

# **BOSCH REXROTH LIMITED**

## **FINANCIAL STATEMENTS 31 December 2009**

**Company Registration  
Number: 0768471**



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## **BOSCH REXROTH LIMITED**

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## **BOSCH REXROTH LIMITED**

### **DIRECTORS' REPORT**

The Directors present their report together with the audited financial statements for the year ended 31 December 2009

### **DIRECTORS AND SECRETARY**

The following were directors of the Company during the year

K Tragl	(Chairman)
P R Cooke	
K P Fouquet	– appointed 1 July 2009
A J Johnstone	
R P Meier	– resigned 1 July 2009
G M Rowell	
W Totsche	

Mr R P Meier resigned as a director of the Company on 1 July 2009 and Mr K P Fouquet was appointed as a director on that date

K A Bloodworth was company secretary during the year

### **DIVIDENDS**

The directors do not recommend the payment of a dividend (2008 £Nil)

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The Company has continued its main activities of the manufacture, distribution and marketing of hydraulic, pneumatic and electrical equipment

The results for the Company show a pre-tax loss of £6,119,305 (2008 profit of £2,551,248) for the year and sales of £76,975,217 (2008 £142,798,631). The 2009 global economic crisis resulted in a severe setback in terms of sales and earnings with sales declining by 46%. Throughout the year the Company took measures to mitigate the impact of this downturn by cutting current expenditure and investment, as well as reducing the amount tied up in inventories.

On 24 December 2009 Bosch Rexroth UK Holdings Limited made a cash contribution of £15,000,000 to the capital of the company, securing the Company's ongoing liquidity. Bosch Rexroth Limited is under no obligation to repay the capital contribution. As at 31 December 2009 the company had net assets of £10,911,804 (2008 £4,893,895).

During the year the Company commenced business via a branch from a new location in Portlaoise, Southern Ireland. This facility will enable the Company to offer a local presence to its existing and future customers in Southern Ireland.

### **RESEARCH AND DEVELOPMENT**

During the year the Company invested £211,434 (2008 £545,355) in research and development, mainly with regard to the development of new motors. The directors regard the investment in research and development as an important part of their strategy to maintain and develop the Company's product and customer base.

### **FUTURE DEVELOPMENTS**

Despite some positive signs, 2010 is again likely to be a difficult year and it is still too early to forecast trends relating to sales or earnings.

**BOSCH REXROTH LIMITED****DIRECTORS' REPORT (Continued)****PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to a number of risks

The key business risks and uncertainties affecting the Company are considered to relate to competition from both national and international businesses, the downturn in sales due to the current period of recession and credit and foreign exchange risk

**KEY PERFORMANCE INDICATORS ("KPIs")**

The Company represents a single entity within the Bosch Worldwide Drives and Control Division and the directors are of the opinion that the majority of key performance indicators are more meaningfully assessed on a business unit level and hence have not presented the metrics for this entity. Financial KPIs applicable on an entity level are considered to be

- Sales
- Orders received and on hand
- Profit before tax

**FREEHOLD LAND AND BUILDINGS**

The net book value of land and buildings held on the balance sheet as at 31 December 2009 is £6,922,084 (2008 £6,977,696). The directors believe that the market value is in excess of this although no formal valuation has been carried out.

**EMPLOYMENT OF DISABLED PERSONS**

The Company's policy is to give full and fair consideration to applications for employment by disabled persons, having regard to the nature of the employment. Where practicable suitable opportunities are offered to disabled persons, or persons who become disabled, and fair consideration is given to their training needs, career development and promotion potential.

**EMPLOYEE CONSULTATION**

The Company recognises the need to ensure effective communication with employees, and has developed policies and procedures to suit the needs of all employees, taking into account numbers employed and location. These procedures include formal and informal meetings, company publications, intranet releases and employee surveys.

**CHARITABLE AND POLITICAL DONATIONS**

During the year the Company contributed a total of £2,285 (2008 £3,673) to local charities.

**DIRECTORS' INDEMNITIES**

The Company's parent company has made qualifying third party indemnity provisions for the benefit of the Company's directors which were in force throughout the year and remain in force at the date of this report.

**PAYMENTS TO SUPPLIERS**

The Company's policy, in relation to all of its suppliers, is to settle the terms of payment when agreeing the terms of the transaction, and to abide by those terms, providing that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Company does not follow any code or statement on payment practice.

At 31 December 2009 the Company had 38 days (2008 28 days) purchases outstanding.

## **BOSCH REXROTH LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **FINANCIAL RISK MANAGEMENT**

The Company's operations expose it to a variety of financial risks that include price risk, credit risk, currency risk, liquidity risk, interest rate and cash flow risk. Given the size of the Company, responsibility for monitoring financial risk management is in the hands of the Board.

##### **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 revisit the appropriateness of this policy should the Company's operations change in size or nature.

##### **Credit risk**

In order to monitor credit risk the Company has policies and systems that require appropriate credit checks to be performed on existing and potential customers.

##### **Currency risk**

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

##### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of equity financing and short-term debt finance.

