Selling and Distribution costs, and Administrative expenses to better reflect the precise nature of the costs incurred. The 2018 comparative information has therefore been restated for comparability, reclassifying £27,395k and £50,297k from Cost of Sales and Administrative expenses respectively to Selling and Distribution costs.

Statement of comprehensive income for the year ended 31 December 2019

(All amounts in £ thousands unless otherwise stated)

		Year ended 31 December	
	Note(s)	**2019**	2018
Profit for the financial year		**5,734**	3,380
Other comprehensive (expense)/income : items that will not be reclassified to profit and loss:			
Actuarial (loss)/gains on pension scheme	*19*	**(2,901)**	2,319
Gain on pension valuation due to pension transferred in	*19*	**1,618**	-
Current tax deductions allocated to actuarial losses		-	-
Movement on deferred tax relating to pension deficit	*19*	**493**	(394)
Movement on deferred tax relating to change in tax rates		-	-
Other comprehensive income for the year, net of tax		**(790)**	1,925
Total comprehensive income for the year		**4,944**	5,305

The notes on pages 16 to 49 are an integral part of these financial statements.

Statement of financial position

(All amounts in £ thousands unless otherwise stated)

	Note	As at 31 December 2019	2018
Fixed assets			
Intangible assets	*10*	**2,714**	2,894
Property, plant and equipment	*11*	**4,409**	3,404
Right-of-use assets	*12*	**7,943**	-
		15,066	6,298
Current assets			
Inventories	*13*	**3,127**	1,972
Trade and other receivables (including £3,278 (2018: £3,341) due after more than one year)	*14*	**82,984**	89,113
Cash and cash equivalents		**5,885**	-
		91,996	91,085
Creditors : amounts falling due within one year	*16*	**(73,830)**	(68,666)
Net current assets		**18,166**	22,419
Total assets less current liabilities		**33,232**	28,717
Creditors : amounts falling due after more than one year	*17*	**(7,729)**	(896)
Provisions for liabilities	*18*	**(11,025)**	(11,811)
Net assets		**14,478**	16,010
Equity			
Ordinary shares	*20*	**9,300**	9,300
Retained earnings		**5,178**	6,710
Total shareholders' funds		**14,478**	16,010

The notes on pages 16 to 49 are an integral part of these financial statements.

The financial statements on pages 12 to 49 were authorised for issue by the board of directors on 16 July 2020 and were signed on its behalf.

Dr. S. Hoffmann
Director

Robert Bosch Limited
Registered no. SC013418

Statement of changes in equity for the year ended 31 December 2019

(All amounts in £ thousands unless otherwise stated)

	Notes	Called-up share capital	Retained earnings	Total
Balance as at 1 January 2018		9,300	9,543	18,843
Profit for the financial year		-	3,380	3,380
Other comprehensive income for the year:				
Actuarial gains on pension scheme	*19*	-	2,319	2,319
Movement on deferred tax relating to pension deficit		-	(394)	(394)
Total comprehensive income for the year		-	5,305	5,305
Dividends		-	(8,138)	(8,138)
Total transactions with owners, recognised directly in equity		-	(8,138)	(8,138)
Balance as at 31 December 2018		9,300	6,710	16,010
Change in accounting policy	*26*	-	229	229
Balance as at 1 January 2019		9,300	6,939	16,239
Profit for the financial year		-	5,734	5,734
Other comprehensive income for the year:				
Gain on pension valuation due to pension transferred in	*19*	-	1,618	1,618
Actuarial gains on pension scheme	*19*	-	(2,901)	(2,901)
Movement on deferred tax relating to pension deficit		-	493	493
Total comprehensive income for the year		-	4,944	4,944
Dividends	*20*	-	(6,705)	(6,705)
Total transactions with owners, recognised directly in equity		-	(6,705)	(6,705)
Balance as at 31 December 2019		**9,300**	**5,178**	**14,478**

The notes on pages 16 to 49 are an integral part of these financial statements.

Notes to the financial statements

(All amounts in £ thousands unless otherwise stated)

1 General information

Robert Bosch Limited sells, markets, distributes and services power tools and automotive products purchased mainly from within the Robert Bosch group of companies.

