

**COMPANY REGISTRATION NUMBER 367875**

**BAXI PARTNERSHIP LIMITED**  
**ABBREVIATED ACCOUNTS**  
**31 DECEMBER 2011**



**ALEXANDER MARSHALL**  
Chartered Accountants & Statutory Auditor  
84 Hamilton Road  
Motherwell  
ML1 3BY

**BAXI PARTNERSHIP LIMITED**  
**ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2011**

<b>CONTENTS</b>	<b>PAGE</b>
Independent auditor's report to the company	<b>1</b>
Abbreviated balance sheet	<b>2</b>
Notes to the abbreviated accounts	<b>3</b>

**BAXI PARTNERSHIP LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO BAXI PARTNERSHIP**  
**LIMITED**

**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, together with the financial statements of Baxi Partnership Limited for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 3 to the financial statements.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



D MARSHALL (Senior Statutory Auditor)

For and on behalf of  
ALEXANDER MARSHALL  
Chartered Accountants  
& Statutory Auditor

84 Hamilton Road  
Motherwell  
ML1 3BY

18 May 2012

**BAXI PARTNERSHIP LIMITED**  
**ABBREVIATED BALANCE SHEET**

**31 DECEMBER 2011**

	Note	2011	2010
		£	£
<b>FIXED ASSETS</b>	<b>2</b>		
Tangible assets		7,193	4,085
Investments		5,383,592	4,482,198
		<u>5,390,785</u>	<u>4,486,283</u>
<b>CURRENT ASSETS</b>			
Debtors		169,734	197,809
Cash at bank and in hand		9,125,475	10,710,099
		<u>9,295,209</u>	<u>10,907,908</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>86,923</u>	<u>99,318</u>
<b>NET CURRENT ASSETS</b>		<u>9,208,286</u>	<u>10,808,590</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>14,599,071</u>	<u>15,294,873</u>
<b>CREDITORS: Amounts falling due after more than one year</b>		13,034	13,034
<b>PROVISIONS FOR LIABILITIES</b>		-	736
		<u>14,586,037</u>	<u>15,281,103</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	<b>5</b>	914,870	914,870
Share premium account		3,566,094	3,566,094
Other reserves		116,122	116,122
Profit and loss account		9,988,951	10,684,017
<b>SHAREHOLDERS' FUNDS</b>		<u>14,586,037</u>	<u>15,281,103</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 17 May 2012, and are signed on their behalf by

P STOCKS

*R. Stocks*

Company Registration Number 367875

The notes on page 2 form part of these abbreviated accounts.

**BAXI PARTNERSHIP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2011**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The main purpose of investment by Baxi Partnership Limited is to help the employees in each company achieve commercial success within an enduring employee ownership structure in partnership with, and for the benefit of, all employees of that company

The investment by Baxi Partnership Limited in the investee company's equity share is not held with a view to directing the operating and financial policies of these investments. Accordingly the directors consider that treating these as subsidiaries or associates for accounting purposes would not give a true and fair view

**Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced for services during the year, exclusive of Value Added Tax

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

**Fixed assets**

All fixed assets are initially recorded at cost

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Office furniture	- 25%pa straight line
Office equipment	- 25%/33 3%pa straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

**BAXI PARTNERSHIP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2011**

**1. ACCOUNTING POLICIES** *(continued)*

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Investments**

Investments are stated at cost less provision for diminution in value. Investment and interest income receivable on or before the year end are treated as revenue. Unfranked investment income is stated on the basis of gross receipts before deduction of income tax.

**BAXI PARTNERSHIP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2011**

**2. FIXED ASSETS**

	<b>Tangible Assets £</b>	<b>Loans &amp; Investments £</b>	<b>Total £</b>
<b>COST</b>			
At 1 January 2011	17,013	5,482,198	5,499,211
Additions	8,102	2,288,253	2,296,355
Disposals/repayments	(2,112)	(1,023,405)	(1,025,517)
<b>At 31 December 2011</b>	<u>23,003</u>	<u>6,747,046</u>	<u>6,770,049</u>
<b>DEPRECIATION AND AMOUNTS WRITTEN OFF</b>			
At 1 January 2011	12,928	1,000,000	1,331,677
Charge for year	4,994	44,705	49,699
On disposals	(2,112)	—	(2,112)
<b>At 31 December 2011</b>	<u>15,810</u>	<u>1,044,705</u>	<u>1,379,264</u>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2011</b>	<u>7,193</u>	<u>5,383,592</u>	<u>5,390,785</u>
At 31 December 2010	<u>4,085</u>	<u>4,163,449</u>	<u>4,167,534</u>

**BAXI PARTNERSHIP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2011**

**2. FIXED ASSETS** *(continued)*

**Material holdings in unlisted investments:**

	Country of incorporation	Principal activity	Class and percentage of shares held
UBH International Limited	England	Manufacturing	56 6% ord £1 shares