##### **Interest rate and cash flow risk**

The Company is subject to interest rate risk on its borrowings. The interest rate risk is managed on behalf of the Company by its ultimate controlling party, Robert Bosch GmbH. Where appropriate, debt is maintained at a fixed rate to ensure the certainty of future cash flows. These policies thereby limit the interest rate and cash flow risk.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS**

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

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

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

**BOSCH REXROTH LIMITED**

**DIRECTORS' REPORT (continued)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS (continued)**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT ON DISCLOSURE OF INFORMATION TO THE AUDITORS**

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

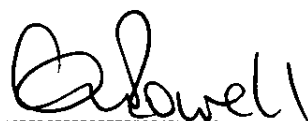
Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**AUDITORS**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

By order of the Board 5 May 2010

15 Cromwell Road  
St Neots  
Cambridgeshire  
PE19 2ES



G M Rowell  
Director

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOSCH REXROTH LIMITED

We have audited the financial statements of Bosch Rexroth Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, 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.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the requirements of the Companies Act 2006

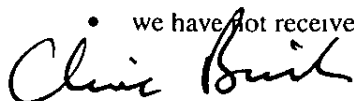
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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



Clive Birch, (Senior Statutory Auditor)  
 For and on behalf of PricewaterhouseCoopers LLP  
 Chartered Accountants and Statutory Auditors  
 Cambridge  
 5 May 2010

**BOSCH REXROTH LTD****PROFIT AND LOSS ACCOUNT****Year ended 31 December 2009**

	NOTES	2009 £	2008 £
Turnover	11	76,975,217	142,798,631
Change in stocks of finished goods and work in progress		(912,778)	(1,711,023)
Own work capitalised		369,468	727,625
Other operating income		2,426,061	5,307,106
		<u>78,857,968</u>	<u>147,122,339</u>
Raw materials and consumables		46,472,475	92,364,816
Other external charges		4,113,226	6,313,509
Staff costs		21,582,917	28,820,100
	Comprising -		
	Wages and salaries	18,352,167	24,497,903
	Social security costs	2,177,870	2,928,753
	Other pension costs	1,052,880	1,393,444
Depreciation and amounts written off tangible fixed assets	14	2,350,336	2,426,232
Other operating charges		9,403,236	12,899,121
Amounts written off investments	3	2,485,000	-
Income from shares in group undertakings		(2,656,946)	-
		<u>83,750,244</u>	<u>142,823,778</u>
(Loss) / profit on ordinary activities before interest and tax	16	<u>(4,892,276)</u>	<u>4,298,561</u>
Interest receivable and similar income	12	10,663	164,042
Interest payable and similar charges	15	(534,692)	(1,780,355)
Other finance income	21	-	19,000
Other finance costs	21	(703,000)	(150,000)
		<u>(1,227,029)</u>	<u>(1,747,313)</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,119,305)	2,551,248
Tax on (loss) / profit on ordinary activities	17	1,803,534	(1,420,864)
(LOSS) / PROFIT FOR THE FINANCIAL YEAR	9,10	<u>(4,315,771)</u>	<u>1,130,384</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****Year ended 31 December 2009**

		2009 £	2008 £
(Loss) / profit for the financial year		(4,315,771)	1,130,384
Actuarial loss on pension schemes	21	(6,481,000)	(66,000)
Movement on deferred tax relating to pension liability	9	1,814,680	18,480
Total recognised gains and losses relating to the year		<u>(8,982,091)</u>	<u>1,082,864</u>

All of the Company's operations are classed as continuing

There are no differences between the (loss) / profit on ordinary activities before taxation and the (loss) / profit for the year stated above and their historical cost equivalents

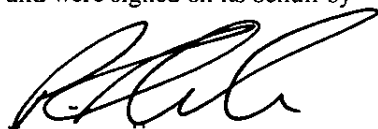
The notes on pages 8 to 22 form part of these financial statements



**BOSCH REXROTH LTD****BALANCE SHEET**  
**31 December 2009**

	NOTES	£	2009 £	2008 £
<b>FIXED ASSETS</b>				
Tangible fixed assets	2		14,143,967	15,633,898
Investments	3		<u>50,000</u>	<u>2,535,000</u>
			14,193,967	18,168,898
<b>CURRENT ASSETS</b>				
Stock and work in progress	4	7,391,675	14,694,768	
Debtors	5	20,654,424	25,217,144	
Cash at bank and in hand		<u>1,697</u>	<u>434,685</u>	
		28,047,796	40,346,597	
<b>CREDITORS - amounts falling due within one year</b>	6	<u>(15,242,561)</u>	<u>(41,821,538)</u>	
<b>Net current assets / (liabilities)</b>			12,805,235	(1,474,941)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>26,999,202</u>	<u>16,693,957</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	7		(2,636,358)	(3,002,382)
<b>NET ASSETS EXCLUDING PENSION DEFICIT</b>			<u>24,362,844</u>	<u>13,691,575</u>
Pension Deficit	21		(13,451,040)	(8,797,680)
<b>NET ASSETS INCLUDING PENSION LIABILITIES</b>			<u>10,911,804</u>	<u>4,893,895</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	8		14,700,000	14,700,000
Capital reserve	9		23,300,000	8,300,000
Profit and loss reserve	9		(27,088,196)	(18,106,105)
<b>SHAREHOLDER'S FUNDS</b>	10		<u>10,911,804</u>	<u>4,893,895</u>

These financial statements on pages 6 to 22 were approved by the board of directors on 5 May 2010, and were signed on its behalf by



P.R. Cooke - Director



G.M. Rowell - Director

Bosch Rexroth Limited

Registered no. 0768471

The notes on pages 8 to 22 form part of these financial statements

## **BOSCH REXROTH LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1 ACCOUNTING POLICIES**

##### **a) BASIS OF PREPARATION**

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

The Company is exempt from the requirement to prepare group accounts under s400 of the Companies Act 2006. The parent undertaking in which the results are consolidated is Robert Bosch GmbH, a company incorporated in Germany.