The company is a private limited company and is incorporated and domiciled in the United Kingdom.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The financial statements of Robert Bosch Limited have been prepared in accordance with Financial Reporting Standard 101, '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.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 0.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
  i. paragraph 79(a)(iv) of IAS 1;
  ii. paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  iii. paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  i. 10(d) (statement of cash flows);
  ii. 16 (statement of compliance with all IFRS);
  iii. 38A (requirement for minimum of two primary statements, including cash flow statements);
  iv. 38B–D (additional comparative information);
  v. 111 (cash flow statement information); and
  vi. 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

2.1.1 Going concern

The company meets its day-to-day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty, particularly over the level of demand for the company's products. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves and borrowings. After making enquiries, the directors have a reasonable expectation that the company adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements. On March 23, 2020 the United Kingdom government extended previous guidance in response to the Covid-19 virus with a series of actions becoming effective immediately. There is a general consensus that these actions will have a wide range of severe impacts, which are uncertain as of today, both in their severity and their duration.

Local Management is forecasting the effect of the above events on the Company, not having yet determined them on the organization and on the financial statements.

The ultimate parent company, Robert Bosch GmbH, has confirmed it will provide financial support as necessary for the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

2.1.2 New standards, amendments and IFRIC interpretations

IFRS 16 is a new accounting standard that is effective for the year ended 31 December 2019 and any material impact on the company is shown in note 26. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 have had a material impact on the company.

2.2 Consolidation

The company is a wholly owned subsidiary of Robert Bosch UK Holdings Limited and of its ultimate parent, Robert Bosch GmbH. It is included in the consolidated financial statements of Robert Bosch GmbH, which are publicly available. Therefore the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is Robert Bosch GmbH, Robert Bosch Platz 1, Gerlingen-Schillerhöhe, D-70049 Stuttgart, Germany.

These financial statements are separate financial statements.

2.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income'.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2.4 Property, plant and equipment

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost could also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation reserve in shareholders' funds. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve; all other decreases are charged to the income statement. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement, and depreciation based on the asset's original cost, is transferred from revaluation reserve to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

– Long-term leasehold property and improvements 10 years or the anticipated term of the lease if shorter

– Plant and machinery 3–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount (note 11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and they are recognised within 'Other income' in the income statement.

2.5 Intangible assets

Following the historical transition of the Extreme CCTV Limited and Forward Vision CCTV Limited, the value of the purchased intellectual property was recognised through two intangible asset classes:

- *Intellectual property – transferred customer relationships*

  Customer relationships with non-UK and non-Irish customers for the product range purchased from these two legal entities were transferred to a Bosch Group company in the Netherlands. Each year the Dutch Bosch Group company pays to the company a licence fee. Following acquisition, an intangible asset was created, such that the amortisation of the asset would equal the licence paid.

- *Intellectual property – technology*

  Customer relationships with UK and Irish customers for the product range purchased from these two legal entities remained with the company. This intangible asset class represents the estimated future value of these relationships.

Depreciation on other intangible assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

– Software 3 years

– Customer contracts 5 years

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2.6 Impairment of non-financial assets

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

2.7 Financial assets

2.7.1 Classification

The company classifies its financial assets in the following categories: at fair value through profit or loss; and assets carried at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading, unless they are designated as hedges (see note **Error! Reference source not found.**). Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise, they are classified as non-current investments.

2.7.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date – that is, the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred, and the company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the 'fair value of the financial assets at fair value through profit or loss' category are presented in the income statement within interest income or expenses in the period in which they arise.

2.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which do not have a redemption entitlement, have mandatory dividend payments paid half-yearly in arrears and are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

2.10 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting, nor taxable, profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.11 Employee benefits

The company operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

a) Pension obligations

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholders' funds in other comprehensive income in the period in which they arise.

The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability or asset.

Past service costs are recognised immediately in the income statement.

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

2.12 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised where: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Reorganisation provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2.13 Revenue recognition

Revenue is recognised in according with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

1. Identify the contract(s) with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenue when (or as) the entity satisfy a performance obligation.

(a) Sale of goods

Sales of goods are recognised when the company has delivered products to the customer, the customer has full discretion over the channel and price for selling the products onwards, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the company has objective evidence that all criteria for acceptance have been satisfied. The company's products are often sold with volume discounts, and customers have a right to return faulty products in the wholesale market. Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present, because the sales are made with a credit term which is consistent with the market practice.

