

**BSH Home Appliances Limited**

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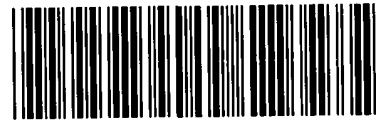
Registered No: 01844007

***BSH Home Appliances Limited***

***Annual Report and Financial Statements***

31 December 2021

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COMPANIES HOUSE

## BSH Home Appliances Limited

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Registered No: 01844007

### ***Company information***

#### ***Directors***

N Klein  
C Prenzel  
G Srivastava  
J Ybema

#### ***Secretary***

N Eccles

#### ***Independent Auditors***

Ernst & Young  
400 Capability Green  
Luton  
LU1 3LU

#### ***Bankers***

HSBC Bank plc  
High Street  
Uxbridge  
Middlesex  
UB8 1BY

Citibank Europe plc  
1 North Wall Quay  
Dublin 1  
Ireland

#### ***Solicitors***

Shoosmiths LLP  
Witan Gate House  
500-600 Witan Gate West  
Milton Keynes  
MK9 1SH

Keystone Law LLP  
53 Davies Street  
London  
W1K 5JH

Arthur Cox LLP  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland

Howes Percival LLP  
Bell House  
Seebeck Place, Knowlhill  
Milton Keynes  
MK5 8FR

Eversheds-Sutherland (International) LLP  
Eversheds House  
70 Great Bridgewater Street  
Manchester  
M1 5ES

#### ***Registered Office***

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

BSH Home Appliances Limited

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## BSH Home Appliances Limited

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Registered No: 01844007

### ***Strategic Report***

The directors present their strategic report for the year ended 31 December 2021.

### ***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 registered in England and is a wholly owned subsidiary undertaking of Robert Bosch GmbH.

### ***Business Review***

Turnover for the year increased to £846,928,177 (2020: £784,404,475). Despite this increase profit before taxation decreased to £23,227,083 (2020: profit £28,169,117) due to increased cost of distribution. The profit for the financial year of £17,852,627 (2020: £22,813,371) has been transferred to reserves.

The high level of demand experienced in the second half of 2020, from both online and retail customers continued throughout 2021 and lead the company to another year of record turnover despite supply difficulties initially caused by the lockdown of factories and more latterly shortages of key components.

In February, having been delayed by Covid lockdowns, we finally opened a new showroom in the Wigmore Street, London to showcase products under our Siemens brand to consumers.

The balance sheet at the end of the year improved compared to the prior year with net assets increasing to £125,768,499 (2020: £120,852,867).

### ***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 maintain market leadership.

### ***Future prospects***

Energy prices, global supply chain disruptions and shortage of microchips and semiconductors are amongst the factors leading to inflationary price rises and a squeeze on household disposable incomes that is unprecedented in recent times. Whilst this will likely affect consumer confidence and lead some consumers to defer big ticket expenditure, the directors believe that quality and reliability are still going to be at the centre of the consumers' decision-making process. It is also believed that some of the supply issues currently affecting the industry will ease as the year progresses.

We continue to have a clear strategic orientation towards quality, innovation and environmentally-friendly products and we believe that our outstanding products and brands, and the added value they provide to our consumers at competitive prices, provide a strong platform for our continued profitable growth.

## BSH Home Appliances Limited

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Registered No: 01844007

### ***Strategic Report (continued)***

#### ***Principal Risks and Uncertainties***

##### ***a) Covid-19***

Whilst there remain a high number of infections in the community in general and it is always possible for a new mutation of the virus to spread, the company is taking cautious steps towards its new normal ways of working. The last two years have demonstrated that disaster recovery plans worked when put into practice and appropriate measures will remain in place to ensure the on-going health and safety of both our employees and customers. Hybrid working, with staff splitting their working time between office and home, having proved to be a success during the pandemic, will remain an option where appropriate.

##### ***b) Financial Risk Management***

The Company 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.

##### ***c) Liquidity risk***

The Company has no requirement for debt finance outside the Robert Bosch group.

##### ***d) Foreign exchange risk***

The vast majority of the Company's operations are in the UK market. Whilst products principally sold in this market are imported from Europe they are purchased in Sterling thus greatly reducing the potential foreign exchange risk.

#### ***Section 172 (1) Statement***

In performance of their statutory duties and in accordance with s172 (1) Companies Act 2006, the board of directors of BSH Home Appliances Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 (1) (a-f) of the Act) in the decisions taken during the year ended 31st December 2021.

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

Further details how the Board considers the interests of various stakeholders can be found in the Directors' Report.

BSH Home Appliances Limited

Registered No: 01844007

Strategic Report (continued)

Key performance indicators

The directors monitor the following key indicators.

		2021	2020	+ / - %
Sales volume (MDA* only)	(units)	2,424,719	2,242,092	+8.1%
Sales revenue	(£)	846,928,177	784,404,475	+8.0%
Trade debtors coverage		41.1 days	42.5 days	

\* Major Domestic Appliances

During 2021, sales volumes and revenue (MDA only) were broadly in line. Trade debtors coverage improved slightly despite the large increase sales and on-going supply disruptions due to the sales support and credit management teams working closely with our customers.