##### **b) TANGIBLE FIXED ASSETS**

No depreciation is provided on freehold land. Items of machinery, factory and office equipment costing less than Euro 400 are written off in the year of purchase. Assets under construction are not depreciated until they have been completed. For all other tangible fixed assets, the depreciation charge is the higher of:

- i) The reducing balance method at annual rates of up to twice the appropriate straight line rate (subject to maximum of 20%), and
- ii) Straight-line depreciation of the remaining net book value over the remaining useful life. Useful lives attributed to each class of asset are -
 

Freehold buildings	-	Over 33 years
Leasehold Buildings	-	Term of Lease
Plant and machinery	-	Over 7 to 14 years
Equipment and vehicles	-	Over 3 to 12 years
Software	-	Over 1 to 4 years

##### **c) INTANGIBLE ASSETS - RESEARCH AND DEVELOPMENT**

Research and development expenditure is written off as it is incurred.

##### **d) STOCK AND WORK IN PROGRESS**

Stock and work in progress are valued at the lower of cost and net realisable value. The cost of work in progress and semi-finished goods comprises the direct cost of materials and labour together with a relevant proportion of production overheads, less any progress payments received. Raw materials and purchased components are valued at weighted average cost. Net realisable value represents estimated future selling price less any further costs to completion. Provision is made for obsolete, slow-moving or defective items where appropriate.

##### **e) LONG-TERM CONTRACTS**

If progress payments received exceed the cost or net realisable value of specific contracts the excess is included in creditors due within one year. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

## BOSCH REXROTH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1 ACCOUNTING POLICIES (Continued)

##### f) PENSION COSTS

###### **Defined contribution plan**

For the defined contribution (money purchase) plan contributions are paid to the Trustees of the Plan who invest them on behalf of the members. The Company contribution rate is based on how long an employee has been a member of the Plan. Contributions are charged to the profit and loss account during the period in which the employee is an active member of the Plan. The costs of administering the Plan and providing for death in service are met by the Company.

###### **Defined benefit plan**

The Company participated in two defined benefit pension schemes, the Bosch Rexroth Retirement Benefits Schemes (1) and (2). These schemes, which covered employees of the divisions in England and the employees of the division in Scotland respectively, were closed to new entrants in 2002. Both these schemes were closed to future accrual with effect from 31 December 2007.

On 1 January 2009, the Company's defined benefit pension schemes, the Bosch Rexroth Retirement Benefits Schemes (1) and (2) were merged with three other UK schemes run for Bosch group companies in the UK creating the Bosch UK Retirement Benefits Scheme.

The scheme is a multi-employer scheme and in accordance with paragraph 9 of FRS 17 'Retirement benefits' the assets, liabilities and costs of the pension scheme are allocated between the participating employers, including Bosch Rexroth Limited with reference to actual employer contributions to scheme assets and actuarial valuations of the pension liability based on members of the participating employer.

The pension liability recognised in the balance sheet is the obligation of the employer being the present value of schemes' liabilities less the value of the assets in the schemes. The resulting liability is stated net of credit for deferred taxation.

As the schemes were closed to future accrual with effect from 31 December 2007 the pension costs for the schemes are now only analysed into the net expected return on pension assets. Net expected return on the pension assets comprises the expected return on the pension scheme assets less interest on scheme liabilities.

The actuarial gains and losses which arise from any new valuation and from updating the latest actuarial valuation to reflect conditions at the balance sheet date are taken to the statement of total recognised gains and losses for the period. The attributable deferred tax is shown separately in the statement of total recognised gains and losses.

##### g) TURNOVER

Turnover is the invoiced value of goods sold including carriage, services supplied and commissions receivable in the year, excluding Value Added Tax. The turnover is attributable to the manufacture and marketing of hydraulic, electrical and pneumatic equipment.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed as a proportion of the total contract value.

**BOSCH REXROTH LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****1 ACCOUNTING POLICIES (Continued)****h) DEFERRED TAXATION**

Provision is made for deferred tax liabilities and assets, using full provision accounting, otherwise known as the incremental liability method, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future in accordance with Financial Reporting Standard ("FRS") 19. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**i) TRANSLATION OF FOREIGN CURRENCIES**

At the balance sheet date, monetary assets and liabilities are translated at the rate then ruling. Transactions in foreign currencies are included in the profit and loss account at the rate ruling at the date of the transaction. Losses and gains on translation are included in the trading results.

**j) WARRANTY PROVISION**

Provision is made for potential warranty costs on engineering 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.

**k) OTHER PROVISIONS**

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

**l) OPERATING LEASES**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Benefits such as rent-free periods, received as incentives to take on operating leases are spread on a straight-line basis over the lease term, or, if shorter than the full lease term, over the period to the review date on which the rent is first expected to be adjusted to the prevailing market rent.

**m) FINANCIAL INSTRUMENTS**

The Company does not have any financial instruments other than cash, debtors and creditors. Due to the short term nature of these balances, the Company considers the fair value of these items to equal the carrying value.

**n) CASH FLOW STATEMENT**

Under the terms of FRS 1, the Company has not prepared a cash flow statement as its ultimate parent undertaking, Robert Bosch GmbH includes the Company in its own published consolidated financial statements.