(b) Internet revenue

Revenue from the provision of the sale of goods on the internet is recognised at the point that the risks and rewards of the inventory have passed to the customer, which is the point of dispatch. Transactions are settled by credit or payment card.

Provisions are made for internet credit notes based on the expected level of returns, which in turn is based on the historical rate of returns.

(c) Sale of services

The company sells design services to other manufacturers. For sales of services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

2.14 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2.15 Leases

The company's leasing activities and how these are accounted for

The company leases various offices, warehouses, retail stores, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases, see note 22 for details. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Leases where the individual lease value is below £5,000 have not been reclassified as right-of-use assets but continue as operating leases. See notes 22 and 26.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the company. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of warehouses and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the company could replace the assets without significant cost or business disruption.

As at 31 December 2018, potential future cash outflows of £nil (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of £nil.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2.16 Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

2.17 Financial guarantees

Financial guarantees are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- The amount determined in accordance with the expected credit loss model under IFRS 9: Financial Instruments; and
- The amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15: Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

3 Critical 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 2.4 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 14 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 statement of financial position. The assumptions reflect historical experience and current trends. See note 19 for the disclosures of the defined benefit pension scheme.

d) Warranty provision

Provision is made for potential warranty costs on sales where the goods supplied are still within their warranty period. The provision is calculated on the basis of the actual cost of rectifying warranty failures and takes into account the time period before claims will be made. The calculation excludes those claims against which specific provision has already been made.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

e) Lease accounting

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

- For leases of warehouses, retail stores and equipment, the following factors are normally the most relevant:
- If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the company could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of £nil.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

4 Revenue

Analysis of revenue by geography:

	2019	2018
United Kingdom	**360,417**	329,578
	360,417	329,578

Analysis of revenue by category:

	2019	2018
Sale of goods	**293,601**	277,730
Rendering of services	**66,816**	51,848
	360,417	329,578

5 Net impairment losses on financial and contract assets recognised in profit or loss

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets:

	31 Dec 2019	31 Dec 2018
Impairment losses		
- Individually impaired receivables (previous accounting policy)	-	(487)
- movement in loss allowance for trade receivables and contract assets	**474**	1,141
Net impairment gains on financial and contract assets	**474**	654

Of the above impairment losses, £474 (2017: £654) relate to receivables arising from contracts with customers (see note 6).

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

6 Operating profit

Operating profit is stated after charging/(crediting):

	2019	2018
Wages and salaries	**32,613**	34,627
Social security costs	**4,347**	4,720
Other pension costs (note 19)	**1,759**	1,572
Staff costs	**38,719**	40,919
Depreciation of owned property, plant and equipment	**890**	832
Depreciation of right-of-use assets	**2,869**	-
Amortisation of intangible assets	**695**	695
Loss on disposal of property, plant and equipment	**38**	1
Inventory recognised as an expense	**305,943**	236,419
Released provision : trade receivables	**(474)**	(654)
Transfer pricing adjustment on inter-company trading	**-**	4
Research and development expenditure	**58,036**	48,619
Operating lease expenses	**4,480**	5,069
Foreign exchange (gains)/losses	**(140)**	529
Post-employment benefits - past service cost (incl. curtailments)	**(1,081)**	2,211
Audit fees payable to the company's auditor	**100**	100

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

7 Employees and directors

Employees

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

By activity	2019 Number	2018 Number
Selling and distribution	**7**	5
Administration	**667**	633
	674	638

Directors

The directors' emoluments were as follows:

	2019	2018
Aggregate emoluments	**674**	722

Post-employment benefits are accruing for 2 (2018: 2) directors under a defined contribution scheme.

Highest paid director

The highest paid director's emoluments were as follows:

	2019	2018
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	**375**	399
Defined contribution scheme:		
- accrued pension at the end of the year	**-**	23

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

8 Interest income and expense

Finance income

	2019	2018
Bank interest income	**34**	59
Other gains	**129**	13
Total finance income	**163**	72

Finance expense

	2019	2018
Net cost of post-employment benefits	**288**	274
Interest and finance charges paid/payable for lease liabilities and financial liabilities	**529**	-
Total finance expense	**817**	274

Net finance expense

	2019	2018
Interest income	**163**	72
Interest expense	**(817)**	(274)
Total finance expense	**(654)**	(202)

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

9 Income tax

Tax expense included in profit or loss:

