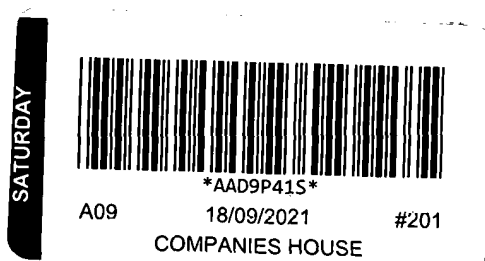


Worcester Group Limited

**Annual report and financial statements for the year ended
31 December 2020**



Company Number: 00735487

Incorporated: 14 September 1962

Company information for the year ended 31 December 2020

Directors	T. Bauer T. Volz J. Brockmann
Company secretary	S. Mansbridge
Company number	00735487
Registered office	Cotswold Way Warndon Worcester WR4 9SW
Independent auditors	Ernst & Young LLP 1 Colmore Square Birmingham B4 6HQ

Contents

	Page
Strategic report	3
Directors' report	5
Statement of directors' responsibilities	7
Independent auditors' report to the members of Worcester Group Limited	8
Income statement	11
Statement of financial position	12
Statement of changes in equity	13
Notes to the financial statements	14

Strategic report for the year ended 31 December 2020

(All amounts in £ thousands unless otherwise stated)

The directors present their strategic report for the year ended 31 December 2020.

Principal activities

The company's principal activity during the year was as an intermediate holding company.

Results and dividends

The profit for the year, after taxation, amounted to £80.1m (2019: £19.1m).

The directors have paid an interim ordinary dividend in respect of the current financial year of £80m, equivalent to £2.96p per share. Subsequent to the period end based on a proposed dividend £85m being received from the company's subsidiary, an interim dividend of £85m has been proposed.

Review of the business

In 2020, turnover was £nil (2019: £nil) and profit before income taxation increased from a profit of £19.1m in 2019 to a profit before income taxation of £80.1m. This was due to a higher dividend being received in 2020.

The company has net assets of £31.5m (2019: £31.4m).

Key performance indicators

The company is a non-trading, intermediate holding company and therefore has no key performance indicators by which the business is measured, other than the performance of its individual investments.

Principal risks and uncertainties

a) Liquidity risk

The company manages its long term debt finance as part of the wider Robert Bosch group and is funded through intercompany loans. This is designed to ensure that the company has sufficient funds for operations and planned expansion. The company currently has no requirements for debt finance outside the Robert Bosch Group.

b) Other risks

From the perspective of the company, any other risks and uncertainties are integrated with the principal risks of the wider Bosch group and are not managed separately.

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 Worcester Group 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 31 December 2020.

Business

Each year, the Board undertakes an in-depth review of the Company's strategy with the local management team who are responsible for day to day operations, 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.

Strategic report for the year ended 31 December 2020 (continued)

(All amounts in £ thousands unless otherwise stated)

Stakeholder engagement

The company has no employees.

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.

Governance


Worcester Group Limited is a wholly owned subsidiary of the Robert Bosch GmbH group. The directors of Worcester Group Limited are based in Germany as are members of the wider Robert Bosch GmbH management team, and as with many international groups, the directors delegate the day to day management of the company to local teams. The company's local UK management is structured to align the company's objectives with those of the group and to ensure that the Robert Bosch GmbH group policies are adhered to. 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.

Key business decisions

There have been no strategic or key changes to the operating structure of the business in the year. The directors consider a key business decision to be one which has a material impact on the operations, objectives or financial position of the business.

During the year a dividend of £80m was received from the company's subsidiary, which in turn was paid to the immediate parent company. In making the decision to pay dividends, the company considered the impact on its key stakeholders. The payment of a dividend meets the core expectations of the shareholder. The company has also considered the impact on the other stakeholders and does not consider this decision to have an impact on the key needs of the other stakeholders.

By order of the board



S. Mansbridge
Company Secretary

.....6/9..... 2021

Directors' report for the year ended 31 December 2020

(All amounts in £ thousands unless otherwise stated)

The directors present their Annual report and financial statements of the company for the year ended 31 December 2020.

Future developments

The company is expected to continue as a holding company.