**o) RELATED PARTY TRANSACTIONS**

Under the terms of FRS 8 the Company is exempt from the requirement to disclose related party transactions with members of the Robert Bosch Group on the grounds that 100% or more of the voting rights are controlled within the group and consolidated financial statements of Robert Bosch GmbH are publicly available.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 31 December 2009**

**2 TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Short Leasehold land and buildings £	Plant and machinery £	Equipment and vehicles £	Software £	Assets under construction £	Total £
<b>COST</b>							
At 1 January 2009	11,097,252	371,727	18,271,604	10,458,202	234,430	1,209,523	41,642,738
Additions	221,017	11,667	216,817	304,915	3,300	111,938	869,654
Transfers	20,241	9,693	870,254	288,715	-	(1,188,903)	-
Reclassification	-	-	(63,796)	63,796	-	-	-
Disposals	(20,274)	-	(21,579)	(579,483)	-	-	(621,336)
At 31 December 2009	<u>11,318,236</u>	<u>393,087</u>	<u>19,273,300</u>	<u>10,536,145</u>	<u>237,730</u>	<u>132,558</u>	<u>41,891,056</u>
<b>DEPRECIATION</b>							
At 1 January 2009	4,119,556	94,680	13,291,703	8,357,235	145,666	-	26,008,840
Provision for the year	294,860	83,878	1,344,933	580,899	45,766	-	2,350,336
Reclassification	-	-	(25,897)	25,897	-	-	-
On disposals	(18,264)	-	(16,112)	(577,711)	-	-	(612,087)
At 31 December 2009	<u>4,396,152</u>	<u>178,558</u>	<u>14,594,627</u>	<u>8,386,320</u>	<u>191,432</u>	<u>-</u>	<u>27,747,089</u>
<b>NET BOOK VALUE</b>							
At 31 December 2009	<u>6,922,084</u>	<u>214,529</u>	<u>4,678,673</u>	<u>2,149,825</u>	<u>46,298</u>	<u>132,558</u>	<u>14,143,967</u>
At 31 December 2008	<u>6,977,696</u>	<u>277,047</u>	<u>4,979,901</u>	<u>2,100,967</u>	<u>88,764</u>	<u>1,209,523</u>	<u>15,633,898</u>

Included in additions, disposals and the depreciation provision for the year is an amount of £Nil (2008 £27,494) in respect of small value items written off

**3 FIXED ASSET INVESTMENTS**

Subsidiary undertaking

**COST**

At 1 January and 31 December 2009

£  
2,535,000

**PROVISION FOR DIMINUTION IN VALUE**

Provided during the year

2,485,000

**NET BOOK VALUE**

At 31 December 2009

50,000

At 31 December 2008

2,535,000

The investment in shares relates to the 100% holding of the ordinary share capital of Oil Control Limited, a company incorporated in the United Kingdom

The principal activity of Oil Control Limited was the supply of valves to the engineering industry. On 1 August 2007 the trade and activities of Oil Control Limited were transferred to Bosch Rexroth Limited

## BOSCH REXROTH LTD

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
Year ended 31 December 2009

4 STOCK AND WORK IN PROGRESS	2009	2008
	£	£
Raw materials and consumables	1,073,972	1,856,515
Work-in-progress	2,288,590	2,418,593
Long-term contract balances		
Net cost less foreseeable losses	-	622,875
Less applicable payments on account	-	-
Long-term contract balances	-	622,875
Finished goods and goods for resale	4,029,113	9,796,785
	<u>7,391,675</u>	<u>14,694,768</u>

Finished goods includes £3,738,525 (2008 £9,034,573) in respect of goods for resale

5 DEBTORS	2009	2008
	£	£
Trade debtors	15,162,669	20,666,059
Amounts owed by group undertakings	4,934,766	4,139,207
Other debtors	108,543	194,594
Corporation tax recoverable	167,273	-
Prepayments and accrued income	281,173	217,284
	<u>20,654,424</u>	<u>25,217,144</u>

6 CREDITORS - amounts falling due within one year	2009	2008
	£	£
Bank borrowing	4,864,908	-
Trade creditors	4,097,360	7,215,304
Payments received on account	393,575	230,665
Amounts owed to group undertakings	3,173,257	31,617,693
Corporation tax	-	474,197
Other taxation and social security	1,200,324	1,180,525
Other creditors	108,296	152,030
Accruals and deferred income	1,404,841	951,124
	<u>15,242,561</u>	<u>41,821,538</u>

Included within amounts owed to group undertakings as at 31 December 2008 were two loans totalling £25,000,000 Interest was payable at 6.90% These loans were repaid during 2009

The Company's overdraft facility is part of a netting agreement with certain other UK subsidiaries of Robert Bosch GmbH The overdraft which is unsecured is repayable on demand Interest is charged at 0.25% over the Bank's base rate

The directors have received confirmation from the parent company, Robert Bosch GmbH, that it is its present intention to support the continued operations of the Company for the foreseeable future

Included in 'other creditors' is £68,176 (2008 £118,127) which represents pension contributions unpaid at 31 December 2009 in respect of the defined contribution pension schemes

## BOSCH REXROTH LTD

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
Year ended 31 December 2009

## 7 PROVISION FOR LIABILITIES AND CHARGES

		Movement dealt with through Profit and loss Account		
	2008	Additions	Usage	2009
	£	£	£	£
Holiday pay	193,622	155,244	(193,622)	155,244
Severance pay	42,389	53,125	(42,389)	53,125
Guarantee and warranty provision	1,572,053	563,715	(1,037,684)	1,098,084
Provision for loss on contracts	143,212	402,549	(143,212)	402,549
Deferred taxation - note 17	1,051,106	927,356	(1,051,106)	927,356
	<u>3,002,382</u>	<u>2,101,989</u>	<u>(2,468,013)</u>	<u>2,636,358</u>