	2019	2018
Current tax:		
- UK corporation tax on profits for the year	**1,311**	1,128
- Adjustment in respect of prior periods	**216**	(89)
Total current tax	**1,527**	1,039
Deferred tax:		
- Origination and reversal of timing differences	**633**	(222)
- Impact of change in tax rate	**(38)**	-
- Adjustments in respect of prior periods	**(38)**	4
Total deferred tax	**557**	(218)
Tax on profit	**2,084**	821

Tax charge for the year is higher (2018: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19.00% (2018: 19.00%). The differences are explained below:

	2019	2018
Profit before taxation	**7,818**	4,201
Profit multiplied by the standard rate of tax in the UK of 19.00% (2018: 19.25%)	**1,485**	798
Effects of:		
- Remeasurement of deferred tax – change in UK tax rate	**(38)**	26
- Adjustments in respect of prior periods	**178**	(85)
- Accelerated capital allowances	**86**	51
- Tax exempt revenues	**(79)**	(65)
- Expenses not deductible for tax purposes	**177**	96
- Pension acquisition from Kliklok	**275**	-
Tax charge	**2,084**	821

The tax rate for the current year is the same as prior year, due to no changes in the UK corporation tax rate which remained at 19.00%.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 (on 6 September 2016). These included reductions to the main rate, to reduce the rate to 17.00% from 1 April 2020.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

On 19th March 2020 legislation was introduced in Finance Bill 2020 to amend the main rate of Corporation Tax for all non-ring fence profits to 19% for financial year 2020. The Corporation Tax charge and the main rate will also be set at 19% for all non-ring fence profits for financial year 2021.

Deferred taxes at the date of the statement of financial position have been measured using these enacted rates and are reflected in these financial statements.

10 Intangible assets

	Customer contracts	Software	Intellectual property	Total
Cost				
As at 1 January 2019	-	-	3,589	3,589
Additions	450	65	-	515
As at 31 December 2019	450	65	3,589	4,104
Accumulated amortisation and impairment				
At 31 December 2019	-	-	695	695
Amortisation	-	-	695	695
As at 31 December 2019	-	-	1,390	1,390
Net book amount				
As at 31 December 2018	-	-	2,894	2,894
At 31 December 2019	**450**	**65**	**2,199**	**2,714**

The amortisation charge is recognised in the following line items in the profit and loss account:

	2019	2018
Administrative expenses	**695**	695
	695	695

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

11 Property, plant and equipment

	Long-term leasehold property improvements	Plant and machinery	Total
At 1 January 2019			
Cost or valuation	6,214	6,463	12,677
Accumulated depreciation and impairment	(5,182)	(4,091)	(9,273)
Net book amount	1,032	2,372	3,404
Year ended 31 December 2019			
Additions	1,700	241	1,941
Disposals	(14)	(32)	(46)
Depreciation	(472)	(418)	(890)
Transfers	(7)	7	-
Closing net book amount	2,239	2,170	4,409
At 31 December 2019			
Cost or valuation	7,891	6,625	14,516
Accumulated depreciation and impairment	(5,652)	(4,455)	(10,107)
Net book amount	**2,239**	**2,170**	**4,409**

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

12 Leases

This note provides information for leases where the company is a lessee.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	2019	1 January 2019*
Right-of-use assets		
Buildings	**5,093**	6,558
Equipment	**37**	51
Vehicles	**2,813**	2,941
	7,943	9,550
Lease liabilities		
Current	**2,714**	643
Non-current	**5,752**	8,678
	8,466	9,321

Additions to the right-of use assets during the 2019 financial year were £1,262.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	Notes	**2019**	2018
Depreciation charge of right-of-use assets			
Buildings		**1,465**	-
Equipment		**14**	-
Vehicles		**1,390**	-
		2,869	-
Interest expense (included in finance cost)		**162**	-
Expenses relating to low value assets that are not shown above as short-term leases (included in cost of goods sold and administrative expenses)		**124**	
Future Minimum lease payments as at 31 December 2019 are as follows:			
Not later than one year		**2,725**	-
Later than one year and not later than five years		**5,303**	-
More than five years		**462**	
Total gross payments		**8,490**	-
Impact of finance expenses		**(24)**	-
Carrying amount of liability		**8,466**	-

The total cash outflow for leases in 2019 was £2,509.