Directors

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

T. Bauer
U. Glock (resigned 1 January 2021)
T. Volz
J. Brockmann (appointed 1 January 2021)

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.

Events after the end of the reporting period

Subsequent to the date of the statement of financial position, there are no adjusting or adjusting subsequent events to report.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position and its exposure to risks are described in the strategic report.

The company has an excess of current assets over current liabilities of £31.9m at 31 December 2020 (2019: excess of current assets over current assets of £31.9m). The company meets its day to day working capital requirements through intercompany transactions and bank borrowings.

The current economic conditions continue to create uncertainty, particularly over the level of demand for the group's products. Since the start of the COVID pandemic in 2020, several lockdowns and support measures have been implemented by the government, and these have continued into 2021. There is now a proposed path outlined by the government that should allow a more normal life to continue from June 2021, including the reintroduction of social activities, without the need for social distancing. However, there is a general consensus that this path must be treated with caution and further lockdowns and restrictions have not been ruled out.

Directors' report for the year ended 31 December 2020 (continued)

(All amounts in £ thousands unless otherwise stated)

Going concern (concerned)

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.

The company is dependent on the continued support of the ultimate parent company, Robert Bosch GmbH. The ultimate parent company Robert Bosch GmbH has confirmed that 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.

The Directors have assessed the ability of Robert Bosch GmbH to support the company and are satisfied that they are in a position to provide such support as and when required

After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Streamlined Energy and Carbon Reporting framework

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.

The company falls below the threshold for additional SECR reporting.

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.

Disclosure requirements

In accordance with the Companies Act 2006 s414C(ii), the company's Strategic Report contains certain disclosures required in the Directors' Report.

Reappointment of auditor

In accordance with s485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



S. Mansbridge
Company Secretary

6/9 2021

Statement of directors' responsibilities for the year ended 31 December 2020

(All amounts in £ thousands unless otherwise stated)

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

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

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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 company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditors' report to the members of Worcester Group Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Worcester Group Limited for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Independent auditors' report to the members of Worcester Group Limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the members of Worcester Group Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant to be those relating to the United Kingdom General Accepted Accounting Practice, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. The company has minimal transactions, and no employees.
- We understood how Worcester Group Limited is complying with those frameworks by making enquiries of senior finance personnel and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas, and the controls in place to reduce opportunity for fraudulent transactions. Supporting documentation was obtained to corroborate our understanding of these.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussing with senior finance personnel and those charged with governance as to the rationale behind the specific accounting transactions. Each financial transaction in the year was verified through recalculation or agreement to supporting source documentation. Due to the nature of the company, as a holding company of wholly owned group subsidiaries we have not identified any risk of material misstatement.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included reading board meeting minutes and relevant approval documents, enquiries of senior finance personnel and those charged with governance and agreement of transactions to supporting source documentation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Lorna McNeil (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

6 September 2021

Income statement for the year ended 31 December 2020

(All amounts in £ thousands unless otherwise stated)

		Year ended 31 December	
		2020	2019
Continuing operations	<i>Note(s)</i>		
Operating result	4	-	-
Income from subsidiaries		80,000	19,000
Profit before interest and taxation		80,000	19,000
Interest receivable and similar income	6	114	156
Profit on ordinary activities before tax		80,114	19,156
Tax on profit on ordinary activities	7	(22)	(30)
Profit for the financial year		80,092	19,126

The notes on pages 14 to 23 are an integral part of these financial statements.

All activity is derived from continuing operations.

There is no other comprehensive income for 2020 or 2019 and therefore no statement of comprehensive income has been presented.

Statement of financial position

(All amounts in £ thousands unless otherwise stated)

		As at 31 December	
	Note	2020	2019
Fixed assets			
Investments	8	100	100
		100	100
Current assets			
Debtors: amounts falling due within one year	9	32,012	31,928
		32,012	31,928
Creditors: amounts falling due within one year	10	(70)	(78)
Net current assets		31,942	31,850
Total assets less current liabilities		32,042	31,950
Creditors: amounts falling due after more than one year	11	(505)	(505)
Net assets		31,537	31,445
Equity			
Share capital	12	2,701	2,701
Share premium account		219	219
Other reserves		4,691	4,691
Profit and loss account		23,926	23,834
Total shareholders' funds		31,537	31,445

The notes on pages 14 to 23 are an integral part of these financial statements.