Going concern

The company meets its day-to-day working capital requirements through its cash reserves and facilities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance over the next 12 months, show that the company can operate within the level of its current cash reserves and borrowings

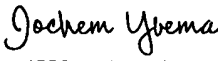
The company is dependent on the continued support of the parent company, BSH Hausgeräte GmbH. The parent company has confirmed that it will provide financial support as necessary for the company to meet its liabilities as they fall due for a period of 12 months from the date of approval of these financial statements. The Directors have assessed the ability of BSH Hausgeräte GmbH to support the company and are satisfied that they are in a position to provide such support as and when required.

After making enquiries, the directors have concluded that the company has adequate resources to continue in operational existence throughout the going concern period of 12 months from the date of approval of these accounts and accordingly, they continue to adopt the going concern basis.

On behalf of the board

Chief Financial Officer

J Ybema

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## BSH Home Appliances Limited

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Registered No: 01844007

### ***Directors' Report***

The directors present their annual report and financial statements for the year ended 31 December 2021.

### ***Future developments***

A review of the business and an indication of likely future developments are included in the Strategic Report.

### ***Dividend***

The directors proposed and paid a dividend of £20,000,000 in the current year (2020: £Nil).

### ***Political donations and political expenditure***

There were no political donations during the year (2020: £Nil).

### ***Directors***

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

N Klein

C Prenzel

G Srivastava

T Mensing (resigned 31 May 2021)

J Ybema (appointed 1 August 2021)

### ***Stakeholder engagement***

#### ***With employees***

The company regularly provided employees with information on matters of concern to them as employees through frequent town hall meetings, intranet, weekly newsletters and other communications. Employees or their representatives were also consulted on a regular basis so that their views can be taken into account in making decisions which are likely to affect their interests.

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.

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.

#### ***With suppliers, customers, and others***

As part of the global BSH group, the company operates under a set of Business Conduct Guidelines whereby it is committed to the guiding principle of responsible and law-abiding conduct. The guidelines set out how the company's employees are expected to act in their day to day business activities and receive regular training. In conjunction with the BSH values, it provides a rock-solid foundation on which trust can grow – trust that is essential if the company is to grow and be successful for the benefit of all its stakeholders.

## BSH Home Appliances Limited

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### **Directors' Report (continued)**

This includes, but is not limited to:

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

The company's executive management is responsible for compliance to Business Conduct Guidelines. The corporate internal auditing department has an unlimited right to request information and conduct audits, provided these do not run contrary to statutory or company regulations.

### **Branches outside the UK**

The company operates a branch in the Republic of Ireland.

### **Streamlined Energy and Carbon Reporting ("SECR") Framework**

The company takes its responsibilities towards protecting the environment seriously. During the year the company consumed the following:

	2021	2020
Gas, electricity and fuel for transport (KwH)	10,043	11,985
CO2 emissions resulting from the above (metric tonnes)	2,883	2774
CO2 tonnes per £million turnover	2.90	3.54

Carbon credits were purchase to cover all CO2 emissions

The company is striving to reduce gross emissions. The Central Customer Hub ("CCH") in Corby was designed with 15% skylights and all lighting by LED but the lighting solution is being reviewed to ensure that areas of low activity or occupation are lit more appropriately. In addition, the company is working with the landlord of CCH on the installation of solar panels on the roof of the building to ensure electricity is from a renewable source.

Fuel used in company cars remained depressed during 2021 as lockdowns remained in place resulting in less travel. As the economy continues to return to normal open, it is expected fuel usage will increase. The company continues to make progress with converting the company car fleet to using electric and hybrid vehicles.

### **Company car fleet by fuel type**

	31 Dec 2021	31 Dec 2020
Electric	3	3
Hybrid	77	63
	80	66
Petrol/diesel	35	44
	115	110

With effect for 2020, the Robert Bosch GmbH group of companies implemented software from Enablon to facilitate the collection and analysis of energy data within the group and related emissions reporting. Natural gas and electricity usage was calculated using metered kWh consumption taken from supplier invoices. Fuel consumption was provided for company vehicles. CO2 emissions were then calculated based on conversion factors from the International Energy Agency depending upon the type and source of fuel.



## BSH Home Appliances Limited

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### ***Directors' Report (continued)***

#### ***Statement of directors' responsibilities in respect of the financial statements***

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 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 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.


#### ***Directors' confirmations***

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.

Approved by the Board of Directors  
and signed by order of the Board

Secretary  
N Eccles

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***Independent auditors' report to the members of BSH Home Appliances Limited***

***Opinion***

We have audited the financial statements of BSH Home Appliances Limited for the year ended 31 December 2021 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 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

***Basis for opinion***

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

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

***Conclusions relating to going concern***

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

***Other information***

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

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

***Independent auditors' report to the members of BSH Home Appliances Limited***

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

We have nothing to report in this regard.

