

## **Bosch Lawn and Garden Limited**

### **Annual report and financial statements for the year ended 31 December 2015**

Company Number: 3073491

Incorporated: 28 June 1995



## **Company information for the year ended 31 December 2015**

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<b>Directors</b>	Mr W Becker (appointed 1 January 2015) Mr S Briscoe (appointed 1 January 2015) Mr S Blackwell (appointed 1 July 2015)
<b>Company secretary</b>	Mr S Blackwell
<b>Company number</b>	3073491
<b>Registered office</b>	Suffolk Works Stowmarket Suffolk IP14 1EY
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Abacus House Castle Park Cambridge CB3 0AN

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## **Strategic Report for the year ended 31 December 2015**

The directors present their strategic report on the Company for the year ended 31 December 2015.

### **Principal activities**

During the year the company designed, manufactured and sold electrical garden products

### **Review of the business**

The results for the year show a pre-tax loss on ordinary activities before taxation of £15,578,000 (2014: loss £1,027,000) for the year on turnover of £173,817,000 (2014: £172,035,000). The key reason for the significant loss is due to unfavourable movements in foreign exchange between GBP and EUR, also upfront development investment in the professional garden range and robotics.

### **Principal risks and uncertainties**

The management of the business is subject to a number of risks:

- Increasing competition in the market place.
- Price movements in raw materials; these are mitigated by deploying contracts negotiated by Robert Bosch GmbH to gain economies of scale cost reductions.
- The seasonality of the business requires the short term 'employment' of 'agency personnel' which increases the risk of knowledge loss also causes concern for employee retention.
- The weather conditions impact upon the demand, thus is an uncertainty for the business as there is a short time frame with which to deliver products to market.
- As our sales are mainly in euro and costs being a small part in euro, the company has risk from currency fluctuations as we are unable to offset the risk.

### **Financial risk management**

The directors have considered the disclosure requirements of IFRS 7 'Financial Instruments': The company's operations expose it to a variety of financial risks that include the effect of credit risk, currency risk and interest rate risk.

#### *Credit risk*

The credit risk of the company is not material as all sales flow through the ultimate controlling party of the company being Robert Bosch GmbH.

#### *Currency risk*

The company procures supplies from across the globe and pays for the goods in a variety of currencies. The company does not use derivatives to manage this risk, and instead relies on using prudent budgeting of future exchanges rates when setting pricing.

#### *Interest rate risk*

The company is subject to interest rate risk on its borrowings. The interest rate risk is managed on behalf of the company by its ultimate controlling party, Robert Bosch GmbH.

## **Strategic Report for the year ended 31 December 2015**

### **Table summarising key performance indicators**

	<b>2015</b>	<b>2014</b>	
Growth in sales (%)	<b>1.0</b>	5.8	Year on year sales growth expressed as a percentage.
Operating margin (%)	<b>(8.5)</b>	(0.2)	Operating margin is the ratio of operating loss (before exceptional items) to sales, expressed as a percentage.
Return on invested capital (%)	<b>(132.6)</b>	(1.2)	Operating loss expressed as a percentage of net assets (excluding pension deficit).
Value added per employee (£'000)	<b>69</b>	101	Value added is turnover less cost of material, divided by average employee capacity.

### **Environmental matters**

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


### **Transition to FRS 101**

During 2015, the company adopted new UK GAAP and chose to prepare these financial statements under FRS 101. Therefore, in these financial statements, the Company has adopted FRS 101 for the first time.

Accordingly, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006. Note 1 sets out where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 21.

On behalf of the board



Mr S Blackwell

**Director**

29 September 2016

## **Directors' Report for the year ended 31 December 2015**

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The directors present their Report and the audited financial statements of the Company for the year ended 31 December 2015.

### **Future developments**

The market remains highly competitive. We have evidence of absolute support from our parent company, which has instilled confidence and a very positive working environment. The product range continues to be innovatively refreshed in order to retain future market position, offset adverse economic conditions and sustain profitability.

### **Proposed dividend**

The directors do not recommend the payment of a dividend (2014: £Nil).