**Holiday Pay**

The provision for holiday pay relates to holiday entitlement not taken as at the balance sheet date

**Severance Pay**

The provision for severance pay relates to specific known restructuring costs as at 31 December 2009

**Guarantee and warranty provisions**

Provision is made for potential warranty costs on engineering 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

**Provision for loss on contracts**

The provision for loss on contracts relates to all foreseeable and unavoidable losses on contracts entered into before the balance sheet date

## 8 CALLED UP SHARE CAPITAL

**Authorised**

25,000,000 ordinary shares of £1 each (2008 25,000,000)

**Allotted, issued and fully paid**

14,700,000 ordinary shares of £1 each (2008 14,700,000)

	2009	2008
	£	£
Authorised	25,000,000	25,000,000
Allotted, issued and fully paid	14,700,000	14,700,000

## 9 RESERVES

	Profit & Loss Reserve	Capital Reserve
	£	£
At 1 January 2009	(18,106,105)	8,300,000
Loss for the financial year	(4,315,771)	-
Cash contribution to capital reserve	-	15,000,000
Actuarial loss on pension schemes	(6,481,000)	-
Movement on deferred tax relating to pension schemes	1,814,680	-
At 31 December 2009	<u>(27,088,196)</u>	<u>23,300,000</u>

On 24 December 2009 Bosch Rexroth UK Holdings Limited made a cash capital contribution of £15,000,000 to the Company. Bosch Rexroth Limited is under no obligation to repay this capital contribution.

## BOSCH REXROTH LTD

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2009

<b>10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2009</b>	<b>2008</b>
	£	£
(Loss) / profit for the financial year	(4,315,771)	1,130,384
Cash contribution to capital reserve	15,000,000	-
Actuarial loss on pension schemes	(6,481,000)	(66,000)
Movement on deferred tax relating to pension schemes (note 17)	1,814,680	18,480
Net addition to shareholders' funds	6,017,909	1,082,864
Opening shareholders' funds	4,893,895	3,811,031
Closing shareholders' funds	<u>10,911,804</u>	<u>4,893,895</u>
<b>11 TURNOVER</b>		
The distribution of turnover by geographical location is as follows		
	<b>2009</b>	<b>2008</b>
	£	£
United Kingdom	57,964,560	83,984,747
Germany	4,095,805	8,333,276
Other EU Countries	3,910,804	8,783,126
Rest of Europe	123,989	347,262
Asia and Middle East	479,758	4,190,721
North America	9,641,629	35,768,378
Central and South America	490,023	754,912
Australia, South Pacific and Other regions	268,649	636,209
	<u>76,975,217</u>	<u>142,798,631</u>
All turnover is attributable to one class of business and originates in the United Kingdom and Southern Ireland		
<b>12 INTEREST RECEIVABLE</b>	<b>2009</b>	<b>2008</b>
	£	£
From group undertakings	9,597	148,826
Other	1,066	15,216
	<u>10,663</u>	<u>164,042</u>
<b>13 STAFF</b>		
The average monthly number of employees during the year (including executive directors) was as follows -		
	<b>2009</b>	<b>2008</b>
	Number	Number
Production	367	494
Selling	152	164
Administration	76	81
	<u>595</u>	<u>739</u>
<b>14 DEPRECIATION AND AMOUNTS WRITTEN OFF TANGIBLE FIXED ASSETS</b>	<b>2009</b>	<b>2008</b>
	£	£
Depreciation	2,350,336	2,398,738
Small value items written off	-	27,494
	<u>2,350,336</u>	<u>2,426,232</u>
<b>15 INTEREST PAYABLE</b>	<b>2009</b>	<b>2008</b>
	£	£
On balances payable to group undertakings	504,815	1,724,864
On overdrafts and bank loans	29,670	54,833
Other	207	658
	<u>534,692</u>	<u>1,780,355</u>



**BOSCH REXROTH LTD****NOTES TO THE FINANCIAL STATEMENTS (Continued)****Year ended 31 December 2009**

<b>16 OPERATING (LOSS) / PROFIT</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
This is stated after charging or (crediting) -		
Loss on disposal of fixed assets	5,634	1,401
Operating leases - plant and machinery	160,062	148,660
Operating leases - other	1,141,786	1,099,410
Research and development	211,434	545,355
Net foreign exchange loss (gain)	<u>509,716</u>	<u>(2,222,605)</u>
Auditors' remuneration		
Audit services - fees payable to the Company auditor for the audit of the Company's accounts	<u>46,300</u>	<u>43,000</u>
<b>17 TAXATION</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
United Kingdom corporation tax at the rate of 28% (2008 28.5%)		
Current year tax (credit) / charge	-	617,837
Group relief receivable	(1,671,655)	-
Under / (over) provision in respect of prior year	<u>96,439</u>	<u>(94,979)</u>
Current tax (credit) / charge	<u>(1,575,216)</u>	<u>522,858</u>
Deferred tax		
Current year (credit) / charge	(10,925)	924,497
Pension contribution relief in excess of pension cost charge	5,040	159,320
Overprovision in respect of prior year	<u>(222,433)</u>	<u>(185,811)</u>
Deferred tax	<u>(228,318)</u>	<u>898,006</u>
Tax (credit) / charge on (loss) / profit from ordinary activities	<u>(1,803,534)</u>	<u>1,420,864</u>
Factors affecting the tax (credit) / charge for the year		
(Loss) / profit on ordinary activities before taxation	<u>(6,119,305)</u>	<u>2,551,248</u>
Tax (credit) / charge on (loss) / profit on ordinary activities at the standard rate of 28% (2008 28.5%)	(1,713,405)	727,106
Tax effect of reconciling items		
Expenses not deductible for tax purposes	45,403	60,607
Differences between capital allowances and depreciation	140,615	35,842
Income from shares in group undertakings not taxable	(743,945)	-
Amounts written off investments not deductible for tax purposes	695,800	-
Other short term timing differences	(91,083)	(46,398)
Pension contribution relief in excess of pension cost charge	(5,040)	(159,320)
Under / (over) provision in respect of prior year	<u>96,439</u>	<u>(94,979)</u>
Current year tax (credit) / charge	<u>(1,575,216)</u>	<u>522,858</u>