***Opinions on other matters prescribed by the Companies Act 2006***

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

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

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

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

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

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

***Responsibilities of directors***

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's responsibilities for the audit of the financial statements***

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

***Independent auditors' report to the members of BSH Home Appliances Limited******Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

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

Our approach was as follows:

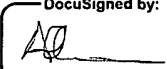
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined the most significant to be those relating to the United Kingdom General Accepted Accounting Practice, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the company must comply with operational and employment laws and regulations including health and safety regulations, environmental regulations and GDPR.
- We understood how BSH Home Appliances Limited is complying with those frameworks by making enquiries of senior finance personnel and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce opportunity for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management, and those charged with governance to understand where it considered there was susceptibility to fraud. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. We determined there to be a risk of management override in relation to the posting of non-standard manual journals in respect of revenue. To address the risk of management override, we have used data analytics and obtained the entire population of journals for the year, and identified specific transactions for further investigation based on certain criteria. We understood the transactions identified for testing and agreed them to source documentation. With respect to rebates, we performed substantive procedures to gain assurance over the balance, which included agreement to rebate contracts, vouching the appropriateness of assumptions made and/or confirming amounts settled pre and post year-end.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included obtaining and reading board and management meeting minutes and relevant approval documents, enquiries of senior finance personnel and those charged with governance and agreement of samples of transactions throughout the audit to supporting source documentation.

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

***Independent auditors' report to the members of BSH Home Appliances Limited***

***Use of our report***

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

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Andrew Clewer (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Luton

Date: 21 June 2022

## 1SH Home Appliances Limited

**Profit and loss account**

for the year ended 31 December 2021

	Note	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>5</b>	846,928,177	784,404,475
Cost of Sales		(688,947,194)	(630,770,191)
<b>Gross Profit</b>		157,980,983	153,634,284
Distribution costs		(146,383,435)	(120,740,403)
Administration expenses		(6,153,361)	(6,035,296)
Other Operating Income		18,496,638	2,276,318
<b>Operating profit</b>	<b>6</b>	23,940,825	29,134,903
Interest receivable and similar income	<b>8</b>	50,586	143,556
Interest payable and similar charges	<b>9</b>	(764,328)	(1,109,342)
<b>Profit before taxation</b>		23,227,083	28,169,117
Tax on profit on ordinary activities	<b>10</b>	(5,374,456)	(5,355,746)
<b>Profit for the year</b>		17,852,627	22,813,371

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

## BSH Home Appliances Limited

**Statement of comprehensive income**

for the year ended 31 December 2021

	Note	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b><i>Profit for the financial year</i></b>		17,852,627	22,813,371
<b><i>Other comprehensive loss: Items that will not be reclassified to profit and loss:</i></b>			
Actuarial gain/(loss) relating to the pension scheme	<b>20</b>	9,021,555	(2,636,974)
Deferred tax effect	<b>10</b>	(1,958,550)	547,232
<b><i>Other comprehensive gain/(loss) for the year, net of tax</i></b>		7,063,005	(2,089,742)
<b><i>Total comprehensive income for the year, net of tax</i></b>		<u>24,915,632</u>	<u>20,723,629</u>

## BSH Home Appliances Limited

**Balance sheet**

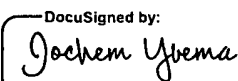
as at 31 December 2021

		<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
		<b>£</b>	<b>£</b>
<b>Non-current assets</b>			
Tangible Assets	<b>11</b>	14,293,479	14,918,828
Right of use Assets	<b>12</b>	40,351,297	45,807,805
Pension Asset	<b>21</b>	12,392,153	3,324,062
		<u>67,036,929</u>	<u>64,050,695</u>
<b>Current Assets</b>			
Stocks	<b>13</b>	96,898,415	95,019,427
Debtors	<b>14</b>	153,791,560	155,920,986
Cash at bank and in hand	<b>15</b>	0	9,950,315
<b>Total Current Assets</b>		<u>250,689,975</u>	<u>260,890,728</u>
<b>Creditors: amounts falling due within one year</b>	<b>16</b>	(140,716,824)	(151,066,770)
<b>Net Current Assets</b>		<u>109,973,151</u>	<u>109,823,958</u>
<b>Total Assets less Current Liabilities</b>		177,010,080	173,874,653
<b>Creditors: amounts falling due after more than one year</b>	<b>17</b>	(39,055,847)	(44,495,238)
<b>Provisions for Liabilities and Charges</b>	<b>19</b>	(8,943,323)	(7,741,570)
<b>Deferred Tax Liability</b>	<b>20</b>	(3,242,410)	(784,977)
		<u>125,768,499</u>	<u>120,852,867</u>
<b>Capital and Reserves</b>			
Called up Share Capital	<b>23</b>	4,250,000	4,250,000
Profit and Loss Account		<u>121,518,499</u>	<u>116,602,867</u>
<b>Total Shareholders' Funds</b>		<u>125,768,499</u>	<u>120,852,867</u>

The notes on pages 18 to 37 are an integral part of these financial statements.