### **Directors**

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

Mr W Becker (appointed 1 January 2015)  
Mr S Briscoe (appointed 1 January 2015)  
Mr S Blackwell (appointed 1 July 2015)  
Dr A Granget (resigned 30 June 2015)

### **Employees**

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

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

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

To encourage the development of full time employees, they are included in a company performance related bonus.

### **Political contributions**

There were no political donations during the year (2014: £Nil).

### **Qualifying third-party and pension scheme indemnity provisions**

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

## Directors' Report for the year ended 31 December 2015

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### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, 'UK GAAP'), including FRS 101.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholder in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

### Disclosure of information to auditors

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

### Other information

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

### Financial risk management

Financial risk management has been discussed in the strategic report therefore it was not included in the Directors report.

### Independent Auditors

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

On behalf of the board

Mr S Blackwell

Director



# ***Independent auditors' report to the members of Bosch Lawn and Garden Limited***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, Bosch Lawn and Garden Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
- 

### **What we have audited**

The financial statements, included within the Annual Report, comprise:

- Balance Sheet as at 31 December 2015;
- Profit and Loss Account and Statement of Comprehensive income for the year then ended;
- Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

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

In our opinion, 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.

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### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or

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

We have no exceptions to report arising from this responsibility.

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### **Directors' remuneration**

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

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Statement of director's responsibility set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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### **What an audit of financial statements involves**

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Adrian Bennett (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cambridge  
29 September 2016

## Profit and Loss Account for the year ended 31 December 2015

(All amounts in £ thousands unless otherwise stated)

		Year ended 31 December	
	Note	2015	2014
Continuing operations			
<b>Turnover</b>	3	<b>173,817</b>	172,035
Cost of sales		<b>(149,086)</b>	(136,153)
<b>Gross profit</b>		<b>24,731</b>	35,882
Distribution costs		<b>(24,097)</b>	(20,927)
Administrative expenses		<b>(14,011)</b>	(14,118)
Other operating expense	7	<b>(1,330)</b>	(1,151)
<b>Operating loss</b>		<b>(14,707)</b>	(314)
Other interest payable and similar charges	8	<b>(871)</b>	(713)
<b>Loss on ordinary activities before taxation</b>		<b>(15,578)</b>	(1,027)
Tax on loss on ordinary activities	9	<b>3,147</b>	1,558
<b>(Loss) / profit for the financial year</b>		<b>(12,431)</b>	531

## Statement of comprehensive income for the year ended 31 December 2015

(All amounts in £ thousands unless otherwise stated)

		Year ended 31 December	
	Note	2015	2014
<b>(Loss) / profit for the financial year</b>		<b>(12,431)</b>	<b>531</b>
<b>other comprehensive income / (expenses) : items that are or may be reclassified subsequently to profit and loss</b>			
Actuarial gains / (losses) on pension scheme	15	6,266	(6,926)
Current tax deductions allocated to actuarial losses		233	(247)
Movement on deferred tax relating to pension deficit	9	(1,789)	1,490
		<b>4,710</b>	<b>(5,683)</b>
<b>Total comprehensive expense for the year</b>		<b>(7,721)</b>	<b>(5,152)</b>

## Balance Sheet as at 31 December 2015

(All amounts in £ thousands unless otherwise stated)

	Note	As at 31 December 2015	As at 31 December 2014	As at 1 January 2014
<b>Fixed assets</b>				
Tangible assets	10	7,603	7,917	8,718
		<b>7,603</b>	<b>7,917</b>	<b>8,718</b>
<b>Current assets</b>				
Stocks	11	10,549	5,675	9,526
Debtors (including £3,090 (2014: £4,879) due after more than one year)	12	28,875	35,058	32,081
		<b>39,424</b>	<b>40,733</b>	<b>41,607</b>
<b>Creditors : amounts falling due within one year</b>	13	<b>(35,938)</b>	<b>(23,060)</b>	<b>(25,728)</b>
<b>Net current assets</b>		<b>3,486</b>	<b>17,673</b>	<b>15,879</b>
<b>Total assets less current liabilities</b>		<b>11,089</b>	<b>25,590</b>	<b>24,597</b>
<b>Pension liability</b>	15	<b>(17,165)</b>	<b>(23,945)</b>	<b>(17,800)</b>
<b>Net (liability) / assets including pension liability</b>		<b>(6,076)</b>	<b>1,645</b>	<b>6,797</b>
<b>Capital and reserves</b>				
Called up share capital	16	8,907	8,907	8,907
Share premium account	16	975	975	975
Capital reserve	16	42,000	42,000	42,000
Profit and loss account		(57,958)	(50,237)	(45,085)
<b>Total shareholders' (deficit) / funds</b>		<b>(6,076)</b>	<b>1,645</b>	<b>6,797</b>