The tax charge for the prior year was increased by £889,759 as a result of the abolition of industrial building allowances ('IBA') from 1 April 2011

The rate of UK Corporation tax was reduced from 30% to 28% with effect from 1 April 2008

This gave rise to an effective rate of Corporation Tax of 28.5% in respect of the year ended 31 December 2008

The Company has surrendered the benefit of tax losses to another group company on a £ for £ basis

## BOSCH REXROTH LTD

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
Year ended 31 December 2009

## 17 TAXATION (Continued)

## Deferred taxation

At 31 December 2009 the Company had a provision for deferred tax as follows:

	2009 £	2008 £
Difference between capital allowances and depreciation	1,100,157	1,278,882
Other temporary timing differences	(172,801)	(227,776)
Total provision for deferred tax	<u>927,356</u>	<u>1,051,106</u>
	2009 £	2008 £
1 January	1,051,106	(3,631,207)
Deferred tax (credit) / charge in profit and loss account	(233,358)	738,686
Group relief received in respect of prior years' losses	109,608	3,943,627
31 December	<u>927,356</u>	<u>1,051,106</u>

## Deferred tax asset relating to pension deficit

	2009 £	2008 £
1 January	3,421,320	3,562,160
Deferred tax charge in profit and loss account	(5,040)	(159,320)
Deferred tax on actuarial loss credited to the statement of total recognised gains and losses	1,814,680	18,480
31 December	<u>5,230,960</u>	<u>3,421,320</u>

The deferred tax asset of £5,230,960 (2008 £3,421,320) has been deducted in arriving at the net pension deficit on the balance sheet

## 18 DIRECTORS' REMUNERATION

	2009 £	2008 £
Executive remuneration	<u>399,264</u>	<u>492,088</u>

£38,250 (2008 £55,493) contributions for 3 (2008 4) directors were paid in respect of the defined contributions pension scheme

Details of the highest paid director's remuneration are as follows -

Executive remuneration	<u>145,589</u>	<u>171,507</u>
Annual pension accrual	<u>51,330</u>	<u>51,330</u>

£16,741 (2008 £18,149) contributions were paid in respect of the defined contributions pension scheme

## 19 COMMITMENTS FOR CAPITAL EXPENDITURE

In addition to amounts included in these financial statements there were commitments for capital expenditure as follows -

	2009 £	2008 £
Contracted	<u>240,424</u>	<u>500,240</u>

**BOSCH REXROTH LTD****NOTES TO THE FINANCIAL STATEMENTS (Continued)****Year ended 31 December 2009****20 LEASING COMMITMENTS**

Annual commitments under non-cancellable operating leases taken out before the balance sheet date are as follows -

	Land and buildings		Other	
	2009	2008	2009	2008
Operating leases which expire	£	£	£	£
Within one year	32,205	21,014	142,660	128,636
Within two to five years	36,464	63,850	610,933	681,938
After five years	50,000	50,000	-	-
	<u>118,669</u>	<u>134,864</u>	<u>753,593</u>	<u>810,574</u>

**21 PENSION COSTS**

The Company operates a defined contribution scheme under the terms of which the annual instalments charged to the Profit and Loss Account are fixed and the Company has no potential liability other than for the payment of those instalments

The Company also operated two defined benefit pension schemes, the Bosch Rexroth Limited Retirement Benefits Schemes (1) and (2). These Schemes which covered employees of the divisions in England and the employees of the division in Scotland respectively were administered by trustees and were independent of the Company's finances. Both Schemes were closed to future accrual with effect from 31 December 2007.

On 1 January 2009, the company's defined benefit pension schemes, the Bosch Rexroth Ltd Retirement Benefits Schemes (1) and (2) were merged with three other UK schemes run for Bosch group companies in the UK creating the Bosch UK Retirement Benefits Scheme. Contributions are paid to the scheme in accordance with the recommendations of an independent actuarial adviser.

Under the definitions set out in FRS17 'Retirement benefits', the Bosch UK Retirement Benefits Scheme is a multi-employer pension scheme. The deficit for the scheme as a whole at 31 December 2009 is £44,119,000. The company has identified its share of the underlying assets and liabilities of the scheme as shown on page 18.

A full actuarial valuation was carried out at 1 January 2009 and updated to 31 December 2009, by an independent qualified actuary in accordance with FRS17. As required by FRS17, the defined benefit liabilities have been measured using the projected unit method and both the assets and liabilities include the value of those pensions in payment, that are secured with insured annuities.