The financial statements on pages 14 to 37 were approved by the Board of Directors on 20 June 2022.

Signed on behalf of the Board of Directors

DocuSigned by:  
  
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 Director

J Ybema



## BSH Home Appliances Limited

**Statement of changes in equity***For the year ended 31 December 2021*

	Note	Called up share capital £	Profit and loss account £	Total shareholders' funds £
<b>At 1 January 2021</b>	<b>22</b>	4,250,000	116,602,867	120,852,867
Profit for the financial year			17,852,627	17,852,627
Other comprehensive expense			7,063,005	7,063,005
<b>Total comprehensive income for the year</b>			24,915,632	24,915,632
Dividends declared and paid during the year			(20,000,000)	(20,000,000)
<b>At 31 December 2021</b>		<u>4,250,000</u>	<u>121,518,499</u>	<u>125,768,499</u>

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**BSH Home Appliances Limited**

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## **Notes to the Financial Statements**

### **1. Authorisation of financial statements**

The financial statements of BSH Home Appliances Limited ("the Company") for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 20 June 2022 and the balance sheet was signed on the Board's behalf by Mr J Ybema.

BSH Home Appliances Limited is a private limited company, limited by shares, and is incorporated and domiciled in England. The company also operates a branch in the Republic of Ireland. The principal activity of the Company is the sale of gas and electrical appliances and related spares and servicing in the United Kingdom and the Republic of Ireland. Information on its ultimate parent is presented in Note 24.

### **2. Significant accounting policies**

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

#### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

##### **2.1.1 Going concern**

The company meets its day-to-day working capital requirements through its cash reserves and facilities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance over the next 12 months, show that the company can operate within the level of its current cash reserves and borrowings

The company is dependent on the continued support of the parent company, BSH Hausgeräte GmbH. The parent company has confirmed that it will provide financial support as necessary for the company to meet its liabilities as they fall due for a period of 12 months from the date of approval of these financial statements. The Directors have assessed the ability of BSH Hausgeräte GmbH to support the company and are satisfied that they are in a position to provide such support as and when required.

After making enquiries, the directors have concluded that the company has adequate resources to continue in operational existence throughout the going concern period of 12 months from the date of approval of these accounts and accordingly, they continue to adopt the going concern basis.

##### **2.1.2 New standards, amendments and IFRIC interpretations**

There were a number of narrow scope amendments to existing standards which were effective from 1 January 2021. None of these had a material impact on the company.

### **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 profit and loss account.

BSH Home Appliances Limited

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## Notes to the Financial Statements

### **2. Significant accounting policies (continued)**

#### **2.2 Foreign currency translation (continued)**

translation are taken to the profit and loss account.

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.

#### **2.3 Turnover recognition**

Turnover is recognised in accordance with IFRS 15 'Revenue from Contracts with Customers' 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).

##### *Sales of services*

Turnover is recognised when, in respect of the repair of domestic electrical and gas appliances, the repair has been performed.

##### *Warranty income*

Warranty income is deferred in the year of sale and is recognised as turnover in the period to which the warranty relates.

##### *Rental income*

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

##### *Other operating income*

Contributions to manufacturing costs that are received from brand owners in relation to sponsored products are not included as revenue and are classified as other operating income.

#### **2.4 Tangible 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

## BSH Home Appliances Limited

# Notes to the Financial Statements

## 2. Significant accounting policies (continued)

### 2.4 Tangible assets (continued)

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	- 8.3% - 33.3% per annum
Motor Vehicles	- 16.6% per annum

Depreciation on fixtures and fittings changed from 12.5% with effect from January 2015 to bring depreciation rates in line with those of Robert Bosch GmbH for all future additions.

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 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.

### 2.5 Leasing

The company leases various offices, warehouses, retail space, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 10 years but may have extension options.

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

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

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

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the company under residual value guarantees;

## BSH Home Appliances Limited

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# Notes to the Financial Statements

## 2. Significant accounting policies (continued)

### 2.5 Leasing (continued)

- The exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

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

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

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

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

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

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

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

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

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

Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there was no reasonable certainty that the company would obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the company as lessee were classified as operating leases. Payments made under operating leases

## BSH Home Appliances Limited

## Notes to the Financial Statements

### 2. Significant accounting policies (continued)

#### 2.5 Leasing (continued)

(net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

The company has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2022 as short-term leases; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

#### 2.6 Financial assets

The company classifies its financial assets at amortised cost. The company classifies its financial assets as at amortised cost only if both of the following criteria are met (and are not designated as FVTPL):

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses.

Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses on financial and contract assets'.

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

#### 2.7 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.

#### 2.8 Trade and other debtors

Trade and other debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The company has therefore concluded that the expected

## BSH Home Appliances Limited

## Notes to the Financial Statements

### 2. Significant accounting policies (continued)

#### 2.8 Trade and other debtors (continued)

loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

#### 2.9 Cash and cash equivalents

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

#### 2.10 Current and deferred tax

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

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

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

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

#### 2.11 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 other comprehensive income.

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 is presented separately after tangible assets on the face of the balance sheet.

