Registered No: 01844007

BSH Home Appliances Limited

Report and Financial Statements

31 December 2013

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COMPANIES HOUSE

Registered No: 01844007

Directors

C Blake (resigned 17.01.2014)
K Fouquet
T Baader
M Steinle
R Aurich
S Koss
M Normann (appointed 10.01.2014)

Secretary

C Blake (resigned 20.06.2013)
K Athow (appointed 20.06.2013)

Auditors

Deloitte LLP
Chartered Accountants & Statutory Auditor
St. Albans

Bankers

HSBC Bank plc
High Street
Uxbridge
Middlesex
UB8 1BY

Ulster Bank
130 Lower Baggot Street
Dublin 2

Solicitors

Shoosmiths LLP
Crown Street
Berkshire
Reading
RA1 2PQ

Eversheds LLP
Senator House
85 Queen Street
London
EC4V 4JL

Charles Russell LLP
5 Fleet Place
London
EC4M 7RD

Howes Percival LLP
Oxford House
Cliftonville
Northampton
NN1 5PN

Registered Office

Grand Union House
Old Wolverton Road
Wolverton
Milton Keynes
MK12 5PT

Registered No: 01844007

Directors' Report
The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

Principal Activities
The principal activity of the company during the year continued to be the sale of domestic electrical and gas appliances and related spares and servicing and is generated within the United Kingdom and the Republic of Ireland. The company is a wholly owned subsidiary undertaking of BSH Home Appliances Holding GmbH.

Future Risks and Uncertainties
BSH has a process for risk identification, risk management and risk acceptance through a framework of policies, procedures and internal controls. All related policies are subject to Board approval, and an ongoing review by management, risk management and internal audit. Compliance with regulations, legal and ethical standards remains a high priority for BSH. There is an element of risk coming from foreign exchange which has had a negative impact in 2013 as mentioned above.
In the market there are some competitors such as Samsung being very aggressive in the market to gain market share, however this isn't necessarily always in the same space as BSH products. The areas of the UK white goods industry, which have shown only very little growth are free-standing major domestic appliances, particularly those at the lower-to-mid price category.

Results and dividends
The profit for the year, after taxation, amounted to £8,343,361 (2012: £29,149,157). The directors proposed a dividend in the current year of £29,000,000 (2012: £15,000,000) of which £29,000,000 (2012: £15,000,000) was paid.

Disabled employees
The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where continuing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Employee involvement
During the year, the company provided employees systematically with information on matters of concern to them as employees. Employees or their representatives are consulted on a regular basis so that the views of the employees can be taken into account in making decisions which are likely to affect their interests.

Going concern
The company considers that its considerable financial resources together with its diverse customer base, long established trading relationships and low cost base mean that it is well placed to manage its business risk successfully despite the current uncertain economic outlook. After carrying out a thorough business review the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Chief Financial Officer
Manfred Normann

.........07.07.2014

Strategic Report

Strategy and Business Model

The business model operated by BSH entails the sales, marketing, distribution and servicing of our core brand products, to offer a complete range of kitchen and small appliances to the retailers and distributors within the UK and Republic of Ireland.

Our attention to delivering exceptional quality and market leading innovative products means we are well positioned to achieve market leadership.

Business Review

All our core brands of Bosch, Siemens, Neff and Gaggenau, have performed strongly across all the product divisions. Both Built-in and Freestanding areas have made positive contributions to our financial performance throughout 2013. Despite this the currency risk arising from our foreign exchange has had a negative impact in the year.

Market data from Association of Manufacturers of Domestic Electrical Appliances (AMDEA) shows that the white goods market volumes grew by 1.4% while the total white goods market value grew by 3.4% in the period January to December 2013. Most of the growth has come from the built-in sector due to the housing market continuing to grow.

The short term forecast for the UK economy looks very positive with consumer confidence on the rise, housing market growing, employment on the rise and very low interest rates. Retail sales in the UK are also on the up and this has been reflected in the recent growth of the white goods industry.

Principal Risks and Uncertainties

Foreign exchange risk

BSH has significant foreign exchange risk as the vast majority of the company's operations are in the UK market. Principally products sold in this market are imported from Europe and are purchased in Euros. BSH has a policy of minimising risk by seeking to match future currency based commercial transactions with forward contracts. BSH also uses expertise at its parent company for exchange rate risk management advice.