These financial statements were authorised for issue by the board of directors on 6/9 2021 and were signed on its behalf.



J Brockmann
Director

Worcester Group Limited
Registered no. 00735487

Statement of changes in equity for the year ended 31 December 2020

(All amounts in £ thousands unless otherwise stated)

	Note	Called-up share capital	Share premium	Other Reserves	Profit and loss account	Total
Balance as at 1 January 2019		2,701	219	4,691	23,708	31,319
Profit for the financial year		-	-	-	19,126	19,126
Total comprehensive income for the year		-	-	-	19,126	19,126
Dividends	12	-	-	-	(19,000)	(19,000)
Total transactions with owners, recognised directly in equity		-	-	-	(19,000)	(19,000)
Balance as at 31 December 2019		2,701	219	4,691	23,834	31,445
Balance as at 1 January 2020		2,701	219	4,691	23,834	31,445
Profit for the financial year		-	-	-	80,092	80,092
Total comprehensive income for the year		-	-	-	80,092	80,092
Dividends	12	-	-	-	(80,000)	(80,000)
Total transactions with owners, recognised directly in equity		-	-	-	(80,000)	(80,000)
Balance as at 31 December 2020		2,701	219	4,691	23,926	31,537

The notes on pages 14 to 23 are an integral part of these financial statements.

Notes to the financial statements

(All amounts in £ thousands unless otherwise stated)

1 General information

Worcester Group Limited's principal activity during the year was as an intermediate holding company.

The company is a private limited (by shares) company and is incorporated and domiciled in England & Wales.

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 Worcester Group 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 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 3.

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

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

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2.1.1 Going concern

The company's business activities together with the factors likely to affect its future development, its financial position and exposure to risks are described in the Strategic Report.

The company meets its day-to-day working capital requirements through intercompany 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. 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.

The directors have also assessed the ability of Robert Bosch GmbH to support the company and are satisfied that they are in a position to provide such support as and when required.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Annual report and financial statements.

2.1.2 New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 have had a material impact on the company.

2.2 Consolidation

The company is a wholly owned subsidiary of Robert Bosch Investment 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 those of the company and not of the group.

2.3 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, rounded to the nearest thousand (£'000).

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2.4 Financial assets

2.4.1 Classification

The company's financial assets are loans and receivables.

Financial assets are 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. 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.

2.4.2 Recognition and measurement

Loans and receivables are carried at amortised cost using the effective interest method.

2.5 Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

2.6 Impairment of non-financial assets

Assets carried at amortised cost

The company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.7 Cash and cash equivalents

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

2.8 Share capital

Ordinary shares are classified as equity. Preference shares are classified as liabilities (note 2.10).

2.9 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.

2.10 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.

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.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2.11 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.

2.12 Finance income/(expense)

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.

2.13 Dividend income

Dividend income is recognised either when paid or when the right to receive payment is established.

2.14 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. Interim dividends do not become a liability until they are paid.

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. There are no 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.

4 Operating result

Auditors' remuneration

The audit fee for the company is borne by a fellow subsidiary company and has not been recharged. No other remuneration is paid or payable to the auditors (2019: £nil).

5 Employees and directors

Directors

The company had no employees during the year (2019: £nil).

The emoluments of the directors were paid by Bosch Thermoteknik GmbH, a fellow group undertaking. Their services to this company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to Bosch Thermoteknik GmbH. Accordingly, no emoluments are borne by this company in respect of the directors.

6 Interest receivable and similar income

Interest receivable and similar income

	2020	2019
Income receivable from group undertakings	114	156
Interest receivable and similar income	114	156

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

7 Tax on profit on ordinary activities

Tax charge included in profit or loss:

	2020	2019
Current tax:		
- UK corporation tax on profits for the year	22	30
Total current tax	22	30
Tax on profit on ordinary activities recognised in the income statement	22	30

There was no recognised deferred tax asset or liability at the year-end (2019: £nil).