These financial statements on pages 10 to 34 were approved by the board of directors on 29 September 2016 and were signed on its behalf by:



Mr S Blackwell  
Director

Bosch Lawn and Garden Limited  
Registered no. 3073491

## Statement of changes in equity for the year ended 31 December 2015

(All amounts in £ thousands unless otherwise stated)

	Note	Called-up share capital	Share premium account	Capital reserve	Profit and loss account	Total shareholders' funds
<b>Balance as at 1 January 2014 restated</b>		8,907	975	42,000	(45,085)	<b>6,797</b>
Profit for the financial year		-	-	-	531	<b>531</b>
<b>Other comprehensive Income for the year:</b>						
Actuarial losses on pension scheme	15	-	-	-	(6,926)	<b>(6,926)</b>
Current tax deductions allocated to actuarial losses		-	-	-	(247)	<b>(247)</b>
Movement on deferred tax relating to pension deficit	14	-	-	-	1,490	<b>1,490</b>
<b>Total comprehensive expense for the year</b>		-	-	-	(5,152)	<b>(5,152)</b>
<b>Balance as at 31 December 2014</b>		8,907	975	42,000	(50,237)	<b>1,645</b>

	Note	Called up share capital	Share premium account	Capital reserve	Profit and loss account	Total shareholders' funds
<b>Balance as at 1 January 2015</b>		8,907	975	42,000	(50,237)	<b>1,645</b>
Loss for the financial year		-	-	-	(12,431)	<b>(12,431)</b>
<b>Other comprehensive Income for the year:</b>						
Actuarial gains on pension scheme	15	-	-	-	6,266	<b>6,266</b>
Current tax deductions allocated to actuarial losses		-	-	-	233	<b>233</b>
Movement on deferred tax relating to pension deficit	14	-	-	-	(1,789)	<b>(1,789)</b>
<b>Total comprehensive expense for the year</b>		-	-	-	(7,721)	<b>(7,721)</b>
<b>Balance as at 31 December 2015</b>		8,907	975	42,000	(57,958)	<b>(6,076)</b>

## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

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### **1 Accounting policies**

Bosch Lawn and Garden Limited is a private company incorporated and domiciled in the United Kingdom.

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

In these financial statements, the Company has adopted FRS 101 for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 21.

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

- Business combinations – business combinations that took place prior to 1 January 2014 have not been restated.

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

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

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

- a Cash Flow Statement and related notes;
- comparative period reconciliations for tangible fixed assets,
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel.

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

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

## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

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- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

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

### **1.1 Measurement convention**

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

### **1.2 Going concern**

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

### **1.3 Foreign currency**

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

### **1.4 Non-derivative financial instruments**

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

#### *Trade and other debtors*

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

#### *Trade and other creditors*

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

## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

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### **1.5 Tangible fixed assets**

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

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

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

- Plant and machinery 3-10 years
- Fixtures, fittings, tools and equipment 1-12 years

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

### **1.6 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

### **1.7 Employee benefits**

#### *Defined contribution plans*

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

#### *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated (separately for each plan) by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least A that have maturity dates approximating the terms of the Company's obligations and that are determined in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.



## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

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The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

### *Short-term benefits*

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

### *Termination benefits*

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

## **1.8 Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

## **1.9 Turnover**

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

## **1.10 Expenses**

### *Operating lease payments*

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

### *Finance lease payments*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

### *Interest receivable and Interest payable*

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

## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

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

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

### **1.11 Taxation**

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

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

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

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

### **1.12 Non-current assets held for sale and discontinued operations**

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of the cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to stocks, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Company's accounting policies. Intangible assets and tangible fixed assets once classified as held for sale or distribution are not amortised or depreciated.