Other risks

The company takes its responsibilities towards the environment seriously. With this in mind and to ensure that BSH meets its obligations under the WEEE (Waste Electrical and Electronic Equipment) Directive, it is a founder member of the REPIC (Recycling Electrical Producers' Industry Consortium) compliance scheme.

Key performance indicators

The directors monitor the following key indicators.

		2013	2012	+ / - %
Sales volume (MDA* only)	(units)	1,537,780	1,402,514	+9.6%
Sales revenue	(£)	560,047,478	507,582,007	+10.3%
Stock coverage (MDA* only)		26 days	27 days	
Trade debtors coverage		28 days	32 days	

* Major Domestic Appliances

During 2013 Sales revenue increased by 10.3% and Sales volume (MDA products) increased by 9.6%. Better logistics planning and stock management resulted in lower stock coverage in 2013 of 26 days (2012: 27 days). Improved credit management of overdues resulted in improved debtors coverage days in 2013 of 28 days (2012: 32 days).

Future prospects

The directors aim to maintain the management policies which have resulted in the company's growth in recent years. We have a clear strategic orientation towards quality, innovation and environmentally-friendly products. We will continue to rely on our outstanding products and brands and the added value they provide our customers at competitive prices as the basis for our continued profitable growth.

The Directors Report and the Strategic Report set out above should be read in conjunction with each other.

Chief Financial Officer

Manfred Normann

07 JULY 2014

Registered No: 01844007

Directors
The directors who served throughout the year and to the date of signing these accounts are listed on page 2.

Auditor
Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board

Secretary
Kevin Athow

7 July 2014

Registered No: 01844007

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is 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. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Chief Executive Officer	Chief Financial Officer
Michael Steinle	Manfred Normann
07.07.2014	07. JULY 2014

Registered No: 01844007

Independent auditor's report to the members of BSH Home Appliances Limited

We have audited the financial statements of BSH Home Appliances Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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. 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.

Registered No: 01844007

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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; and
- have been 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.

David Halstead

David Halstead, FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

St. Albans, UK

8 July 2014

Profit and loss account

for the year ended 31 December 2013

	Notes	*2013* £	*2012* £
Turnover	*2*	560,047,479	507,582,007
Cost of sales		(428,060,663)	(362,827,573)
Gross profit		131,986,816	144,754,434
Other operating income		21,397,689	14,377,839
Selling and distribution costs		(122,764,199)	(100,176,455)
Administration expenses		(8,958,969)	(8,075,849)
Other operating expenses		(11,364,162)	(12,775,824)
Operating profit	*5*	10,297,175	38,104,145
Interest receivable and similar income	*8*	62,585	78,772
Interest payable and similar charges	*9*	(66,314)	(296,139)
Profit on ordinary activities before taxation		10,293,446	37,886,778
Tax on profit on ordinary activities	*10*	(1,950,085)	(8,737,621)
Profit for the year		8,343,361	29,149,157

All amounts relate to continuing activities and all profits or losses have been accounted for on an historic cost basis.

Statement of Comprehensive Income
for the year ended 31 December 2013

	Notes	*2013* £	*2012* £
Profit for the year		8,343,361	29,149,157
Other comprehensive income:			
Actuarial gain/(loss) relating to the pension scheme	*18*	8,510,000	197,000
Deferred tax effect		(1,864,400)	(145,130)
Total comprehensive income for the year net of tax		14,988,961	29,201,027

Balance Sheet

for the year ended 31 December 2013

	Notes	31 Dec 2013 £	31 Dec 2012 £
Non current assets			
Tangible assets	*10*	10,713,373	10,707,512
Deferred tax asset	*11*	-	66,990
Pension asset	*18*	9,297,000	-
		20,010,373	10,774,502
Current assets			
Stocks	*12*	55,337,582	41,683,232
Debtors	*13*	45,271,908	57,907,588
Cash at bank and in hand	*14*	6,886,400	5,681,554
Total current assets		107,495,890	105,272,374
Creditors: amounts falling due within one year	*15*	(84,504,306)	(60,803,206)
Net current assets		22,991,584	44,469,168
Total assets less current liabilities		43,001,958	55,243,670
Provisions for liabilities and charges	*17*	(7,861,137)	(6,208,619)
Pension liability	*18*	-	(1,452,000)
Deferred tax liability	*11*	(1,568,809)	-
		33,572,012	47,583,051
Capital and reserves			
Called up share capital	*20*	4,250,000	4,250,000
Profit and loss account	*21*	29,322,012	43,333,051
Total shareholders' funds	*21*	33,572,012	47,583,051

Company registered number: 01844007

These financial statements were approved by the Board of Directors on 07 July 2014.

