

Robert Bosch UK Holdings Limited

Annual report and financial statements for the year ended 31 December 2016

Company Number: 07394406
Incorporated: 1 October 2010



Company information for the year ended 31 December 2016

Directors	Dr. S. Hoffmann Mr. A. R. Castle
Company secretary	Mr. J. Burton
Company number	07394406
Registered office	Broadwater Park North Orbital Road P.O. Box 1092 Denham Uxbridge UB8 9UX
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Atrium 1 Harefield Road Uxbridge Middlesex UB8 1EX

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Strategic Report for the year ended 31 December 2016

(All amounts in £ thousands unless otherwise stated)

The directors present their strategic report on the Company for the year ended 31 December 2016.

Principal activities

The Company's principal activity during the year was as the holding Company for the majority of the Robert Bosch Group's UK subsidiaries and affiliates. In addition, the Company acts as the regional organisation for functions covering Bosch subsidiaries and affiliates in the UK and the Republic of Ireland.

Review of the business

In 2016, turnover increased from £36,844 to £200,502 and profit from ordinary activities before taxation increased from a loss of £16,686 in 2015 to a profit on ordinary activities before taxation of £173,030.

In 2016, the Company generated revenue of £10,646 from the provision of services rendered as regional organisation for the Bosch subsidiaries and affiliates in the UK and the Republic of Ireland. In addition, the Company received dividend income of £189,856.

The balance sheet position at the end of the year improved upon prior year as dividend income increased significantly.

Principal risks and uncertainties

a) Price risk

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

b) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions including outstanding receivables and committed transactions.

c) Liquidity risk

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

d) Interest rate cash flow risk

The Company has interest bearing assets in the form of cash-pool balances. The Company is the cash pool leader for the majority of the UK entities of Robert Bosch Group. The interest bearing assets are in the form of cash balances, the interest rate received on these balances is at the market rate. The Company has a policy of maintaining debt at a fixed rate to ensure the certainty of future cash flows. These policies thereby limit the interest rate and cash flow risk.

Strategic Report for the year ended 31 December 2016 (continued)

(All amounts in £ thousands unless otherwise stated)

Key performance indicators

The Company is a holding company and therefore is heavily dependent upon the performance of the subsidiaries and divisions in the UK. Progress is monitored by the board and the divisional directors by reference to the following KPIs:

	2016	2015	
Growth in sales (%)	444.2	-27.4	Year on year sales growth expressed as a percentage.
Operating margin (%)	95.8	87.3	Operating margin is the ratio of operating profit (before exceptional items) to sales, expressed as a percentage.
Return on invested capital (%)	37.2	9.6	Operating profit expressed as a percentage of net assets (excluding pension deficit).

Environmental matters

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

By order of the board



Mr. J. Burton

Company Secretary

30 June 2017

Directors' Report for the year ended 31 December 2016

(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 2016.

Future developments

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

Proposed dividend

The directors do not propose a final ordinary dividend in respect of the current financial year.

No dividend was paid during the year.

Directors

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

Dr. S. Hoffmann
Mr. A. R. Castle

Employees

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

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

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

Political contributions

There were no political donations during the year (2015: £Nil).

Qualifying third-party and pension scheme indemnity provisions

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

Directors' Report for the year ended 31 December 2016 (continued)

(All amounts in £ thousands unless otherwise stated)

Post balance sheet events

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

Statement of directors' responsibilities

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

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

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

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

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

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Disclosure of information to auditors

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

Other information

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

Directors' Report for the year ended 31 December 2016 (continued)

(All amounts in £ thousands unless otherwise stated)

Independent Auditors

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

By order of the board



Mr. J. Burton

Company Secretary

30 June 2017

Independent auditors' report to the members of Robert Bosch UK Holdings Limited

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

What an audit of financial statements involves

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

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

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

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

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

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



Alex Hookway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
30 June 2017

Profit and Loss Account for the year ended 31 December 2016

(All amounts in £ thousands unless otherwise stated)

		Year ended 31 December	
	Note	2016	2015
Continuing operations			
Turnover	3	200,502	36,844
Administrative expenses		(8,726)	(4,833)
Other operating income	4	222	163
Operating profit	5	191,998	32,174
Amounts written off investments	12	-	(25,905)
Interest payable and similar expenses	8	(18,968)	(22,955)
Profit/loss on ordinary activities before taxation		173,030	(16,686)
Tax on profit/(loss) on ordinary activities	9	3,322	3,725
Profit/(loss) for the financial year		176,352	(12,961)

The Company has no other comprehensive income and therefore no separate statement of comprehensive income has been presented.