## **2 Accounting estimates and judgements**

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

## Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

### Critical accounting estimates and assumptions

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

a) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the tangible fixed assets and note 1.5 for the useful economic lives for each class of assets.

b) Stock provisioning

The company designs, manufactures and sells products and is subject to changing customer demands and economic trends. As a result it is necessary to consider the recoverability of the cost of the stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of the finished goods and future usage of raw materials. See note 0 for the net carrying amount of the stock and associated provision.

c) Defined benefit pension

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 0 for the disclosures of the defined benefit pension scheme.

## 3 Turnover

Analysis of revenue by activity:	2015	2014
Sale of goods	172,971	171,064
Royalties	846	971
	173,817	172,035

Analysis of revenue by geographical market:	2015	2014
United Kingdom	59,134	34,490
Rest of the world	114,683	137,545
	173,817	172,035

## Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

### 4 Auditors' remuneration

Included in operating loss are the following:

	2015	2014
Audit of these financial statements	28	28
Amounts receivable by the Company's auditors and its associates in respect of:		
Audit-related assurance services	8	8
Tax advisory services	32	22
Other assurance services	2	16
All other services	43	15
	113	89

### 5 Staff numbers and costs

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

By activity	2015 Number	2014 Number
Production	181	208
Selling and distribution	53	51
Administration	141	127
	375	386

The aggregate payroll costs of these persons was as follows:

	2015	2014
Wages and salaries	12,950	13,061
Social security costs	1,337	1,263
Contributions to defined contribution plans	452	423
Expenses related to defined benefit plans	782	752
	15,521	15,499

## Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

### 6 Directors' remuneration

	2015	2014
Directors' remuneration	266	574
Company contributions to money purchase plans	2	0
	<b>268</b>	<b>574</b>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £119 (2014: £303), and Company pension contributions of £0 (2014: £0) were made to a money purchase scheme on his/her behalf.

	Number of directors	
	2015	2014
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	-

### 7 Other operating income / (expenses)

	2015	2014
Net profit on disposal sale of assets	(25)	230
Net foreign exchange loss	(1,305)	(1,381)
Total other operating expenses	<b>(1,330)</b>	<b>(1,151)</b>

### 8 Other interest receivable / (payable) and similar charges

	2015	2014
Net interest (payable) / receivable to Robert Bosch Malta Finance	(10)	39
Net foreign exchange gain	37	-
Net charge on defined benefit pension plan assets	(898)	(752)
Total other interest payable and similar income	<b>(871)</b>	<b>(713)</b>

## Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

### 9 Tax on loss on ordinary activities

#### Recognised in the profit and loss account

	2015	2014
<i>UK corporation tax</i>		
Current tax on income for the year	(2,991)	(241)
Adjustments in respect of prior periods	(253)	(1,581)
<b>Total current tax</b>	<b>(3,244)</b>	<b>(1,822)</b>
<i>Deferred tax</i>		
Origination and reversal of timing differences	16	147
Recognition of previously unrecognised tax losses	81	117
<b>Total deferred tax</b>	<b>97</b>	<b>264</b>
<b>Tax on loss on ordinary activities</b>	<b>(3,147)</b>	<b>(1,558)</b>

#### Recognised directly in equity (i.e. other in comprehensive income)

	2015	2014
Current tax recognised directly in equity	(233)	247
Deferred tax recognised directly in equity	1,789	(1,490)
<b>Total tax recognised directly in equity</b>	<b>1,556</b>	<b>(1,243)</b>

Tax expense for the year is higher (2014: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2015 of 20.25% (2014: 21.49%). The differences are explained below:

#### Reconciliation of effective tax rate

	2015	2014
Loss excluding taxation	(15,578)	(1,027)
Tax using the corporation tax rate of 20.25% (2014: 21.49%)	(3,155)	(221)
Non-deductible expenses	128	121
Decelerated capital allowances	144	106
Re-measurement of deferred tax	97	264
Adjustment for pensions	(128)	(247)
Adjustments in respect of prior periods	(253)	(1,581)
<b>Total tax credit</b>	<b>(3,147)</b>	<b>(1,558)</b>

## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements. The overall effect of that change, if it had applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax asset by an additional £300 and reduce the tax expense for the period by £506.