Signed on behalf of the Board of Directors

Director

Manfred Normann

Statement of Changes in Equity

for the year ended 31 December 2012

	Notes	*Share capital* £	*Retained Earnings* £	*Total Equity* £
At 1 January 2013	***21***	4,250,000	43,333,051	47,583,051
Profit/(loss) for the year		-	8,343,361	8,343,361
Other comprehensive income		-	6,645,600	6,645,600
Dividends declared and paid during the year		-	(29,000,000)	(29,000,000)
Total comprehensive income for the year		4,250,000	29,322,012	33,572,012
At 31 December 2013		4,250,000	29,322,012	33,572,012

Notes to the Financial Statements

as at 31 December 2013

1. Authorisation of financial statements

The financial statements of BSH Home Appliances Limited ("the Company") for the year ended 31 December 2013 were authorised for issue by the Board of Directors on 7th July 2014 and the balance sheet was signed on the Board's behalf by Mr Manfred Normann.

BSH Home Appliances Limited is a private limited company incorporated and domiciled in the United Kingdom. The principal activity of the Company is the sale of home appliances in the United Kingdom and the Republic of Ireland. Information on its ultimate parent is presented in Note 23.

2. Summary of significant accounting policies

The basis of preparation and accounting policies used in preparing the financial information for the year ended 31 December 2013 are set out below. These accounting policies have been consistently applied in all material respects to all the periods presented following adoption of Financial Reporting Standard 101 'Reduced Disclosure Framework'.

2.1 Basis of Preparation and statement of compliance with Financial Reporting Standard 101 'Reduced Disclosure Framework'

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' for the year ended 31 December 2013 and also in accordance with those parts of the Companies Act 2006 applicable to companies reporting under Financial Reporting Standard 'Reduced Disclosure Framework' ('FRS 101'). For all periods up to and including the year ended 31 December 2011, the Company prepared its financial statements in accordance with UK generally accepted accounting practice (UK GAAP). These financial statements for the year ended 31 December 2013 are the second the Company has prepared in accordance with FRS 101.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2013.

The Company's financial statements have been prepared on a historical cost basis. The financial statements are presented in Pounds Sterling.

2.2 Foreign currency translation

The Company's financial statements are presented in Pounds Sterling which is also the Company's functional currency.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Income and expenses are translated at the exchange rates prevailing at the dates of the transactions. The resulting exchange differences are recognised in other operating expenses.

Notes to the Financial Statements

as at 31 December 2013

2.3 Turnover Recognition

Turnover is recognised in accordance with IAS 18 *'Revenue'* and comprises amounts received and receivable in respect of the invoiced values.

Turnover is recognised when it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration received, taking into account contractually defined terms of payment and excluding sales taxes or duty.

The Company assesses its turnover arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as principal in all of its turnover arrangements.

Turnover is attributable to one continuing activity, the sale of domestic electrical and gas appliances and related spares and servicing and is generated within the United Kingdom and the Republic of Ireland. The directors do not consider the Republic of Ireland to be a separate geographical location and results are reported internally as one market for the United Kingdom and Republic of Ireland.

Sale of goods

Turnover is recognised when, in respect of sale of domestic electrical and gas appliances, the significant risks and rewards of ownership of the goods have been passed to the buyer (usually when the product is delivered).

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

2.4 Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country that the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements

as at 31 December 2013

Deferred Income Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except;

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the reporting date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, income tax is recognised in the income statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements

as at 31 December 2013

2.5 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses if any. Such costs include the cost of replacing part of the fixed asset. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises the new part with its own associated useful life and depreciation. Likewise when a major inspection is performed, its cost is recognised in the carrying amount of the fixed asset as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the income statement as incurred.

Depreciation is provided on the cost less residual value of all fixed assets, and is on a straight-line basis over its expected useful life as follows:

Freehold Property	-	3.03% per annum
Fixtures and Fittings	-	12.5% per annum
Motor Vehicles	-	16.6% per annum
IT Equipment	-	33.3% per annum

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives, residual values and depreciation methods are reviewed at each financial year end and where adjustments are required these are made prospectively.