The notes on pages 14 to 32 form an integral part of these financial statements.

Balance Sheet as at 31 December 2016

(All amounts in £ thousands unless otherwise stated)

	Note	As at 31 December 2016	As at 31 December 2015
Fixed assets			
Tangible assets	10	10	3
Investment property	11	31,820	31,820
Investments	12	901,719	901,719
		933,549	933,542
Current assets			
Debtors (including £nil (2015: £nil) due after more than one year)	13	15,979	7,937
Cash at bank and in hand	14	40,958	310
		56,937	8,247
Creditors : amounts falling due within one year	15	(474,602)	(602,257)
Net current liabilities		(417,665)	(594,010)
Total assets less current liabilities		515,884	339,532
Net assets		515,884	339,532
Capital and reserves			
Called up share capital	18	100,000	100,000
Share premium account		252,493	252,493
Profit and loss account		163,391	(12,961)
Total shareholders' funds		515,884	339,532

The notes on pages 14 to 32 form an integral part of these financial statements.

The financial statements on pages 11 to 32 were approved by the Board of Directors on 30 June 2017 and were signed on its behalf by:



Dr. S. Hoffmann
Director

Robert Bosch UK Holdings Limited
Registered no. 07394406

Statement of Changes in Equity for the year ended 31 December 2016

(All amounts in £ thousands unless otherwise stated)

	Note(s)	Called up share capital	Share premium account	Profit and loss account	Total share- holders' funds
Balance as at 1 January 2015		100,000	252,493	3,621	356,114
Loss for the financial year		-	-	(12,961)	(12,961)
Dividends	18	-	-	(3,621)	(3,621)
Total transactions with owners, recognised directly in equity		-	-	(3,621)	(3,621)
Balance as at 31 December 2015		100,000	252,493	(12,961)	339,532
Balance as at 1 January 2016		100,000	252,493	(12,961)	339,532
Profit for the financial year		-	-	176,352	176,352
Dividends	18	-	-	-	-
Total transactions with owners, recognised directly in equity		-	-	-	-
Balance as at 31 December 2016		100,000	252,493	163,391	515,884

The notes on pages 14 to 32 form an integral part of these financial statements.

Notes to the financial statements

(All amounts in £ thousands unless otherwise stated)

1 Accounting policies

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

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

1.1 Measurement convention

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

1.2 Going concern

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

1.3 Foreign currency

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

1.4 Non-derivative financial instruments

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

Trade and other debtors

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

Trade and other creditors

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

Investments in debt and equity securities

Investments in subsidiary and associate undertakings are carried at cost less impairment, where required.

Interest-bearing borrowings

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

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

1.5 Intra-group financial instruments

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

1.6 Tangible fixed assets

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

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

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

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

- Fixtures, fittings, tools and equipment 3 years

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

1.7 Business combinations

All unincorporated business combinations are accounted for by applying the acquisition method. Business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company.

Acquisitions on or after the 1 January 2010

For acquisitions on or after 1 January 2010, the Company measures goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Acquisitions prior to the 1 January 2015 transition date

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The Company elected not to restate business combinations that took place prior to 1 January 2015. In respect of acquisitions prior to 1 January 2015, goodwill is included at 1 January 2015 on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only inseparable intangibles were recognised and goodwill was amortised.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

1.8 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value.

In applying the fair value model in IAS 40 *Investment Property*:

- investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit or loss in the period that they arise; and
- no depreciation is provided in respect of investment properties applying the fair value model.

1.9 Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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

Non-financial assets

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

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

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

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

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

1.9 Impairment excluding stocks, investment properties and deferred tax assets (continued)

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

1.10 Employee benefits

Defined contribution plans

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

Short-term benefits

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

Termination benefits

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

1.11 Turnover

Turnover from the supply of products and goods or from the provision of services is recognised when title and risk is transferred to the purchaser, less sales deductions.