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**BSH Home Appliances Limited**

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## **Notes to the Financial Statements**

### ***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 critical estimates 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 warranty 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 21.

#### ***3.4 Lease accounting***

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

To determine the incremental borrowing rate, the company:

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

The company used incremental borrowing rates specific to each lease and the rates range between 2%-2.4% translating to an average rate of 2.1%. The interest rate applied to each contract is determined by the length of the contract and the currency so the carrying value of the liability or right-of-use asset will not be affected by changes in interest rates but only a contractual change to the term of the lease.



## BSH Home Appliances Limited

# Notes to the Financial Statements

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

The Company is a subsidiary undertaking of BSH Hausgerate GmbH. The ultimate parent company is Robert Bosch 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 Germany and copies of the consolidated financial statements can be obtained from Robert Bosch GmbH, Robert Bosch Platz 1, Gerlingen-Schillerhöhe, D-70049 Stuttgart, 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; and
- 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.

### 5. Turnover

Analysis of turnover by geography

	2021	2020
	£	£
United Kingdom	802,040,815	740,093,402
Ireland	44,887,361	44,311,073
	<u>846,928,177</u>	<u>784,404,475</u>

Analysis of turnover by category

	2021	2020
	£	£
Sales of goods	806,811,487	746,954,161
Sales of service	40,116,690	37,450,314
	<u>846,928,177</u>	<u>784,404,475</u>

## BSH Home Appliances Limited

## Notes to the Financial Statements

### 6. Operating profit

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

	2021	2020
	£	£
Depreciation of owned fixed assets	2,388,116	2,340,840
Depreciation of right-of-use assets	6,241,379	6,126,982
(Profit)/Loss on the disposal of fixed assets	29,414	(20,921)
Profit on the disposal of right-of-use assets	18,802	(1,371)
Inventories recognised as an expense	644,621,344	590,917,289
Impairment of inventory (included in distribution costs)	157,152	385,701
Impairment of right-of-use asset (included in administration costs)	-	(1,276,371)
Operating lease payments - minimum lease payments		
- Plant and machinery	462,409	394,410
- Other	1,290,256	2,019,642
Cost of defined contribution pension scheme	-	1,882,496
Net foreign currency exchange differences	(174)	(8,450)
Audit fees payable to the company's auditors	51,529	49,929

### 7. Employees and directors

#### Employees

Employee costs for the year (including amounts paid to directors).

	2021	2020
	£	£
Wages and salaries	48,277,259	42,081,530
Social security costs	5,094,692	5,086,296
Pension costs	1,999,418	1,882,496
	<u>55,371,369</u>	<u>49,050,322</u>

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

	2021	2020
	No.	No.
Service and Spares	723	702
Sales and distribution	368	396
Administration	92	81
	<u>1,183</u>	<u>1,179</u>

#### Directors

The directors' emoluments were as follows:

	2021	2020
	£	£
Aggregate emoluments	<u>802,838</u>	<u>708,408</u>
<b>Highest paid director</b>		
	2021	2020
	£	£
Aggregate emoluments	<u>536,463</u>	<u>266,257</u>

## BSH Home Appliances Limited

## Notes to the Financial Statements

**7. Employees and directors (continued)**

The directors are not members of the defined benefit pension scheme. Contributions of £25,658 (2020: £19,470) were made to defined contributions schemes in respect of the directors of which £Nil (2020: £Nil) related to the highest paid director.

**8. Interest receivable and similar income**

	Note	2021 £	2020 £
Intercompany interest receivable		2,357	26,026
Net pension finance income	20	48,229	117,530
		<u>50,586</u>	<u>143,556</u>

**9. Interest payable and similar expenses**

	2021 £	2020 £
Intercompany interest payable	2,650	2,556
Other interest and similar charges	-	53,590
Lease liabilities	761,678	1,053,196
	<u>764,329</u>	<u>1,109,342</u>

**10. Tax on profit**

Tax expense included in the profit and loss account:

	2021 £	2020 £
<i>Current tax:</i>		
Corporation tax on profits for the year	4,560,055	5,272,726
Adjustments in respect of prior years	315,517	(360,355)
Total current tax	<u>4,875,572</u>	<u>4,912,372</u>
<i>Deferred tax:</i>		
Relating to origination and reversal of temporary differences	(75,099)	202,084
Impact of changes in tax laws and rates	544,727	150,776
Adjustments in respect of prior years	29,256	90,516
Total deferred tax	<u>498,883</u>	<u>443,375</u>
<b>Income tax expense in the profit and loss account</b>	<u>5,374,456</u>	<u>5,355,746</u>

Tax (income)/expense included in other comprehensive income:

	2021 £	2020 £
Deferred tax on actuarial loss relating to the pension scheme	1,958,550	(547,232)
<b>Total tax income included in other comprehensive income</b>	<u>1,958,550</u>	<u>(547,232)</u>

Tax expense for the year is higher (2020: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

## BSH Home Appliances Limited

## Notes to the Financial Statements

**10. Tax on profit (continued)**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Profit before tax	23,227,082	28,169,117
Profit multiplied by the UK standard rate of tax of 19% (2020: 19%)	4,413,145	5,352,132
Expenses not deductible for tax purposes	89,834	124,487
Adjustments in respect of prior years	344,773	(271,648)
Rate change adjustment	526,703	150,776
Total tax expense reported in profit and loss account at effective rate of 25% (2020: 19%)	<u>5,374,456</u>	<u>5,355,746</u>

Changes to the UK corporation tax rates were substantively enacted in the Finance Act 2021 on 24 May 2021. These included an increase in the main rate from 19% to 25% with effect from 1 April 2023. Deferred taxes at the balance sheet date have been measured using this enacted tax rate.