An item of fixed assets and any significant part initially recognised is derecognised upon disposal or where no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2.6 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there are any indicators that an asset may be impaired.

If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. The recoverable amount of an asset is the is the higher of its fair value less costs to sell and its value in use and it is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared locally for the whole Company. These budgets and forecast calculations are generally covering a period of 5 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the 5th year.

Notes to the Financial Statements

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Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists the Company estimates the asset's or cash generating unit's recoverable amount. A previous impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

2.7 Leasing

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date assessing whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

The classification of leases as finance or operating leases requires the Company to determine, based on an evaluation of the terms and conditions, whether it retains or acquires the significant risks and rewards or ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised on the statement of financial position.

Company as a lessee

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the statement of comprehensive income on a straight line basis over the lease term.

The Company does not hold any assets under finance leases.

2.8 Financial instruments

(i) Financial Assets

Initial recognition and measurement

Financial assets within the scope of IAS 39: *Financial instruments: Recognition and measurement* ('IAS 39') are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of financial assets at initial recognition.

All financial assets are recognised initially at fair value plus directly attributable transaction costs, except in the case of financial assets recorded at fair value through profit and loss.

The Company's financial assets include cash at bank and at hand and trade and other debtors.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification. The Company does not hold any financial assets at fair value through profit or less, held to maturity investments or available for sale financial assets. Subsequent measurement for loans and receivables is as follows:

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale. After initial measurement, such assets are subsequently measured at amortised cost using the effective

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as at 31 December 2013

interest method if the time value of money is significant, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.
In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets
The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Company has trade receivables carried at amortised cost using the effective interest rate method. The assets are reviewed for impairment as follows:

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.
If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest

Notes to the Financial Statements

as at 31 December 2013

rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, through the use of an allowance account. The amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade debtors, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as irrecoverable.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of financial assets at initial recognition. The Company has trade and other payables and loans classified as loans and borrowings. Foreign exchange forward contracts are classified as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains and losses on liabilities held for trading are recognised in the profit and loss account.

The company has designated foreign exchange forward contracts as financial liabilities as at fair value through profit or loss upon initial recognition.

Notes to the Financial Statements

as at 31 December 2013

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the income statement.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts, and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.9 Stocks

Inventories are valued at the lower of cost and net realisable value. Cost includes direct materials and shipping costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of competition and the estimated costs necessary to make the sale.

2.10 Cash and Short Term Deposits

Cash and short term deposits consist of cash at bank and in hand.

2.11 Pensions

The company operate two pension schemes both of which required contributions to be made to separately administered funds. One was a Stakeholder Scheme and contributions were charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

The other is a defined benefit scheme and the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

Notes to the Financial Statements

as at 31 December 2013

3. Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have the most significant effect on amounts recognised in the financial statements:

3.1 Impairment of non financial assets

In accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework', the Company considers whether there are any indicators of impairment of assets. Where indicators of impairment are identified, the Company tests the asset for impairment. The Company believes its estimates in respect of this impairment testing are appropriate and consistent with the current market situation. This also applies to provisions for debtors and stock.

3.2 Warranty and guarantee provisions

Provisions for warranty and guarantee related costs are recognised when the product is sold or service provided. A provision is made for the estimated future costs of providing free service of goods sold under warranty or guarantee. The initial estimate is based upon expected claim rate and historical average cost of claims. The initial estimate of the warrantee and guarantee costs are revised annually.

3.3 Pension assumptions

The company operates a scheme with separate final salary and money purchase sections in the UK. The full actuarial valuation and major assumptions used by the actuary are shown in Note 18.

4. Financial Reporting Standard 101 'Reduced Disclosure Framework' exemptions applied

The Company is a subsidiary undertaking of BSH Home Appliances Holding GmbH ('the Group') which prepares its consolidated group financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union. The Group is registered in Austria and copies of the group financial statements are available from BSH Home Appliances Holding GmbH, Carl-Wery-Strasse 34, 81739, Munich Germany.