1.12 Expenses

Operating lease payments

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

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit and loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

1.12 Expenses (continued)

prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

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

1.13 Taxation

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

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

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

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

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2 Accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a) Valuation of investment property

The valuation of the investment properties is a critical estimate in arriving at the results for the year. The properties are valued annually by "desk-top" review and triennially by a "Red Book valuation". This valuation is carried out by an independent professional firm of commercial real estate advisors. See note 11 for the carrying amount of investment property and note 1.6 for the relevant accounting policy.

b) Investments

In accordance with IAS 36 "*Impairment of assets*", at the end of each reporting period the company assesses whether there is an indication that an investment may be impaired. If there is any indication that an investment may be impaired, the recoverable amount shall be estimated for the individual investment. The recoverable amount is defined as the higher of its fair value (less any costs of disposal) and its value in use. Any impairment loss is transferred to the Profit and Loss Account. See note 12 for the carrying amount of investments.

3 Turnover

Analysis of revenue by activity:	2016	2015
Rendering of services	10,646	8,843
Dividends	189,856	28,001
	200,502	36,844
<hr/>		
Analysis of revenue by geographical market:	2016	2015
United Kingdom	200,502	36,844
	200,502	36,844

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

4 Other operating income

		2016	2015
Transfer pricing adjustments on inter-Company trading	4	222	163
		222	163

5 Operating profit

Included in profit/loss are the following:

		2016	2015
Staff costs		4,214	3,846
Depreciation of owned tangible fixed assets		2	-
Operating lease charges:			
- Plant and machinery		135	103

Auditors' remuneration

		2016	2015
Audit of these financial statements		24	29
		24	29

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

6 Staff numbers and costs

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

By activity	2016 Number	2015 Number
Administration	38	35
	38	35

The aggregate payroll costs of these persons was as follows:

	2016	2015
Wages and salaries	3,721	3,561
Social security costs	408	233
Contributions to defined contribution plans	85	52
	4,214	3,846

7 Directors' remuneration

	2016	2015
Directors' remuneration	197	268
Company contributions to money purchase plans	15	-
	212	268

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £197 (2015: £150), and Company pension contributions of £15 (2015: £nil) were made to a money purchase scheme on his/her behalf.

	Number of directors	
	2016	2015
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

8 Interest payable and similar expenses

	2016	2015
Total interest expense on financial liabilities to third parties measured at amortised cost	846	1,162
Total interest expense on financial liabilities to related parties measured at amortised cost	18,122	21,793
Total other interest payable and similar charges	18,968	22,955

9 Tax on profit/(loss) on ordinary activities

Recognised in the profit and loss account

	2016	2016	2015	2015
<i>UK corporation tax</i>				
Current tax on income for the year	(3,287)		(3,754)	
Adjustments in respect of prior periods	23		(15)	
Total current tax		(3,264)		(3,769)
<i>Deferred tax (see note 17)</i>				
Origination and reversal of timing differences	(68)		-	
Impact of change in tax rate	10		-	
Adjustments in respect of prior periods	-		44	
Total deferred tax		(58)		44
Tax on profit/(loss) on ordinary activities		(3,322)		(3,725)

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

9 Tax on profit/(loss) on ordinary activities (continued)

Tax charge for the year is lower (2015: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20.00% (2015: 20.25%). The differences are explained below:

Reconciliation of effective tax rate

	2016	2015
Profit/(loss) for the financial year	176,352	(12,961)
Tax on profit/(loss) on ordinary activities	(3,322)	(3,725)
Profit/(loss) on ordinary activities before taxation	173,030	(16,686)
Tax using the corporation tax rate of 20.00% (2015: 20.25%)	34,606	(3,378)
Reduction in tax rate on deferred tax balances	10	-
Non-deductible expenses	10	5,293
Tax exempt revenues	(37,971)	(5,669)
Adjustments in respect of prior periods	23	29
Total tax charge/(credit)	(3,322)	(3,725)

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013.

Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

The deferred tax asset at 31 December 2016 has been calculated based on these rates.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

10 Tangible fixed assets

	Fixtures, Fittings, Tools and equipment	Total
Cost		
Balance at 1 January 2016	3	3
Additions	9	9
Disposals	-	-
Balance at 31 December 2016	12	12
Accumulated depreciation		
Balance at 1 January 2016	-	-
Depreciation charge for the year	2	2
Disposals		
Balance at 31 December 2016	2	2
Net book value		
At 31 December 2015	3	3
At 31 December 2016	10	10

11 Investment property

	2016	2015
Balance at 1 January	31,820	31,820
Balance at 31 December	31,820	31,820
Historic cost net book value	31,820	31,820

The fair value of the investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Company's investment property portfolio every 12 months.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

12 Investments

	Shares in group undertakings
Cost or valuation	
At 1 January 2016	927,624
At 31 December 2016	927,624
Provisions	
At 1 January 2016	(25,905)
Impairment losses	-
At 31 December 2016	(25,905)
Net book amount	
At 31 December 2015	901,719
As at 31 December 2016	901,719

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	
				2016	2015
Bosch Automotive Service Solutions Limited	United Kingdom	c/o Robert Bosch Limited, Broadwater Park, North Orbital Road, Denham, Uxbridge UB9 5HJ, England, United Kingdom	£1 Ordinary	100%	100%
Bosch Automotive Training Limited (previously Lagta Limited)	United Kingdom	Lagta House, Woodside, Eurocentral, Motherwell ML1 4XL, Scotland, United Kingdom	£1 Ordinary	100%	100%
Bosch Packaging Technology Limited	United Kingdom	Unit 2A, Meteor Business Park, Meteor Centre, Mansfield Road, Derby DE21 4SU England, United Kingdom	£1 Ordinary	100%	100%

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

12 Investments (continued)

	Country of incorporation	Registered office	Class of share held	Ownership	
Bosch Rexroth Limited	United Kingdom	15 Cromwell Road, St Neots, Cambridgeshire PE19 2ES England, United Kingdom	£1 Ordinary	100%	100%
Bosch Security Systems Limited	United Kingdom	PO Box 750, Uxbridge UB9 5HJ, England, United Kingdom	£1 Ordinary	100%	100%
Bosch Thermotech- nology Limited	United Kingdom	Cotswold Way, Warndon, Worcester WR4 9SW, England, United Kingdom	£1 Ordinary	100%	20.27%
ETAS Limited	United Kingdom	Bacchus House, Osbalwick Link Road, Osbalwick, York YO10 3JB, England, United Kingdom	0.001p ordinary 0.001p cumulative 'A' ordinary 0.001p cumulative 'C' ordinary	100%	100%
Kliklok International Limited	United Kingdom	Western Drive, Hengrove Park Estate, Bristol BS14 0AY, England, United Kingdom	£1 Ordinary	100%	100%
Lagta Group Training Limited	United Kingdom	Lagta House, Woodside, Eurocentral, Motherwell ML1 4XL, Scotland, United Kingdom	£1 Ordinary	100%	100%
Robert Bosch Investment Limited	United Kingdom	Cotswold Way, Warndon, Worcester WR4 9SW, England, United Kingdom	£1 Ordinary	100%	20.27%
Robert Bosch Limited	United Kingdom	c/o Bosch Rexroth, Viewfield Industrial Estate, Glenrothes KY6 2RD, Scotland, United Kingdom	£1 Ordinary	100%	100%
Valley Forge (UK) Limited (dissolved 18 June 2016)	United Kingdom	c/o Robert Bosch Limited, Broadwater Park, North Orbital Road, Denham, Uxbridge UB9 5HJ, England, United Kingdom	£1 Ordinary	100%	100%
Worcester Group Limited	United Kingdom	Cotswold Way, Warndon, Worcester WR4 9SW, England, United Kingdom	10p Ordinary	100%	20.27%

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

13 Debtors

	2016	2015
Amounts owed by group undertakings	9,702	756
Other debtors	-	2,536
Deferred tax assets (see note 17)	62	4
Corporation tax	6,081	4,641
Prepayments and accrued income	134	-
	15,979	7,937
Due within one year	15,979	7,937
Due after more than one year	-	-

Amounts owed by group undertakings are unsecured, interest free, and are repayable on demand.