13 Inventories

	2019	2018
Raw materials	**3**	-
Work-in-progress	**211**	-
Finished goods and goods for resale	**2,913**	1,972
	3,127	1,972

There is no significant difference between the replacement cost of inventories and their carrying amounts.

Inventories are stated after provisions for impairment of £369 (2018: £nil).

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

14 Trade and other receivables

	2019	2018
Trade receivables	**54,793**	63,596
Amounts owed by group undertakings	**21,578**	14,980
Deferred tax assets (see note 15)	**3,270**	3,333
Corporation tax	**1**	1
Other debtors	**8**	-
Prepayments and accrued income	**3,334**	7,203
	82,984	89,113
Due within one year	**79,706**	85,772
Due after more than one year	**3,278**	3,341

The amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade receivables are stated after provisions for impairment of £1,523 (2018: £2,058).

15 Deferred tax

The asset for deferred tax consists of the following deferred tax liabilities/(assets):

	2019	2018
Deferred tax assets due within 12 months	-	-
Deferred tax liabilities due within 12 months	-	-
Total asset/(provision)	-	-

	2019	2018
Deferred tax assets due after 12 months	**3,644**	3,825
Deferred tax liabilities due after 12 months	**(374)**	(492)
Total asset/(provision)	**3,270**	**3,333**

Total deferred tax asset	2019	2018
Total asset	**3,270**	3,333

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Deferred tax liabilities	Intangible assets	Total
At 1 January 2018	-	-
Charged/(credited) to the income statement	492	492
Charged/(credited) directly to other comprehensive income	-	-
At 31 December 2019	**492**	**492**
Charged/(credited) to the income statement	**(118)**	**(118)**
Charged/(credited) directly to other comprehensive income	-	-
At 31 December 2019	**374**	**374**

Deferred tax assets	Property, plant and equipment	Stocks	Financial assets	Employee benefits	Provisions	Tax losses	Total
At 1 January 2018	1,527	-	96	1,964	536	-	4,123
(Charged)/credited to the income statement	(177)	29	142	535	(433)	-	96
(Charged)/credited directly to other comprehensive income	-	-	-	(394)	-	-	(394)
At 31 December 2019	1,350	29	238	2,105	103	-	3,825
(Charged)/credited to the income statement	(251)	-	(45)	(423)	(61)	106	(674)
(Charged)/credited directly to other comprehensive income	-	-	-	493	-	-	493
At 31 December 2019	**1,099**	**29**	**193**	**2,175**	**42**	**106**	**3,644**

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

16 Creditors: amounts falling due within one year

	Notes	**2019**	2018
Bank loans and overdrafts		-	1,794
Trade creditors		**2,203**	5,152
Amounts owed to group undertakings		**38,884**	35,040
Corporation tax payable		**160**	-
Taxation and social security		**7,541**	5,005
Lease liabilities	*12*	**2,714**	-
Other creditors		**208**	-
Accruals and deferred income		**22,015**	21,675
		73,725	68,666

The amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The bank overdraft is unsecured, interest is charged at base rate plus 1.5%, and is repayable on demand.

17 Creditors: amounts falling due after more than one year

Amounts falling due after more than one year and less than five years:

	Notes	**2019**	2018
Lease liabilities	*12*	**5,291**	-
Accruals and deferred income		**420**	120
		5,711	120

Amounts falling due after more than five years:

	Notes	**2019**	2018
Lease liabilities	*12*	**461**	-
Accruals and deferred income		**1,557**	776
		2,018	776

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

18 Other provisions

	Dilapidation provision	Warranty provision	Property lease commitments	Re-organisation provision	Post-employment benefits	Total
At 1 January 2019	200	614	408	74	10,515	11,811
Additions to the income statement	-	61	126	-	(793)	(606)
Additions to the statement of other comprehensive income	-	-	-	-	1,283	1,283
Amounts utilised	-	(193)	(2)	(68)	-	(263)
Additional liability recognised	-	-	-	-	(1,200)	(1,200)
At 31 December 2019	**200**	**482**	**532**	**6**	**9,805**	**11,025**

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 date of the statement of financial position. 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 decision 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 date of the statement of financial position.

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 date of the statement of financial position.

Property lease commitments

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

Reorganisation provision

The provision relates to staff redundancies as a result of group reorganisation.

Post-employment benefits

Refer to note 19 for further detail.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

19 Post-employment benefits

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

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 2019. 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 2019 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 2019 is £30,611 (2018: £31,311).