**11. Tangible assets**

	Land and Buildings £	Fixtures & Fittings £	Motor Vehicles £	<b>Total</b> <b>£</b>
<b>Cost</b>				
At 1 January 2021	15,547,123	7,804,811	6,831,384	30,183,317
Additions	285,413	498,843	1,160,595	1,944,851
Disposals	-	(458,189)	(1,730,750)	(2,188,939)
At 31 December 2021	<u>15,832,536</u>	<u>7,845,464</u>	<u>6,261,228</u>	<u>29,939,229</u>
<b>Accumulated Depreciation</b>				
At 1 January 2021	(7,149,915)	(4,297,210)	(3,817,365)	(15,264,490)
Charge for the year	(623,764)	(922,464)	(841,889)	(2,388,116)
Disposals	-	381,033	1,625,821	2,006,855
At 31 December 2021	<u>(7,773,679)</u>	<u>(4,838,641)</u>	<u>(3,033,432)</u>	<u>(15,645,751)</u>
<b>Net Book Value</b>				
At 31 December 2021	<u>8,058,857</u>	<u>3,006,824</u>	<u>3,227,797</u>	<u>14,293,478</u>
At 31 December 2020	<u>8,397,208</u>	<u>3,507,600</u>	<u>3,014,019</u>	<u>14,918,827</u>

## BSH Home Appliances Limited

## Notes to the Financial Statements

### 12. Leases

The company has lease contracts for various offices, warehouses, and motor vehicles used in the operations. The amounts recognised in the financial statements in relation to the leases are as follows:

**(i) Amounts recognised in the balance sheet**

The balance sheet shows the following amounts relating to leases.

	Buildings	Motor Vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 January 2021	51,729,594	1,993,355	53,722,949
Additions	(4,124)	801,380	797,257
Disposals	-	(626,053)	(626,053)
At 31 December 2021	51,725,470	2,168,683	53,894,153
<b>Accumulated Depreciation</b>			
At 1 January 2021	(7,187,869)	(727,275)	(7,915,144)
Charge for the year	(5,676,327)	(565,052)	(6,241,379)
Impairment	-	-	-
Disposals	-	613,667	613,667
At 31 December 2021	(12,864,196)	(678,660)	(13,542,855)
<b>Net Book Value</b>			
At 31 December 2021	38,861,274	1,490,023	40,351,297
At 31 December 2020	44,541,725	1,266,080	45,807,805

## BSH Home Appliances Limited

## Notes to the Financial Statements

### 12. Leases (continued)

#### (ii) Amounts recognised in the profit and loss account

The income statement shows the following amounts relating to leases:

	Note	2021 £	2020 £
<b>Depreciation charge of right-of-use assets</b>			
Buildings		(5,676,327)	(5,612,858)
Vehicles		(565,052)	(514,124)
		<u>(6,241,379)</u>	<u>(6,126,982)</u>
Interest expense (included in finance cost)	9	(761,678)	(1,053,196)
Expense relating to short-term leases (included in administrative expenses)		(31,395)	(373,063)
Expense relating to leases of low value assets that are not shown above as short-term leases (included in administrative expenses)		(391,770)	(269,935)
Future minimum lease payments are as follows:			
Not later than one year		4,535,734	6,322,819
Later than one year and not later than five years		22,828,871	22,025,581
Later than five years		<u>12,515,481</u>	<u>18,744,704</u>
Total gross payments		39,880,087	47,093,104
Impact of finance expenses		<u>(1,189,360)</u>	<u>(3,646,924)</u>
Carrying amount of liability		<u>38,690,726</u>	<u>43,446,180</u>

The total cash outflow for leases in 2021 was £6,291,965 (2020: £6,270,197).

### 13. Stocks

	2021 £	2020 £
Spare Parts for resale	1,727,644	1,872,693
Appliances for resale	<u>95,170,771</u>	<u>93,146,735</u>
	<u>96,898,415</u>	<u>95,019,427</u>

All stocks are carried at cost less a provision of £5,529,620 (2020: £8,518,347) to take account of slow moving and obsolete items. There was no material write down of inventories during the current or prior years.