### **10 Tangible assets**

	<b>Plant and machinery</b>	<b>Fixtures, fittings, tools and equipment</b>	<b>Under con- struction</b>	<b>Total</b>
<b>Cost</b>				
Balance at 1 January 2015	7,377	25,823	1,508	<b>34,708</b>
Additions	203	1,356	1,516	<b>3,075</b>
Transfers	302	1,127	(1,429)	<b>-</b>
Disposals	(269)	(458)	-	<b>(727)</b>
Balance at 31 December 2015	7,613	27,848	1,595	<b>37,056</b>
<b>Accumulated depreciation and impairment</b>				
Balance at 1 January 2015	5,962	20,829	-	<b>26,791</b>
Depreciation charge for the year	534	2,830	-	<b>3,364</b>
Disposals	(262)	(440)	-	<b>(702)</b>
Balance at 31 December 2015	6,234	23,219	-	<b>29,453</b>
<b>Net book value</b>				
At 31 December 2014	1,415	4,994	1,508	<b>7,917</b>
<b>At 31 December 2015</b>	<b>1,379</b>	<b>4,629</b>	<b>1,595</b>	<b>7,603</b>

## Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

### 11 Stocks

	2015	2014
Raw materials and consumables	9,424	4,885
Work in progress	408	622
Finished goods and goods for resale	717	168
	<b>10,549</b>	<b>5,675</b>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £147,797 (2014: £132,973). The write-down of stocks to net realisable value amounted to £381 (2014: 340).

### 12 Debtors

	2015	2014
Amounts owed by group undertakings	21,939	26,022
Other debtors	-	2,565
Deferred tax assets (see note 14)	3,815	5,507
Corporation tax (loss relief recoverable)	2,805	566
Prepayments and accrued income	316	398
	<b>28,875</b>	<b>35,058</b>
Due within one year	25,785	30,179
Due after more than one year	3,090	4,879

### 13 Creditors: amounts falling due within one year

	2015	2014
Trade creditors	9,590	5,749
Amounts owed to group undertakings	20,446	10,161
Taxation and social security	496	164
Other creditors	252	317
Accruals and deferred income	5,154	6,669
	<b>35,938</b>	<b>23,060</b>



## Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

### 14 Deferred tax assets and liabilities

*Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following:

	<b>Assets</b>		<b>Liabilities</b>		<b>Net</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Tangible fixed assets	<b>(708)</b>	(709)	-	-	<b>(708)</b>	(709)
Other	<b>(17)</b>	(9)	-	-	<b>(17)</b>	(9)
Pension	<b>(3,090)</b>	(4,789)	-	-	<b>(3,090)</b>	(4,789)
Tax liabilities and (assets)	<b>(3,815)</b>	(5,507)	-	-	<b>(3,815)</b>	(5,507)
Net of tax assets	-	-	-	-	-	-
Net tax liabilities / (assets)	<b>(3,815)</b>	(5,507)	-	-	<b>(3,815)</b>	(5,507)

*Movement in deferred tax assets during the year*

	<b>1 January 2015</b>	<b>Recog- nised in income</b>	<b>Recog- nised in equity</b>	<b>31 December 2015</b>
Tangible fixed assets	(709)	1	-	(708)
Other	(9)	(8)	-	(17)
Pension	(4,789)	(90)	1,789	(3,090)
Tax liabilities and (assets)	(5,507)	(97)	1,789	(3,815)
Net tax (assets) / liabilities	(5,507)	(97)	1,789	(3,815)

*Movement in deferred tax assets during the prior year*

	<b>1 January 2014</b>	<b>Recog- nised in income</b>	<b>Recog- nised in equity</b>	<b>31 December 2014</b>
Tangible fixed assets	(713)	4	-	(709)
Other	12	(21)	-	(9)
Pension	(3,052)	(247)	(1490)	(4,789)
Tax liabilities and (assets)	(3,753)	(264)	(1490)	(5,507)
Net tax liabilities / (assets)	(3,753)	(264)	(1490)	(5,507)

## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

### **15 Employee benefits**

The Company operates a number of pension schemes for its employees.

#### **Defined contribution scheme**

The Company established a money purchase plan in April 1990. The plan's assets are held independently from the Company and invested in managed funds operated by major financial institutions. Any employee can contribute to the scheme; the Company will match the employee's contribution, subject to a limit, where the limit is dependent upon the length of time each employee has been a member of the scheme. The pension charge for the year was £782 (2014: £752). No prepayments or accruals have been made in respect of this scheme (2014: £Nil).