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.

The assets and liabilities apportioned to Kliklok International Limited within the scheme were moved to Robert Bosch Limited due to the proposed sale of the Packaging division during 2019.This sale was effected on 31 December 2019.

The deficit allocated to Kliklok International Limited was calculated on a self-sufficiency basis rather than an IAS 19 methodology on the basis of prudency. This was calculated with the intention of not placing any future funding strain on the remaining participating employers of the Scheme. The gain booked during the year is the difference between these two valuations.

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).

	2019	2018
	%	%
Expected rate of salary increases	**2.70**	2.85
Expected rate of increase of pensions in payment		
- RPI min 0%, max 5%	**3.10**	3.30
- RPI min 3%, max 5%	**3.55**	3.65
- RPI min 0%, max 3%	**2.50**	2.65
- CPI min 0%, max 5%	**2.20**	2.35
Discount rate	**2.00**	2.90
Rate of inflation	**2.20**	2.35

Assumptions regarding future mortality are set, based on actuarial advice, in accordance with published statistics and experience in the UK. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2019	2018
	Years	Years
Longevity at age 65 for current pensioners:		
- Men	**21.6**	21.6
- Women	**24.2**	24.2
Longevity at age 65 for future pensioners:		
- Men	**23.0**	23.0
- Women	**25.8**	25.8

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
At 1 January 2019	57,733	(68,248)	(10,515)
Benefits paid	(2,936)	2,936	-
Employer contributions	1,200	-	1,200
Past service cost	-	1,081	1,081
Interest income / (expense)	1,863	(2,151)	(288)
Remeasurement gains / (losses)	6,619	(9,520)	(2,901)
Increase in assets/liabilities from acquisition	17,715	(16,097)	1,618
At 31 December 2019	82,194	(91,999)	(9,805)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.50%	Decrease by 8.1%	Increase by 9.4%
Salary growth rate	0.50%	(See note below)*	(See note below)*
Pension growth rate	0.50%	Increase by 2.9%	Decrease by 2.8%
Life expectancy	Increase or decrease by 1 year	Increase by 4.4%	Decrease by 4.4%

*The 2019 salary increase sensitivity cannot be provided in isolation accurately owing to the nature of the deferred revaluation underpin that applies to special deferred members (these members' benefits increase at the higher of salary increases and statutory deferred revaluation). In the past, this sensitivity was available as the level of salary increase assumption was higher (relative to the deferred revaluation assumption) and hence it was much less likely that the underpin would occur. However, the salary increase assumption is now close to the deferred revaluation assumption, and therefore it is not clear that the salary linked benefit would be higher for all special deferred members. It is expected that the change in salary increase sensitivity to be relatively negligible.

The above sensitivities are based on a change in assumption, while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (that is, present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumption used in preparing the sensitivity analysis did not change compared to the previous period.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Total cost recognised as an expense:

	2019	2018
Past service cost	**(1,081)**	2,211
Interest cost	**288**	1,794
	(941)	4,005

The fair value of the plan assets was:

	2019	2018
Equity instruments	**31,506**	21,156
Debt instruments	**46,722**	33,461
Cash and cash equivalents	**299**	175
Insurance contracts	**3,667**	2,941
Total	**82,194**	57,733

The return on the plan assets was:

	2019	2018
Interest income	**1,863**	1,520
Remeasurements	**6,619**	(3,374)
Total return on plan assets	**8,482**	(1,854)

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 amount recognised as an expense for the defined contribution scheme was:

	2019	2018
Current year contributions	**1,759**	2,435

No prepayments or accruals have been made in respect of this scheme (2018: £nil).

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

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

20 Share capital

Share capital

Ordinary shares of £1 each

Allotted and fully paid up	**2019 No. (000's)**	2018 No. (000's)
On issue at 1 January	**9,300**	9,300
On issue at 31 December – fully paid	**9,300**	9,300

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

Dividends

The following dividends were recognised during the year:

	2019	2018
Final dividend for 2018: 72.10p (2018: final dividend for 2017: 87.51p) per qualifying ordinary share	**6,705**	8,138
	6,705	8,138

After the date of the statement of financial position the directors proposed not paying dividends for the year end 31 December 2019 (2018: 72.10p).