In accordance with Financial Reporting Standard 'Reduced Disclosure Framework', the Company has taken advantage of the available exemptions and so the following is not required:

- Capital management disclosures, and a reconciliation of the number of shares outstanding at the beginning and end of the reporting period in accordance with IAS 1 Presentation of Financial Statements.
- Preparation of a cash flow statement in accordance IAS 7 Statement of Cash Flows.
- Disclosure of issued but not yet effective International Financial Reporting Standards in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- The requirements of IAS 24 Related Party Disclosures on the grounds that related party transactions have taken place between wholly owned subsidiaries of the Group.
- The disclosure of comparative roll-forwards of fixed assets in accordance with IAS 16 Property, Plant and Equipment.
- The requirements of IFRS 7 Financial Instruments: Disclosures on the grounds that the equivalent disclosures are included in the consolidated financial statements of the Group in which the Company is consolidated.

Notes to the Financial Statements

as at 31 December 2013

5. Operating profit is stated after charging/(crediting) the following

	2013 £	2012 £
Depreciation of owned fixed assets	1,218,649	1,074,384
Loss/(Profit) on the disposal of fixed assets	4,025	22,434
Operating lease payments - minimum lease payments		
- Plant and machinery	263,871	265,678
- Other	3,134,689	2,702,905
Cost of defined contribution pension scheme	590,995	570,547
Net foreign currency exchange differences	853,563	479,136
Fair value movement of forward contracts	(1,158,643)	7,444,800
Inventories recognised as an expense	383,934,735	312,227,732
Inventories written down as an expense	340,083	91,436

6. Auditors' remuneration

	2013 £	2012 £
Fees payable to the company's auditors for the		
1) Audit of financial statements	51,496	51,496
2) Other services	21,535	21,535
	73,031	73,031

Notes to the Financial Statements

as at 31 December 2013

7. Staff costs and directors remuneration

Staff Costs

Staff costs for the year include amounts paid to directors.

	2013	*2012*
	£	*£*
Wages and salaries	30,560,176	26,460,790
Social security costs	3,355,366	3,109,872
Pension costs	1,975,490	1,207,569
	35,891,032	30,778,231

Directors' remuneration

Key management personnel are considered to be the Directors and further information on their remuneration and pensions are detailed below:

	2013	*2012*
	£	*£*
Directors' remuneration		
Emoluments	546,907	535,137

	2013	*2012*
	No.	*No.*
The number of directors who are:		
Members of the defined benefit pension scheme	1	1

	2013	*2012*
	£	*£*
Remuneration of the highest paid director		
Emoluments	337,564	333,215

Staff numbers

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

	2013	*2012*
	No.	*No.*
Service and spares	552	502
Sales and distribution	264	280
Administration	62	53
	878	835

Notes to the Financial Statements

as at 31 December 2013

8. Interest receivable and other income

	2013 £	2012 £
Intercompany interest receivable	62,585	78,772
Net pension finance income (note 18)	-	-
	62,585	78,772

9. Interest payable and similar charges

	2013 £	2012 £
Intercompany interest payable	9,328	16,138
Net pension finance charge (note 18)	57,000	280,001
	66,328	296,139

10. Tangible fixed assets

	Freehold Property £	*Fixtures and Fittings* £	*Motor Vehicles* £	***Total*** £
Cost				
At 1 January 2013	12,453,591	2,364,451	3,849,960	18,668,002
Additions	137,828	305,785	1,011,777	1,455,389
Disposals		(170,783)	(947,264)	(1,118,046)
At 31 December 2013	12,591,418	2,499,453	3,914,473	19,005,345
Depreciation				
At 1 January 2013	4,475,812	1,541,211	1,943,468	7,960,490
Provided during the year	311,579	293,025	614,045	1,218,649
Disposals		(200,359)	(686,808)	(1,118,046)
At 31 December 2013	4,787,391	1,633,877	1,870,705	8,291,972
Net book value				
At 31 December 2013	7,804,028	865,576	2,043,769	10,713,373
At 31 December 2012	7,977,779	823,242	1,906,491	10,707,512

Notes to the Financial Statements

as at 31 December 2013

11. Tax on profit on ordinary activities – to update

The major components of income tax expense for the years ended 31 December 2013 and 2012 are:

(a) Profit and loss account

	2013 ***£***	***2012*** ***£***
Current income tax:		
UK current income tax charge	1,950,058	8,040,092
UK adjustments in respect of current income tax of previous years	228,627	-
Double tax relief	-	-
UK total current income tax	2,178,685	8,040,092
Foreign current income tax charge	-	-
Adjustments in respect of foreign current income tax of previous years	-	-
Total foreign current income tax	-	-
Total current income tax	2,178,685	8,040,092
Deferred tax:		
Relating to origination and reversal of temporary differences	96,976	771,832
Impact of changes in tax laws and rates	(325,576)	(74,303)
Total deferred tax	(228,600)	697,529
Income tax expense in the profit and loss account	1,950,085	8,737,621