The fair values of the Scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, the present value of the Scheme's liabilities, which are derived from cash flow projections over long periods and are thus inherently uncertain, the expected rates of return and the major assumptions used for the actuarial valuations are

**BOSCH REXROTH LTD****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 31 December 2009****21 PENSION COSTS (Continued)**

<b>Assumptions</b>	<b>2009</b>	<b>2008</b>
Average remaining service life	15 years	14 years
Inflation	3.50% pa	3.00% pa
Pension increases	3.50% pa	3.00% pa
Deferred pension increases	3.50% pa	3.00% pa
Salary growth	4.00% pa	4.25% pa
Discount rate	5.70% pa	6.50% pa
Overall expected return for Equities, Bonds and Other	6.50% pa	7.00% pa

The mortality assumptions used were as follows

	<b>2009 years</b>	<b>2008 years</b>
Longevity at age 65 for current pensioners		
- Men	21.7	21.6
- Women	24.3	24.4
Longevity at age 65 for future pensioners		
- Men	23.4	21.9
- Women	25.9	24.8

**Sensitivity analysis of scheme liabilities**

The sensitivity of the present value of scheme liabilities to changes in the principle assumptions used is set out below

	<b>Change in Assumptions</b>	<b>Impact on scheme liabilities</b>
	<b>Increase / decrease by</b>	<b>Increase / decrease by</b>
Rate of inflation	+0.1% pa	+1.4%
Rate of increase in salaries	+0.1% pa	+0.7%
Rate of increase in pensions in payment	+0.1% pa	+0.6%
Discount rate	+0.5% pa	-8.6%
	<b>Increase by</b>	<b>Increase by</b>
Mortality	1 year	+2.6%

**BOSCH REXROTH LTD****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Year ended 31 December 2009

**21) PENSION COSTS (Continued)****Reconciliation of fair value of scheme assets****SCHEME (1)**

	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fair value of assets</b>	<b>26,411,000</b>	<b>23,719,000</b>	<b>28,394,000</b>
Composed of			
• Equities	16,084,000	11,425,000	15,363,000
• Bonds	9,322,000	8,091,000	8,279,000
• Other	1,005,000	4,203,000	4,752,000
<b>Present value of liabilities</b>	<b>39,455,000</b>	<b>33,270,000</b>	<b>38,395,000</b>
<b>Gross pension liability</b>	<b>(13,044,000)</b>	<b>(9,551,000)</b>	<b>(10,001,000)</b>
<b>Related deferred tax asset</b>	<b>3,652,320</b>	<b>2,674,280</b>	<b>2,800,280</b>
<b>Net pension liability</b>	<b>(9,391,680)</b>	<b>(6,876,720)</b>	<b>(7,200,720)</b>

**SCHEME (2)**

	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fair value of assets</b>	<b>11,009,000</b>	<b>9,902,000</b>	<b>11,754,000</b>
Composed of			
• Equities	6,704,000	5,464,000	7,232,000
• Bonds	3,886,000	2,967,000	2,743,000
• Other	419,000	1,471,000	1,779,000
<b>Present value of liabilities</b>	<b>16,647,000</b>	<b>12,570,000</b>	<b>14,475,000</b>
<b>Gross pension liability</b>	<b>(5,638,000)</b>	<b>(2,668,000)</b>	<b>(2,721,000)</b>
<b>Related deferred tax asset</b>	<b>1,578,640</b>	<b>747,040</b>	<b>761,880</b>
<b>Net pension liability</b>	<b>(4,059,360)</b>	<b>(1,920,960)</b>	<b>(1,959,120)</b>

The expected rates of return on the Scheme's assets at the balance sheet date were:

	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Equities	7.5	8.0	8.0
Bonds	5.1	5.3	5.3
Other	4.0	4.5	4.5

As at 31 December 2009 the overall expected rate of return on the Scheme's assets of 6.5% is broadly based on a weighted average of the above rates

The Scheme's assets do not include any of Bosch Rexroth Limited's own financial instruments or any property occupied by Bosch Rexroth Limited

## BOSCH REXROTH LTD

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2009

## 21 PENSION COSTS (Continued)

	2009			2008		
	Scheme 1	Scheme 2	Total	Scheme 1	Scheme 2	Total
	£	£	£	£	£	£
<b>Analysis of the amount (charged to)/credited to (other finance cost)/other finance income</b>						
Expected return on pension scheme assets	1,569,000	654,000	2,223,000	1,981,000	826,000	2,807,000
Interest on pension scheme liabilities	(2,125,000)	(801,000)	(2,926,000)	(2,131,000)	(807,000)	(2,938,000)
Net (cost)/return	(556,000)	(147,000)	(703,000)	(150,000)	19,000	(131,000)

**Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)**

Actual return less expected return on pension scheme assets	1,765,150	735,850	2,501,000	(6,474,000)	(2,757,000)	(9,231,000)
Experience gains and losses arising on scheme liabilities	(5,212,000)	(3,770,000)	(8,982,000)	6,579,000	2,586,000	9,165,000
Actuarial (loss) / gain recognised in STRGL	(3,446,850)	(3,034,150)	(6,481,000)	105,000	(171,000)	(66,000)