21 Contingent liabilities

The company's banking arrangement is part of a cash pool netting arrangement with certain other UK subsidiaries of Robert Bosch GmbH, each being jointly and severally liable. No security is held over these assets.

The aggregate net surplus in hand under the terms of the agreement at 31 December 2019 amounted to £128,461 (2018: £41,959).

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

22 Capital and other commitments

Capital commitments

At 31 December 2019, the company no capital commitments outstanding.

Other commitments

At 31 December 2019, the company had the following future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
Land and buildings:		
Not later than one year	-	3,123
Later than one year and not later than five years	-	5,431
Later than five years	-	5,381
	-	13,935
Other:		
Not later than one year	**124**	1,705
Later than one year and not later than five years	**88**	3,092
	212	4,797
	212	18,732

During the year £2,135 was recognised as an expense in the profit and loss account in respect of operating leases (2018: £5,069).

23 Related party transactions

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)

24 Controlling parties

The immediate parent undertaking is Robert Bosch UK Holdings Limited.

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.

25 Events after the end of the reporting period

On March 23, 2020 the United Kingdom government extended previous guidance in response to the Covid-19 virus with a series of actions becoming effective immediately. As a result of that, all retail activity has been suspended except for the sale of food and pharmaceutical products. The announcement, among other impacts, strongly indicates that people should remain at home until further notice. People are allowed to go out only for the purposes of buying food, medicine, going to work (where the work is deemed essential) or trips to the hospital. Financial, industrial, manufacturing, logistic and commercial markets are consequently affected. There is a general consensus that this will have a wide range of severe impacts, which are uncertain as of today, both in their severity and their duration.

Local Management is forecasting the effect of the above events on the Company, not having yet determined them on the organization and on the financial statements. This includes, but is not limited to, potential liquidity difficulties, solvency of clients, going concern, required financial support, complying with covenants, enforced temporary shut-downs, temporary or permanent dismissals, recoverability of assets and potential impairments, etc.

The ultimate parent company, Robert Bosch GmbH, has confirmed it will provide financial support as necessary for the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

26 Changes in accounting policies

This note explains the impact of IFRS 16 *Leases* on the company's financial statements following its adoption for the first time for the annual reporting period commencing 1 January 2019.

The company had to change its accounting policies as a result of adopting IFRS 16. The company elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed below.

Impact on the financial statements

Practical expedients

In applying IFRS 16 for the first time, the company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial
- application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and Interpretation 4 *Determining whether an Arrangement contains a Lease.*

Measurement of lease liabilities

	2019
Operating lease commitments disclosed as at 31 December 2018	18,732
(Less): Low-value leases not recognised as a liability	(217)
Add/(less): Contracts reassessed as lease contracts	(1,587)
Add/(less): Adjustments as a result of a different treatment of extension and termination options	(7,607)
Lease liability recognised as at 1 January 2019	**9,321**
Of which are:	
Current lease liabilities	643
Non-current lease liabilities	8,678
	9,321

Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Impact on primary statements

Balance sheet (extract)	31 Dec 2018 As originally presented	IFRS 16	1 Jan 2019 Restated
Non-current assets			
Intangible assets	2,894	-	2,894
Property, plant and equipment	3,404	-	3,404
Right of use assets	-	9,550	9,550
Current assets			
Deferred tax assets	3,333	-	3,333
Other current assets	87,752	-	87,752
Total assets	**97,383**	**9,550**	**106,933**
Non-current liabilities			
Other non-current liabilities	(12,707)	-	(12,707)
Lease liabilities	-	(8,678)	(8,678)
Current liabilities			
Other current liabilities	(68,666)	-	(68,666)
Lease liabilities	-	(643)	(643)
Total liabilities	**(81,373)**	**(9,321)**	**(90,694)**
Net assets	**16,010**	**229**	**16,239**
Retained earnings	6,710	229	6,939
Total	**16,010**	**229**	**16,239**

Income statement (extract)	2019 (IAS 17)	IFRS 16	2019 – as presented
Distribution costs	(44,405)	-	(44,405)
Administration expenses (depreciation of right-of-use assets)	(6,772)	(2,869)	(9,641)
Operating profit	**11,341**	**(2,869)**	**8,472**
Finance cost	(492)	(162)	(654)
Profit before tax	**10,849**	**(3,031)**	**7,818**
Income tax expense	(2,892)	808	(2,084)
Profit for the year	**7,957**	**(2,223)**	**5,734**