(b) Reconciliation of the total tax charge

A reconciliation between the tax expense and the product of accounting profit multiplied by the United Kingdom's standard tax rate for the years ended 31 December 2013 and 2012 is as follows:

	2013 ***£***	***2012*** ***£***
Accounting profit before tax	10,293,446	37,886,778
Accounting profit multiplied by the UK standard rate of tax of 23.25% (2012: 24.5%)	2,393,226	9,282,261
Expenses not deductible for tax purposes	(346,192)	(357,785)
Tax relief on IFRS conversion adjustment	-	(112,551)
Current tax prior year adjustment	228,627	-
Deferred tax adjustment arising on IFRS conversion	-	-
Rate change adjustment	(325,576)	(74,303)
Total tax expense reported in the profit and loss account at effective rate of 23% (2012: 23%)	1,950,085	8,737,621

Notes to the Financial Statements

as at 31 December 2013

(c) Deferred Tax

The deferred tax included in the Company balance sheet is as follows:

	31 Dec 2013 £	*31 Dec 2012* £
Capital allowances in excess of depreciation	(472,271)	(405,886)
Other short term timing differences	762,861	138,916
Pension	(1,859,400)	333,960
Deferred tax assets/(liabilities)	1,568,810	66,990

Deferred tax in the profit and loss account

	2013 £	*2012* £
Accelerated capital allowances	66,385	95,035
Other short term timing differences	(623,945)	38,034
Pension movement	328,960	564,410
Net deferred tax expense/(income)	(228,600)	697,529

Reconciliation of deferred tax assets net

	2013 £	*2012* £
Opening balance as of 1 January	66,990	909,649
Tax expense during the period recognised in profit and loss	228,600	(697,529)
Tax expense/(income) during the period recognised in other comprehensive income	(1,864,400)	(145,130)
Closing balance as at 31 December	1,568,810	66,990

In July 2013 Finance Act 2013 enacted reductions to the main rate of corporation tax to 21% from April 2014 and to 20% from April 2015. Since this had been substantively enacted at the balance sheet date, the changes have been incorporated into the calculation of deferred tax at the year end.

Notes to the Financial Statements

as at 31 December 2013

12. Stocks

	31 Dec 2013	*31 Dec 2012*
	£	*£*
Spare parts for resale	1,509,515	1,562,485
Appliances for resale	53,828,067	40,120,747
	55,337,582	41,683,232

All stocks are carried at cost less a provision to take account of slow moving and obsolete items. There was no material write down of inventories during the current or prior years.

13. Debtors

	31 Dec 2013	*31 Dec 2012*
	£	*£*
Trade debtors	39,634,724	33,222,715
Amounts owed by group undertakings	3,297,402	24,353,216
Other debtors	1,199,366	331,657
Tax debtor	1,140,416	-
	45,271,908	57,907,588

Out of the carrying amount of trade debtors of £39,634,724 (2012: £33,222,715) relates to 31 major customers. Trade receivables are non-interest bearing and are generally on net 30 days credit terms and are shown net of a provision for impairment.

14. Cash at bank and in hand

	31 Dec 2013	*31 Dec 2012*
	£	*£*
Cash at bank and in hand	6,886,400	5,681,554

Cash at bank earns interest at floating rates based on daily bank deposit rates. At 31 December 2013, the Company did not have any undrawn committed borrowing facilities.

Notes to the Financial Statements

as at 31 December 2013

15. Creditors: amounts falling due within one year

	31 Dec 2013 *£*	*31 Dec 2012* *£*
Trade creditors	6,879,478	5,864,487
Amounts owed to group undertakings	45,384,548	25,413,548
Corporation tax	-	5,415,534
Other taxes and social security costs	4,441,694	4,017,220
Accruals and deferred income	14,747,055	9,356,389
Current provisions (Note 17)	13,051,531	10,736,028
	84,504,306	**60,803,206**

There are no open foreign exchange forward contracts at the balance sheet date. The Company uses the forward contracts to hedge its exposures to changes in foreign currency exchange rates. The fair values, which are calculated using the net present value of cash flows related to the outstanding contracts, are based on market values of equivalent instruments at the balance sheet date.