There is an unprovided deferred tax asset of £1.7m relating to capital losses (2019: £1.7m) which has not been recognised due to uncertainty over future results.

Tax charge for the year is lower (2019: lower) as the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19.00% (2019: 19.00%). The differences are explained below:

	2020	2019
Profit before taxation	80,114	19,156
Profit multiplied by the standard rate of tax in the UK of 19.00% (2019: 19.00%)	15,222	3,640
Effects of:		
- Income not subject to tax	(15,200)	(3,610)
Current tax charge	22	30

The corporation tax rate for the current year is 19.00%. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2020 (on 17 March 2020) reversing the previously enacted planned reduction from 19% to 17%.

Deferred taxes at the date of the statement of financial position have been measured using the enacted rate of 19% (2019: 17%) and are reflected in these financial statements.

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge. This rate change had not been substantively enacted at the current balance sheet date therefore deferred tax assets/liabilities have not been remeasured to reflect this rate change.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

8 Investments

	Shares in group undertakings	Total
Cost or valuation		
At 1 January 2020	100	100
At 31 December 2020	100	100
Provisions		
At 1 January 2020	-	-
Impairment losses	-	-
At 31 December 2020	-	-
Net book amount		
At 31 December 2020	100	100
At 31 December 2019	100	100

At year end a review of the carrying value of the investments in group undertakings was undertaken. Following this review, the directors believe that the carrying value of investments is supported by their underlying net assets and anticipated future operating performance.

The company has the following investments in subsidiaries:

	Country of incorporation	Registered office	Class of share held	Ownership	
				2020	2019
Bosch Thermotechnology Limited	United Kingdom	Cotswold Way, Warndon, Worcester WR4 9SW, England, United Kingdom	£1 Ordinary	100%	100%

The subsidiaries principal activity is the manufacture, supply and after sales support of gas and oil-fired boilers and related appliances.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

9 Debtors: amounts falling due within one year

	2020	2019
Amounts owed by group undertakings	32,012	31,928
	32,012	31,928
Due within one year	32,012	31,928
Due after more than one year	-	-

The amounts owed by group undertakings are unsecured, attach interest at 12 months average LIBOR plus 1%, have no fixed date of repayment and are repayable on demand.

10 Creditors: amounts falling due within one year

	2020	2019
Bank loans and overdrafts	9	9
Taxation and social security	51	59
Other creditors	10	10
	70	78

The bank overdraft is unsecured, attaches interest at 1.35% and is repayable on demand.

11 Creditors: amounts falling due after more than one year

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

	2020	2019
Cumulative preference shares of 10p each – 5,047,885	505	505
	505	505

The 10p cumulative preference shares carry a fixed cumulative preferential dividend at the rate of 10p per annum, payable half yearly on 30 June and 31 December. On winding up, the holders are entitled to an amount equal to the repayment of capital plus any arrears. The holders have no voting rights unless the dividend is in arrears by six months or more.

The rights to the cumulative dividends payable on the preferred ordinary shares have been waived by the shareholders. This right has continued to be waived on an annual basis.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

12 Share capital

Share capital

Ordinary shares of £0.10 each

	2020 No. (000's)	2019 No. (000's)
Allotted and fully paid up		
On issue at 1 January	27,008	27,008
On issue at 31 December – fully paid	27,008	27,008
Authorised share capital		
Authorised at 1 January	40,000	40,000
Authorised at 31 December	40,000	40,000

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

Dividends

The following dividends were recognised during the year:

	2020	2019
Interim dividend for 2020: £2.96 (2019: £0.70) per qualifying ordinary share	80,000	19,000
	80,000	19,000

Subsequent to the period end based on a proposed dividend £85,000 being received from the company's subsidiary, an interim dividend of £85,000 has been proposed.

13 Other reserves

The capital redemption reserve is not distributable.

14 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 2020 amounted to £257,793 (2019: £128,461).

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

16 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.

17 Controlling parties

The immediate parent undertaking is Robert Bosch Investment 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.

18 Events after the end of the reporting period

Subsequent to the date of the statement of financial position, there are no adjusting or adjusting subsequent events to report.