In accordance with legislation, the Company has adopted the requirements of auto-enrolment under the defined contribution scheme.

#### **Defined benefit scheme**

The Company participates in a defined benefit scheme providing benefits based on final pensionable pay that runs for Bosch group companies called the Bosch UK Retirement Benefits Scheme (BUK RBS). The assets of pension scheme are held separately from those of the Company. The amounts in the financial statements, relating to this pension scheme, are based on a full actuarial valuation dated 31 December 2015. It was agreed by the companies participating in the scheme that the assets and liabilities would be allocated as follows:

<b>Changes in scheme assets / liabilities</b>	<b>Treatment</b>
Current service cost	Actual
Member contributions	Actual
Benefits paid	Actual
Past benefit costs/curtailments	Actual
Interest cost	Apportionment based on beginning of year scheme liabilities and current service cost, member contributions and benefits paid over year
Employer and member contributions	Actual
Benefits paid	Actual
Expected return on assets	Apportionment based on beginning of year scheme assets and contributions net of benefits paid over the year
Actuarial gains/(losses)	Apportionment in line with expected return

The actuarial valuation of BUK RBS described above used the projected unit basis and has been updated at 31 December 2015 by a qualified independent actuary, AON Hewitt, using revised assumptions that are consistent with the requirements of IAS19 *Employee Benefits*. Under the definitions set out in IAS19, the BUK RBS is a multi-employer pension scheme. The deficit for the scheme as a whole at 31 December 2015 is £17,165 (2014: £23,945).

The expected contributions planned for 2016 are £1,404 (2014: £1,404).

## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

The defined benefit obligation includes benefits for current employees, former employees not yet in receipt of a pension and current pensioners. Broadly, about 28% of the liabilities are attributable to current employees, 29% to former employees not yet in receipt of a pension and 43% to current pensioners. For the Scheme as a whole, the duration is approximately around 18 years.

The information disclosed below is in respect of the whole of the plan for which the company is either the sponsoring employer or has been allocated a share of the cost under an agreed group policy throughout the years shown.

	<b>2015</b>	<b>2014</b>
Defined benefit asset	<b>41,857</b>	41,587
Total defined benefit asset	<b>41,857</b>	41,587
Total defined benefit liability	<b>(59,022)</b>	(65,532)
Net liability for defined benefit obligations (see following table)	<b>(17,165)</b>	(23,945)
<b>Total employee benefits</b>	<b>(17,165)</b>	(23,945)

### *Movements in net defined liability/asset*

	<b>Defined benefit obligation</b>		<b>Fair value of plan assets</b>		<b>Net defined liability</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Balance at 1 January	<b>(65,532)</b>	(55,423)	<b>41,587</b>	37,623	<b>(23,945)</b>	(17,800)
<b>Included in profit or loss:</b>						
Interest income	<b>(2,166)</b>	(2,399)	<b>1,383</b>	1,647	<b>(783)</b>	(752)
	<b>(67,698)</b>	(57,822)	<b>42,970</b>	39,270	<b>(24,728)</b>	(18,552)
<b>Included in OCI:</b>						
Remeasurements gains / (loss):						
Actuarial gains / (loss) arising from						
- Changes in demographic assumptions	<b>(334)</b>	-	-	-	<b>(334)</b>	-
- Changes in financial assumptions	<b>6,021</b>	(9,383)	-	-	<b>6,021</b>	(9,383)
- Experience adjustment	<b>1,212</b>	(85)	-	-	<b>1,212</b>	(85)
Return on plan assets excluding interest income	-	-	<b>(633)</b>	2,543	<b>(633)</b>	2,543
	<b>(60,799)</b>	(67,290)	<b>42,337</b>	41,813	<b>(18,462)</b>	(25,477)
<b>Other</b>						
Contributions paid by the employer	-	-	<b>1,297</b>	1,532	<b>1,297</b>	1,532
Benefits paid	<b>1,777</b>	1,758	<b>(1,777)</b>	(1,758)	-	-
<b>Balance at 31 December</b>	<b>(59,022)</b>	(65,532)	<b>41,857</b>	41,587	<b>(17,165)</b>	(23,945)

## Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

### Plan assets

The fair value of the plan assets was:

	2015	2014
Equity instruments	17,205	16,547
Debt instruments	21,404	22,550
Derivatives	2,380	1,562
Investment funds	868	928
<b>Total</b>	<b>41,857</b>	<b>41,587</b>

The assets in the scheme and the expected rates of return were:

	Long-term rate of return expected	Value at	Long-term rate of return expected	Value at
	31 December 2015 %	31 December 2015 £'000	31 December 2014 %	31 December 2014 £'000
Equities	7.4	17,205	7.5	16,547
Bonds	2.9	21,404	4.0	22,550
Other	2.8	3,248	3.8	2,490
Total market value of assets	4.8	41,857	5.8	41,587
Present value of scheme liabilities		(59,022)		(65,532)
<b>Deficit in scheme</b>		<b>(17,165)</b>		<b>(23,945)</b>
Related deferred tax asset		3,090		4,789
<b>Net pension deficit</b>		<b>(14,075)</b>		<b>(19,156)</b>

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by European governments and AAA- or AA-rated. All other plan assets are not quoted in an active market.

## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

### **Actuarial assumptions**

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	<b>2015</b>	<b>2014</b>
	<b>%</b>	<b>%</b>
Discount rate at 31 December	<b>3.75</b>	3.35
Future salary increases	<b>2.70</b>	3.80
Overall expected long-term return	<b>3.75</b>	3.35
Future pension increases	<b>2.75</b>	2.96
Price Inflation	<b>2.20</b>	2.20

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	<b>Male</b>	<b>Female</b>
	<b>(Years)</b>	<b>(Years)</b>
Current pensioner at age 65:	22.0	21.8
Future retiree upon reaching 65:	23.7	23.6

### **Sensitivity analysis**

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have changed as a result of a change in discount rate by half of one per cent.

	<b>2015</b>	<b>2014</b>
Discount rate at 31 December - 3.75% (2014: 3.35%)	<b>59,023</b>	65,836
Discount rate at 31 December - 4.25% (2014: 3.85%)—increase 0.5%	<b>54,547</b>	59,907
Discount rate at 31 December - 3.25% (2014: 2.85%)—decrease 0.5%	<b>63,992</b>	72,534

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 1 January 2015 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst an analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

## Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

### Analysis of the amount credited to profit or loss

Analysis of the amount credited to profit or loss is as follows:

	2015 £'000	2014 £'000
Interest cost	1,383	1,647
Expected return on pension scheme assets	(2,166)	(2,399)
<b>Total</b>	<b>(783)</b>	<b>(752)</b>

### Actuarial gains and losses

Amounts for current and previous four years

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit obligation	(59,022)	(65,532)	(55,423)	(54,128)	(47,687)
Plan assets	41,857	41,587	37,623	35,338	32,004
Deficit	(17,165)	(23,945)	(17,800)	(18,790)	(15,683)
Experience adjustments on plan assets:					
- Amount	(633)	2,543	81	996	1,290
Experience adjustments on plan liabilities:					
- Amount	6,899	(9,469)	(332)	(5,804)	4,654
Total amount recognised in the statement of comprehensive income	6,266	(6,926)	(251)	(4,808)	5,944

## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

### **16 Capital**

#### **Share capital**

	<b>Ordinary shares</b>	
In thousands of shares	<b>2015</b>	2014
On issue at 1 January	<b>8,907</b>	8,907
<hr/>		
<b>Allotted, called up and fully paid</b>	<b>2015</b>	2014
On issue at 1 January	<b>8,907</b>	8,907

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

The Share Premium Reserve represents the difference between the sums received from the issue of shares and the nominal value net of share issue expenses. This reserve is not distributable.

The Capital Reserve represents capital injections from the parent company and is not distributable.

#### *Dividends*

No dividends were paid or proposed during the year.

### **17 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	<b>2015</b>	2014
Less than one year	<b>496</b>	380
Between one and five years	<b>489</b>	649
More than five years	<b>133</b>	133
	<b>1,118</b>	1,162

During the year £646 was recognised as an expense in the profit and loss account in respect of operating leases (2014: £508).