16. Dividends paid and proposed

	31 Dec 2013 *£*	*31 Dec 2012* *£*
Declared and paid during the year:		
Interim dividend paid £4.24 per share (2012: £4.24)	29,000,000	15,000,000

17. Provisions

	Warranties and guarantees *£*	*Waste and electrical and electronic equipment* *£*	*Total* *£*
At 1 January 2013	16,944,647	-	16,944,647
Arising during the year	14,814,784	-	14,814,784
Utilised	(10,846,764)	-	(10,846,764)
At 31 December 2013	**20,912,668**	-	**20,912,668**
Current (Note 15)	13,051,531	-	13,051,531
Non current	7,861,137	-	7,861,137
	20,912,668	-	**20,912,668**

Provision is made for the estimated future costs of providing free service of goods sold under warranty or guarantee of up to 5 years. The estimate is based upon the expected claim rate, the historical average cost of claims and discounted using a rate of 2%. The estimated provision costs and the pre-tax discount rate applied take into account the effects of inflation and risks and uncertainties concerning amounts to be settled in the future.

Notes to the Financial Statements

as at 31 December 2013

18. Pension commitments

The company operates a scheme with separate final salary and money purchase sections in the UK. Further contributions of £2,922,000 in 2013 (2012: £2,815,000) have been agreed with the actuary.

The pension cost charges to the profit and loss account for the year for the money purchase section of the scheme and the stakeholder arrangement was £1,975,490 (2012: £1,207,569).

A full actuarial valuation of the final salary section of the scheme was carried out at 31 December 2009 and updated to 31 December 2013 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	2013	2012	2011
	%	%	%
Rate of increase in salaries	3.6	4.7	4.8
Rate of increase of pensions in payment (post 5 April 1997 pensions only)	3.1	3.1	3.2
Discount rate	4.6	4.3	4.7
Inflation assumption (RPI)	3.6	3.2	3.3
Inflation assumption (CPI)	2.6	2.5	2.6

Amounts recognised in the balance sheet were:

	31 Dec 2013	***31 Dec 2012***
	£	**£**
Present value of wholly or partly funded obligations	40,785,000	45,809,000
Fair value of plan assets	50,082,000	44,357,000
Deficit / (surplus) for funded plans	(9,297,000)	1,452,000

Analysis of the amount charged to operating profit:

	31 Dec 2013	***31 Dec 2012***
	£	**£**
Current service cost	424,000	485,000
Past service cost	-	-
Total operating charge	**424,000**	**485,000**

Analysis of the amount included as other finance costs:

	31 Dec 2013	***31 Dec 2012***
	£	**£**
Expected return on pension scheme assets	1,982,000	1,838,000
Interest on pension liabilities	(2,039,000)	(1,981,000)
Net finance (charge) / income	**(57,000)**	**143,000**

Notes to the Financial Statements

as at 31 December 2013

Analysis of the amount recognised in Statement of Comprehensive Income:

	31 Dec 2013	*31 Dec 2012*
	£	*£*
Actual return less expected return on assets	2,041,000	1,787,000
Actuarial loss on liabilities	6,469,000	(1,590,000)
Actuarial gain / (loss) recognised in Statement of Comprehensive Income	**8,510,000**	**197,000**

The cumulative amount of actuarial gains / (losses) recognised is £2,995,000 (2012: £11,505,000). The actual return on plan assets was £4,023,000 (2012: £3,643,000)

Movements in benefit obligation and assets during the year:

	31 Dec 2012	**31 Dec 2012**
	£	**£**
Change in benefit obligation:		
Benefit obligation at beginning of year	45,809,000	42,652,000
Current service cost	424,000	485,000
Interest cost	2,039,000	1,981,000
Plan participants' contributions	106,000	129,000
Amendments	(2,552,000)	-
Actuarial (gain)/loss	(3,917,000)	1,590,000
Benefits paid from plan/company	(1,088,000)	(996,000)
Premiums paid	(36,000)	(32,000)
Benefit obligation at end of year	**40,785,000**	**45,809,000**
Change in plan assets:		
Fair value of plan assets at beginning of year	44,357,000	38,478,000
Expected return on plan assets	1,780,000	1,683,000
Actuarial gain/(loss) on plan assets	2,041,000	1,805,000
Employer contributions (incl. employer direct benefit payments)	2,922,000	3,290,000
Plan participants' contributions	106,000	129,000
Benefits paid from plan/company	(1,088,000)	(996,000)
Premiums paid	(36,000)	(32,000)
Fair value of plan assets at end of year	50,082,000	44,357,000

No improvements in benefits were made in the financial year. Company contributions were 20% for ex Robert Bosch members' Pensionable Salaries and 15% for other members' Pensionable Salaries.