## BSH Home Appliances Limited

## Notes to the Financial Statements

### 14. Debtors

	2021	2020
	£	£
Trade Debtors	96,740,326	125,090,522
Amounts owed by group undertakings	51,153,382	27,384,366
Other debtors	3,449,283	2,986,936
Tax Receivable	2,448,569	459,161
	<u>153,791,560</u>	<u>155,920,986</u>

Trade debtors are non-interest bearing and are generally on net 30 days credit terms and are shown net of a provision of £284,227 (2020: £406,302) for impairment. Amounts owed by group undertakings represents an interest bearing in-house bank balance at Libor +0.464% of £50,460,485 (2020: £26,757,306) and non-interest bearing group trade debtors of £692,897 (2020: £627,060) with payment terms before the 25th of the next month due net.

### 15. Cash at bank and in hand

	2021	2020
	£	£
Cash at bank and in hand	<u>-</u>	<u>9,950,315</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. At 31 December 2021, the Company did not have any undrawn committed borrowing facilities.

### 16. Creditors: amounts falling due within one year

	Note	2021	2020
		£	£
Trade creditors		(7,549,331)	(11,215,396)
Amounts owed to group undertakings		(64,426,434)	(60,911,747)
Lease liabilities		(5,471,504)	(5,455,113)
Other taxes and social security costs		(7,633,276)	(16,937,034)
Accruals and deferred income		(43,991,234)	(45,511,046)
Current provisions	18	<u>(11,645,046)</u>	<u>(11,036,434)</u>
		<u>(140,716,824)</u>	<u>(151,066,770)</u>

Amounts owed to group undertakings represents non-interest bearing group trade creditors with payment terms before the 25<sup>th</sup> of the next month due net.

## BSH Home Appliances Limited

## Notes to the Financial Statements

**17. Creditors: amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Deferred income	(5,836,624)	(6,504,171)
Lease liabilities	(33,219,223)	(37,991,067)
	<u>(39,055,847)</u>	<u>(44,495,238)</u>

Deferred income relates to the sale of extended warranty protection relating to the third to fifth years after the original purchase of an appliance.

**18. Dividends**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Declared and paid during the year		
No interim dividend paid in the year (2020: £Nil) per share	<u>20,000,000</u>	<u>-</u>

**19. Provisions for liabilities**

	Note	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>Warranties and guarantees</b>			
At 1 January		18,778,004	20,265,617
Arising during the year		13,951,545	9,270,997
Utilised		(12,141,179)	(10,758,610)
At 31 December		<u>20,588,370</u>	<u>18,778,004</u>
Current	<b>16</b>	(11,645,046)	(11,036,434)
After one year but not more than five years		(8,943,323)	(7,741,570)
		<u>(20,588,370)</u>	<u>(18,778,004)</u>

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% (2020: 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.



## BSH Home Appliances Limited

## Notes to the Financial Statements

### 20. Deferred tax liability

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

	2021	2020
	£	£
Accelerated capital allowances	(184,609)	(198,041)
Other short-term timing differences	40,238	44,635
Pension	(3,098,039)	(631,571)
<b>Deferred tax liabilities</b>	<b>(3,242,410)</b>	<b>(784,977)</b>

### Deferred tax in the profit and loss account

	2021	2020
	£	£
Accelerated capital allowances	13,431	(59,307)
Other short-term timing differences	(4,398)	(204,270)
Pension movement	(507,916)	(179,798)
<b>Net deferred tax expense</b>	<b>(498,883)</b>	<b>(443,375)</b>

### Reconciliation of deferred tax liabilities net

	2021	2020
	£	£
<b>Opening balance as at 1 January</b>	<b>(784,977)</b>	<b>(888,834)</b>
Tax (charge)/credit during the year recognised in profit and loss account	75,099	(202,084)
Tax credit during the year recognised in other comprehensive income	(2,255,389)	501,025
Tax charge resulting from a rate change	(247,888)	(104,569)
Adjustment in respect of prior years	(29,255)	(90,515)
<b>Closing balance as at 31 December</b>	<b>(3,242,410)</b>	<b>(784,977)</b>

### 21. Pension asset

#### Defined contribution scheme

The pension cost charged in the profit and loss account of £1,999,418 (2020: £1,882,496) represents contributions payable by the Company to the scheme during the year, there were no prepayments. There were outstanding contributions at 31 December 2021 of £252,511 (2020: £276,560).

#### Defined benefit scheme

For certain employees, the company operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary.

On 31 March 2006, the defined benefit pension scheme was closed to new entrants. At the same time, the company established a defined contribution scheme to provide benefits to new employees.

The scheme pensions are updated in line with the retail price index.

Plan assets held in the fund are governed by local regulations and practice in the United Kingdom. Responsibility for the governance of the plan including investment decisions and contribution schedules lies jointly with the company and the board of trustees of the fund.