**Reconciliation of present value of scheme liabilities**

At the beginning of the year	33,270,000	12,570,000	45,840,000	38,395,000	14,475,000	52,870,000
Interest cost	2,125,000	801,000	2,926,000	2,131,000	807,000	2,938,000
Benefits paid	(1,152,000)	(494,000)	(1,646,000)	(677,000)	(126,000)	(803,000)
Actuarial loss / (gain)	5,212,000	3,770,000	8,982,000	(6,579,000)	(2,586,000)	(9,165,000)
At the end of the year	39,455,000	16,647,000	56,102,000	33,270,000	12,570,000	45,840,000

**Reconciliation of fair value of scheme assets**

At the beginning of the year	23,719,000	9,902,000	33,621,000	28,394,000	11,754,000	40,148,000
Contributions paid	509,850	211,150	721,000	495,000	205,000	700,000
Expected return on scheme assets	1,569,000	654,000	2,223,000	1,981,000	826,000	2,807,000
Benefits paid	(1,152,000)	(494,000)	(1,646,000)	(677,000)	(126,000)	(803,000)
Actuarial gain / (loss)	1,765,150	735,850	2,501,000	(6,474,000)	(2,757,000)	(9,231,000)
At the end of the year	26,411,000	11,009,000	37,420,000	23,719,000	9,902,000	33,621,000

## BOSCH REXROTH LTD

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2009

## 21 PENSION COSTS (Continued)

Amounts for current and previous four years

Scheme 1	2009	2008	2007	2006	2005
	£	£	£	£	£
Defined benefit obligation	(39,455,000)	(33,270,000)	(38,395,000)	(37,725,000)	(34,119,000)
Plan assets	26,411,000	23,719,000	28,394,000	27,890,000	24,869,000
Deficit	(13,044,000)	(9,551,000)	(10,001,000)	(9,835,000)	(9,250,000)
Experience adjustments on plan assets	1,765,150	(6,474,000)	(2,064,000)	125,000	854,000
Experience adjustments on plan liabilities	(5,212,000)	6,579,000	1,435,000	(1,371,000)	(2,913,000)
Total amount recognised in the statement of total recognised gains and losses	(3,446,850)	105,000	(629,000)	(1,246,000)	(2,059,000)
Scheme 2	2009	2008	2007	2006	2005
	£	£	£	£	£
Defined benefit obligation	(16,647,000)	(12,570,000)	(14,475,000)	(14,998,000)	(12,663,000)
Plan assets	11,009,000	9,902,000	11,754,000	11,319,000	9,984,000
Deficit	(5,638,000)	(2,668,000)	(2,721,000)	(3,679,000)	(2,679,000)
Experience adjustments on plan assets	735,850	(2,757,000)	(1,003,000)	(87,000)	75,000
Experience adjustments on plan liabilities	(3,770,000)	2,586,000	1,654,000	(1,262,000)	(1,295,000)
Total amount recognised in the statement of total recognised gains and losses	(3,034,150)	(171,000)	651,000	(1,349,000)	(1,220,000)
Total	2009	2008	2007	2006	2005
	£	£	£	£	£
Defined benefit obligation	(56,102,000)	(45,840,000)	(52,870,000)	(52,723,000)	(46,782,000)
Plan assets	37,420,000	33,621,000	40,148,000	39,209,000	34,853,000
Deficit	(18,682,000)	(12,219,000)	(12,722,000)	(13,514,000)	(11,929,000)
Experience adjustments on plan assets	2,501,000	(9,231,000)	(3,067,000)	38,000	929,000
Experience adjustments on plan liabilities	(8,982,000)	9,165,000	3,089,000	(2,633,000)	(4,208,000)
Total amount recognised in the statement of total recognised gains and losses	(6,481,000)	(66,000)	22,000	(2,595,000)	(3,279,000)

Over the year to 31 December 2009, contributions by the Company of £721,000 were made to the two schemes (2008 £700,000). In addition the Company made contributions of £1,013,577 (2008 £1,371,278) to the Group defined contribution scheme and the Robert Bosch Limited defined benefit scheme (for transferred Robert Bosch employees). The Company also met the cost of £104,364 (2008 £109,125) for insuring lump sum death in service benefits.

For Scheme 1, it was agreed with the trustees that during 2009 the Company should make contributions of £509,850 (2008 £495,000) in respect of Scheme 1 and £211,150 (2008 £205,000) in respect of Scheme 2. The total contributions expected to be made in the year to 31 December 2010 are £716,000 in respect of Scheme 1 and £322,000 in respect of Scheme 2.

**BOSCH REXROTH LTD****NOTES TO THE FINANCIAL STATEMENTS (Continued)****Year ended 31 December 2009****22 CONTINGENT LIABILITIES****Financial Commitments**

The Company's banking arrangements are part of a netting agreement with certain other UK subsidiaries of Robert Bosch GmbH each company being jointly and severally liable. The aggregate net surplus, under the terms of the agreement at 31 December 2009 amounted to £374,817 (2008 £2,702,300)

**23 PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS**

The Company is a subsidiary undertaking of Bosch Rexroth UK Holdings Limited, a company incorporated in England. The largest group in which the financial statements of the Company are consolidated is that headed by Robert Bosch GmbH. The consolidated accounts of the group are available to the public and may be obtained from Robert Bosch GmbH, Robert-Bosch-Platz 1, D-70839, Gerlingen - Schillerhoehe, Germany.

The company has taken advantage of the exemption conferred in paragraph 3 of Financial Reporting Standard No. 8 not to disclose transactions with group entities, as these are included in the consolidated financial statements of Robert Bosch GmbH. There are no other related party transactions.