Notes to the Financial Statements

as at 31 December 2013

To develop the expected long-term rate of return on assets assumption, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

The scheme does not have any investment in the Company's own financial instruments nor any property occupied by, or other assets used by, the Company.

During the prior year a change to CPI inflation assumption has been enacted following Government legislation and in accordance with the scheme rules.

Breakdown of Scheme assets:

	Long-term asset return expected 31 Dec 2013 %	Value 31 Dec 2013 £'000	Long-term asset return expected 31 Dec 2012 %	Value 31 Dec 2012 £'000
Equities	6.1%	25,826	5.2%	21,202
Cash	0.5%	6,862	0.5%	5,136
Bonds	4.0%	17,394	3.6%	18,019
Total market value of assets		**50,082**		**44,357**

History of experience gains and losses:

	31 Dec 2013 £	31 Dec 2012 £	31 Dec 2011 £	31 Dec 2010 £	31 Dec 2009 £
Fair value of scheme assets	50,082,000	44,357,000	38,478,000	34,531,000	28,677,000
Defined benefit obligation	40,785,000	45,809,000	42,652,000	37,130,000	34,797,000
Surplus/(Deficit)	9,297,000	(1,452,000)	(4,174,000)	(2,599,000)	(6,120,000)
Experience (gains) and losses on scheme liabilities	(1,889,000)	107,000	55,000	(2,459,800)	175,000
Percentage of scheme assets	4%	0%	0%	7%	1%
Total amount recognised in Statement of Comprehensive Income	**8,553,000**	**215,000**	**(4,430,000)**	**1,509,000**	**253,000**
Percentage of scheme assets	17%	0%	12%	6%	1%

Notes to the Financial Statements

as at 31 December 2013

Sensitivities of key assumptions

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase / decrease by 0.5%	Decrease / increase by 5.1%
Rate of inflation	Increase / decrease by 0.5%	Increase / decrease by 4.1%
Rate of mortality	Reduce by one year	Increase by 17%

Independent actuary: Akash Rooprai, Fellow of the Institute and Faculty of Actuaries

19. Commitments and contingencies

The Company has entered into commercial leases on certain properties, motor vehicles and items of plant and machinery. These leases have an average life of between one and five years with a renewal option included in the contracts. There are no restrictions on the Company by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31 Dec 2013 £	*31 Dec 2012 £*
Plant and Machinery		
Within one year	300,423	265,678
After one year, but not more than five years	575,810	774,894
	876,233	1,040,572
Other leases		
Within one year	2,327,645	2,277,601
After one year, but not more than five years	6,193,737	8,482,151
More than five years	-	-
	8,521,382	10,759,752

20. Called up share capital

	31 Dec 2013 £	*31 Dec 2012 £*
Called up, allotted and fully paid		
4,250,000 shares of £1 each	4,250,000	4,250,000

Notes to the Financial Statements

as at 31 December 2013

21. Reconciliation of shareholders' funds and movements on reserves

	Share Capital	*Profit and loss account*	*Total shareholder funds*
	£	*£*	*£*
At 1 January 2013	4,250,000	43,333,051	47,583,051
Profit for the year	-	8,343,361	8,343,361
Dividends paid on equity shares	-	(29,000,000)	(29,000,000)
Net actuary loss	-	6,645,600	6,645,600
At 31 December 2013	4,250,000	29,322,012	33,572,012

22. Ultimate parent company

The company is a subsidiary undertaking of BSH Home Appliances Holding GmbH, registered in Austria. BSH Bosch und Siemens Hausgerate GmbH is regarded by the directors as being the company's ultimate parent company and controlling entity and it is also the parent undertaking of the smallest and largest group of which the company is a member and for which group financial statements are prepared.
Copies of the group financial statements are available from BSH Home Appliances Holding GmbH, Carl-Wery-Strasse 34, 81739 Munich Germany.