### **18 Commitments**

#### *Capital commitments*

During the year ended 31 December 2015, the Company entered into contracts to purchase property, plant and equipment for £2,723 (2014: £1,725). These commitments are expected to be settled in the following financial year. Of this amount, £2,046 was related to product tooling.

## **Notes to the financial statements (continued)**

*(All amounts in £ thousands unless otherwise stated)*

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### **19 Related parties**

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

### **20 Ultimate parent Company and parent Company of larger group**

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Robert Bosch GmbH, a Company incorporated in Germany. Copies of Robert Bosch GmbH consolidated financial statements can be obtained from Robert Bosch GmbH, Robert Bosch Platz 1, Gerlingen-Schillerhöhe, D-70049 Stuttgart, Germany. The parent company being Scintilla AG, Luterbachstrasse 10, 4528 Zuchwil, Switzerland.

The ultimate controlling party is Robert Bosch GmbH.

### **21 Explanation of transition to FRS 101 from old UK GAAP**

As stated in Note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year beginning 1 January 2014, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.



## Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

		1 January 2014			31 December 2014		
			Effect of trans- ition to			Effect of trans- ition to	
	Note	UK GAAP	FRS 101	FRS 101	UK GAAP	FRS 101	FRS 101
<b>Fixed assets</b>							
Tangible assets	a	8,718	-	8,718	7,917	-	7,917
<b>Current assets</b>							
Stocks		9,526	-	9,526	5,675	-	5,675
Trade debtors		1,562	-	1,562	-	-	-
Amounts owed by group undertakings		25,650	-	25,650	26,022	-	26,022
Corporation tax	12	-	-	-	566	-	566
Other debtors		588	-	588	2,963	-	2,963
Deferred tax asset	b	721	3,560	4,281	718	4,789	5,507
		46,765	3,560	50,325	43,861	4,789	48,650
<b>Creditors : amounts falling due within one year</b>							
Trade creditors		(4,441)	-	(4,441)	(5,749)	-	(5,749)
Amounts owed to group undertakings		(9,863)	-	(9,863)	(10,161)	-	(10,161)
Taxation and social security		(385)	-	(385)	(164)	-	(164)
Other creditors		(319)	-	(319)	(317)	-	(317)
Accruals and deferred income		(10,720)	-	(10,720)	(6,669)	-	(6,669)
		(25,728)	-	(25,728)	(23,060)	-	(23,060)
<b>Net current assets</b>		12,319	3,560	15,879	12,884	4,789	17,673
<b>Total assets less current liabilities</b>		21,037	3,560	24,597	20,801	4,789	25,590
<b>Creditors : amounts falling due after one year</b>							
<b>Provisions for liabilities</b>							
Pension liability		(14,240)	(3,560)	(17,800)	(19,156)	(4,789)	(23,945)
<b>Net assets/(liabilities) including pension liabilities</b>		6,797	-	6,797	1,645	-	1,645
<b>Capital and reserves</b>							
Called up share capital		8,907	-	8,907	8,907	-	8,907
Share premium account		975	-	975	975	-	975
Capital reserves		42,000	-	42,000	42,000	-	42,000
Profit and loss account		(45,085)	-	(45,085)	(50,237)	-	(50,237)
<b>Shareholders' funds</b>		6,797	-	6,797	1,645	-	1,645

## Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

### Reconciliation of profit/(loss) for 2014

	Note	2014	
		UK GAAP	Effect of transition to FRS 101
<b>Turnover</b>		<b>172,035</b>	<b>-</b>
Cost of sales		(136,153)	-
<b>Gross profit</b>		<b>35,882</b>	<b>-</b>
Distribution costs		(20,927)	-
Administrative expenses		(14,118)	-
Other operating (expense)		(1,151)	-
<b>Operating profit/(loss)</b>		<b>(314)</b>	<b>-</b>
Interest payable and similar charges	a	(188)	(525)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>(502)</b>	<b>(525)</b>
Tax on loss on ordinary activities	b	1,453	105
<b>Profit/(loss) for the financial year</b>		<b>951</b>	<b>(420)</b>

### Notes to the reconciliation of profit/(loss)

- a) Pension recognised charge variation due to accounting method
- b) Tax on pension recognition charge