**Shares in group undertakings:**

	Country of incorporation	Principal activity	Class and percentage of shares held
Baxi Partnership Corporate Trustee Ltd	England	Dormant	100% ordinary £1 shares
Partnership Directors Ltd	Scotland	Dormant	100% ordinary £1 shares
Baxi Partnership (Number One) Ltd	Scotland	Dormant	100% ordinary £1 shares
Baxi Partnership Directors (Number Two) Ltd	Scotland	Dormant	100% ordinary £1 shares
Baxi Partnership Directors (Number Three) Ltd	Scotland	Dormant	100% ordinary £1 shares
Baxi Partnership Directors (Number Four) Ltd	Scotland	Dormant	100% ordinary £1 shares
Baxi Partnership Directors (Number Five) Ltd	Scotland	Dormant	100% ordinary £1 shares
Baxi Partnership Directors (Number Six) Ltd	Scotland	Dormant	100% ordinary £1 shares
Baxi Partnership Directors (Number Seven) Ltd	Scotland	Dormant	100% ordinary £1 shares
Baxi Partnership Directors (Number Eight) Ltd	Scotland	Dormant	100% ordinary £1 shares
Baxi Partnership (London) Ltd	England	Dormant	100% ordinary £1 shares
Ownership Capital Ltd	Scotland	Dormant	100% ordinary £1 shares

The above companies did not trade in the year to 31 December 2011 and are unlikely to do so in the foreseeable future

Baxi Partnership Advisory Ltd	Scotland	Trading	100% ordinary £1 shares
Baxi Partnership Healthcare Ltd	England	Trading	100% ordinary £1 shares
Iconic Innovation Ltd	England	Trading	100% ordinary £1 shares

The above companies traded during the year to 31 December 2011 Baxi Partnership Healthcare Limited ceased to trade at 31 December 2011 Baxi Partnership Advisory Limited was formerly known as Baxendale Partnership Limited and Baxi Partnership Healthcare Limited was formerly known as Godrevy Limited

**3. APB ETHICAL STANDARDS**

In common with many other businesses of our size and nature we use our auditors to provide payroll services, prepare and submit returns to the tax authorities and assist with the preparation of the statutory financial statements



**BAXI PARTNERSHIP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2011**

**4. RELATED PARTY TRANSACTIONS**

The directors control the day-to-day operations of the company

The Trustees are the ultimate controlling party of the company

P Stocks, a director of Baxi Partnership Limited represents the company on the board of the Employee Ownership Association

During the year the company provided subsidiary companies with loans as follows:

	Baxi Partnership Healthcare Ltd £	Baxi Partnership Advisory Ltd £	Ownership Capital Ltd £	Iconic Innovation Ltd £	Total £
Balance brought forward	34,998	–	247,194	–	282,192
Amount advanced in year	176,499	1,658,810	985	151,958	1,988,252
Amount repaid in year	–	–	(10,561)	–	(10,561)
Amount written off in year	(211,497)	–	–	(151,958)	(363,455)
Balance carried forward	<u>–</u>	<u>1,658,810</u>	<u>237,618</u>	<u>–</u>	<u>1,896,428</u>

The loan to Baxi Partnership Healthcare Limited was written off at the Balance Sheet date as the company ceased to trade prior to 31 December 2011. The loan to Iconic Innovation Limited was written off due to the company's trading performance and the directors deem the loan to be irrecoverable.

The loans advanced have no fixed repayment terms and interest is not charged.

During the year, the company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances at the year end with related parties, are as follows:

**Sales to subsidiaries**

	<b>2011</b> £	<b>2010</b> £
Baxi Partnership Healthcare Limited	16,755	–
Baxi Partnership Advisory Limited	63,378	14,102
Iconic Innovation Limited	1,440	–
	<u>81,573</u>	<u>14,102</u>

**Purchases from subsidiaries**

	<b>2011</b> £	<b>2010</b> £
Baxi Partnership Advisory Limited	<u>15,710</u>	<u>14,138</u>

**BAXI PARTNERSHIP LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2011**

**4. RELATED PARTY TRANSACTIONS** *(continued)*

**Receivable from subsidiaries**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Baxi Partnership Healthcare Limited	3,328	–
Baxi Partnership Advisory Limited	58,840	–
	<u>62,168</u>	<u>–</u>

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standards for Smaller Entities (effective April 2008)

**5. SHARE CAPITAL**

**Allotted and called up:**

	<b>2011</b>		<b>2010</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
4,648,703 Ordinary shares fully paid of £0 10 each	4,648,703	464,870	4,648,703	464,870
40,204,073 Preference shares (2010 - 450,000) fully paid of £0 01 (2010 - £1) each	40,204,073	402,041	450,000	450,000
4,795,927 Growth shares fully paid of £0 01 each	4,795,927	47,959	–	–
	<u>49,648,703</u>	<u>914,870</u>	<u>5,098,703</u>	<u>914,870</u>

The preference shares are irredeemable, carry no rights to a dividend, to vote or to participate in any surplus on winding up

On 13 July 2011 the Preference Shares of £1 00 each were sub-divided to Preference Shares of £0 01 each increasing the number of issued shares to 45,000,000. On the same date 4,795,927 of the Preference Shares of £0 01 were re-classified as Growth Shares of £0 01 reducing the number of issued Preference Shares to 40,204,073

The Growth Shares rank equally with and have the same rights as the Ordinary Shares of £0 10

**6. POST BALANCE SHEET EVENTS**

Camco Advisory Services Limited was purchased in January 2012 for an initial consideration of £3 25 million