Other debtors represented stamp duty paid to HM Revenue and Customs in December 2010 in relation to the collateralised financing transaction detailed in note 16 to these financial statements. This was repaid by HM Revenue and Customs when the collateralised financing transaction unwound during 2016.

14 Cash at bank and in hand

	2016	2015
Cash at bank and in hand	40,958	310
	40,958	310

15 Creditors : amounts falling due within one year

	2016	2015
Bank loans and overdrafts	-	87,877
Trade creditors	7,267	3,320
Amounts owed to group undertakings	467,335	2,329
Other financial liabilities	-	508,731
	474,602	602,257

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

16 Other financial liabilities

Amounts falling due within one year	2016	2015
Financial liabilities designated as fair value through profit or loss	-	508,731
Financial liabilities held for trading (including all derivatives)	-	21,793
Other financial liabilities measured at amortised cost	-	(21,793)
	-	508,731

On 30th November 2010, the Company sold a 79.73% shareholding in Robert Bosch Investment Limited to Robert Bosch Ireland Limited. The Company also entered into an agreement to allow the Company to repurchase the shareholding from Robert Bosch Ireland Limited at a fixed price. The repurchase price is impacted by dividends paid by Robert Bosch Investment Limited, and interest earned, before the completion of the sale. For accounting purposes, the Company has reflected these transactions not as a disposal of investment, but as a collateralised financing transaction with a payable to other group undertakings. This balance will be impacted by accrued interest payable and dividends paid by Robert Bosch Investment Limited as set out above.

At the date of inception, the interest rate implicit in this transaction was comparable with market rate and therefore the transaction was deemed to be at fair value.

The collateralised financing transaction expired in September 2016.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

17 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
Tangible fixed assets	(59)	(1)	-	-	(59)	(1)
Financial assets	-	(3)	-	-	-	(3)
Employee benefits	(3)	-	-	-	(3)	-
Tax (assets) and liabilities	(62)	(4)	-	-	(62)	(4)
Net of tax liabilities/(assets)	-	-	-	-	-	-
Net tax (assets)/liabilities	(62)	(4)	-	-	(62)	(4)

Movement in deferred tax assets during the year

	1 January 2016	Recognised in income	Recognised in equity	31 December 2016
Tangible fixed assets	(1)	(58)	-	(59)
Financial assets	(3)	3	-	-
Employee benefits	-	(3)	-	(3)
Tax (assets) and liabilities	(4)	(58)	-	(62)
Net of tax liabilities/(assets)	-	-	-	-
Net tax (assets)/liabilities	(4)	(58)	-	(62)

Movement in deferred tax assets during the prior year

	1 January 2015	Recognised in income	Recognised in Equity	31 December 2015
Tangible fixed assets	(1)	-	-	(1)
Financial assets	-	(3)	-	(3)
Provisions	(47)	47	-	-
Tax (assets) and liabilities	(48)	44	-	(4)
Net of tax liabilities/(assets)	-	-	-	-
Net tax (assets)/liabilities	(48)	44	-	(4)

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

18 Capital and reserves

Called up share capital

In thousands of shares	Ordinary shares	
	2016	2015
On issue at 1 January	100,000	100,000
On issue at 31 December – fully paid	100,000	100,000
Allotted, called up and fully paid	2016	2015
Ordinary shares of £1 each	100,000	100,000
	100,000	100,000

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:

	2016	2015
Final dividend for 2016: nil (2015: final dividend for 2014 : 3.621p) per qualifying ordinary share	-	3,621
	-	3,621

19 Operating leases

At 31 December 2016, the Company had aggregate commitments under non-cancellable operating leases as follows:

	2016	2015
<i>Other:</i>		
Less than one year	121	85
Between one and five years	252	103
More than five years	-	-
	373	188

During the year £135 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £103).

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

20 Commitments

Capital commitments

There are no capital commitments outstanding at the end of the financial year (2015: nil).

21 Contingencies

There are no contingent liabilities.

22 Related parties

Under FRS 101.8 j) and k) the Company is exempt from Related Party Disclosures as required in paragraph 17 of IAS24 and those related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

23 Ultimate parent Company and parent Company of larger group

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

The ultimate controlling party is Robert Bosch GmbH.

24 Subsequent events

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