## BSH Home Appliances Limited

## Notes to the Financial Statements

**21. Pension asset (continued)**

The Company operates a scheme with separate final salary and money purchase sections in the UK. No further contributions in 2021 (2020: £Nil) have been agreed with the actuary. A full actuarial valuation of the final salary section of the scheme was carried out at 31 December 2009 and updated to 31 December 2020 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.15	2.65	2.70
Rate of increase of pensions in payment (post 5 April 1997 pensions only)	3.00	3.00	3.00
Discount rate	1.95	1.40	2.00
Inflation assumption (RPI)	3.15	3.25	3.25
Inflation assumption (CPI)	2.65	2.05	2.25

**Amounts recognised in the balance sheet were:**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Present value of wholly or partly funded obligations	(54,104,200)	(64,058,092)
Fair value of plan assets	66,496,353	67,382,154
Surplus for funded plans	12,392,153	3,324,062

**Analysis of the amount charged to operating profit:**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Current service cost	-	33,000
<b>Total operating charge</b>	-	33,000

**Analysis of the amount included as other finance income / (costs):**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Expected return on pension scheme assets	923,984	1,275,383
Interest on pension liabilities	(877,448)	(1,157,853)
<b>Other finance income</b>	46,536	117,530

**Analysis of the amount recognised in Statement of Comprehensive Income:**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Actual return less expected return on assets	966,400	3,821,716
Actuarial loss on liabilities	8,055,155	(6,458,690)
<b>Actuarial loss recognised in Statement of Comprehensive Income</b>	9,021,555	(2,636,974)

The cumulative amount of actuarial gain recognised is £6,912,136 (2020: actuarial loss £1,534,318).

## BSH Home Appliances Limited

## Notes to the Financial Statements

**21. Pension asset (continued)****Movements in benefit obligation and assets during the year:**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Change in benefit obligation:		
Benefit obligation at beginning of year	64,058,092	59,362,165
Past service cost	-	33,000
Interest cost	877,448	1,157,853
Actuarial loss/(gains)	(8,055,155)	6,458,690
Benefits paid from plan/company	(2,776,185)	(2,953,616)
<b>Benefit obligation at end of year</b>	<b>54,104,200</b>	<b>64,058,092</b>
Change in plan assets:		
Fair value of plan assets at beginning of year	67,382,154	65,238,671
Expected return on plan assets	923,984	1,275,383
Actuarial gain/(loss) on plan assets	966,400	3,821,716
Employer contributions (incl. employer direct benefit payments)	-	-
Benefits paid from plan/company	(2,776,185)	(2,953,616)
<b>Fair value of plan assets at end of year</b>	<b>66,496,353</b>	<b>67,382,154</b>

No improvements in benefits were made in the financial year.

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.

**Breakdown of Scheme assets:**

	<b>Value</b>	<b>Value</b>
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>£</b>	<b>£</b>
Equity	19,561,740	18,764,000
Bonds	46,679,587	48,372,593
Cash	255,026	245,561
<b>Total market value of assets</b>	<b>66,496,353</b>	<b>67,382,154</b>

**Risks of the scheme**

The risks of the scheme are as follows:

**Asset volatility**

The plan's obligations are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit.

## BSH Home Appliances Limited

## Notes to the Financial Statements

### 21. Pension asset (continued)

The scheme holds a significant proportion of growth assets (equities, diversified growth fund and global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the scheme's long-term objectives.

#### Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

#### Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

#### Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (in the case of fixed interest bonds) or loosely correlated with (in the case of equities) inflation, meaning that an increase in inflation will also increase the deficit.

#### Sensitivities of key assumptions

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

<b>Assumption</b>	<b>Change in assumption</b>	<b>Impact on scheme liabilities</b>
Discount rate	Increase / decrease by 0.5%	Decrease by 8.8% / increase by 9.8%
Rate of inflation	Increase / decrease by 0.5%	Increase by 1.1% / decrease by 0.9%
Rate of mortality	Increase / decrease by 1 year	Increase by 4.2% / decrease by 4.2%

Independent actuary: Matthew Richardson, Fellow of the Institute and Faculty of Actuaries

### 22. Commitments and contingencies

The Company has entered into commercial leases on certain properties, motor vehicles and items of plant and machinery. There are no restrictions on the Company by entering into these leases.

Commitments for minimum lease payments in relation to non-cancellable operating leases (under IAS 17) are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Plant &amp; machinery</b>		
Within one year	387,776	384,233
After one year but not more than five years	872,495	1,201,514
	<u>1,260,271</u>	<u>1,585,747</u>
<b>Other leases</b>		
Within one year	3,994	6,017
After one year but not more than five years	2,200	4,795
	<u>6,194</u>	<u>10,812</u>

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 BSH Home Appliances Limited
 

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## Notes to the Financial Statements

### 23. Called up share capital

	2021 £	2020 £
<b><i>Called up, allotted and fully paid</i></b>		
4,250,000 (2020: 4,250,000) shares of £1 each	4,250,000	4,250,000

### 24. Ultimate parent company

The company is a subsidiary undertaking of BSH Finance and Holding GmbH, registered in Austria. Robert Bosch 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 can be obtained from Robert Bosch GmbH, Robert Bosch Platz 1, Gerlingen-Schillerhöhe, D-70049 Stuttgart, Germany.

### 25. Events after the end of the reporting period

There have been no significant events after the end of the reporting period.