

Registration number: 367875

# Baxi Partnership Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2018



Alexander Marshall  
84 Hamilton Road  
Motherwell  
Lanarkshire  
ML1 3BY

# **Baxi Partnership Limited**

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## **Baxi Partnership Limited**

### **Company Information**

<b>Directors</b>	J G Alexander E S Hall
<b>Registered office</b>	Runway East Offices 20 St Thomas Street London SE1 9RG
<b>Solicitors</b>	Wright, Johnston & Mackenzie LLP 302 St Vincent St Glasgow G2 5RZ
<b>Auditors</b>	Alexander Marshall 84 Hamilton Road Motherwell Lanarkshire ML1 3BY

## **Baxi Partnership Limited**

### **Directors' Report for the Year Ended 31 December 2018**

The directors present their report and the for the year ended 31 December 2018.

#### **Directors of the group**

The directors who held office during the year were as follows:

T G Amos (resigned 12 May 2018)

J G Alexander

E S Hall

D C McDonald (resigned 12 May 2018)

#### **Directors' liabilities**

The company paid premiums totalling £1,235 in respect of directors and officers liability insurance.

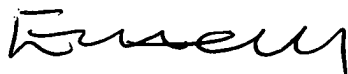
#### **Disclosure of information to the auditor**

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Alexander Marshall as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 13.5.2019 and signed on its behalf by:



E S Hall  
Director

## **Baxi Partnership Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Baxi Partnership Limited**

### **Independent Auditor's Report to the Members of Baxi Partnership Limited**

#### **Opinion**

We have audited the financial statements of Baxi Partnership Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, and Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's 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 group 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 the provisions available for small entities in the circumstances set out in note 23 to the financial statements, 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Baxi Partnership Limited**

### **Independent Auditor's Report to the Members of Baxi Partnership Limited**

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 3], 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 group's and the parent 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 group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

## **Baxi Partnership Limited**

### **Independent Auditor's Report to the Members of Baxi Partnership Limited**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



David Marshall (Senior Statutory Auditor)  
For and on behalf of Alexander Marshall, Statutory Auditor

84 Hamilton Road  
Motherwell  
Lanarkshire  
ML1 3BY

Date: 15 May 2019



## Baxi Partnership Limited

### Consolidated Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	1,546,816	2,107,658
Cost of sales		<u>(1,211,226)</u>	<u>(1,344,670)</u>
Gross profit		335,590	762,988
Administrative expenses		(522,925)	(294,751)
Other operating income	4	<u>-</u>	<u>3,945</u>
Operating (loss)/profit	6	<u>(187,335)</u>	<u>472,182</u>
Gain/(loss) on financial assets at fair value through profit and loss account		97,522	(847,967)
Other interest receivable and similar income	7	569,509	85,012
Interest payable and similar expenses	8	<u>-</u>	<u>(1)</u>
		667,031	(762,956)
Share of profit of equity accounted investees		<u>-</u>	<u>30,460</u>
Profit/(loss) before tax		479,696	(260,314)
Taxation	12	<u>-</u>	<u>4,578</u>
Profit/(loss) for the financial year		<u>479,696</u>	<u>(255,736)</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>479,696</u>	<u>(255,736)</u>

The group has no recognised gains or losses for the year other than the results above.

# Baxi Partnership Limited

(Registration number: 367875)

## Consolidated Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	13	6,413	15,439
Investment property	14	170,000	170,000
Investments	15	521,262	487,076
Other financial assets	16	3,727,900	3,268,062
		<u>4,425,575</u>	<u>3,940,577</u>
<b>Current assets</b>			
Debtors	17	459,071	1,189,938
Cash at bank and in hand		2,039,747	1,274,012
		2,498,818	2,463,950
<b>Creditors: Amounts falling due within one year</b>	19	(197,380)	(157,210)
<b>Net current assets</b>		<u>2,301,438</u>	<u>2,306,740</u>
<b>Total assets less current liabilities</b>		6,727,013	6,247,317
<b>Creditors: Amounts falling due after more than one year</b>	19	(16,778)	(16,778)
<b>Net assets</b>		<u>6,710,235</u>	<u>6,230,539</u>
<b>Capital and reserves</b>			
Called up share capital	21	914,870	914,870
Share premium reserve		3,566,094	3,566,094
Capital redemption reserve		116,122	116,122
Profit and loss account		2,113,149	1,633,453
Equity attributable to owners of the company		<u>6,710,235</u>	<u>6,230,539</u>
<b>Total equity</b>		<u>6,710,235</u>	<u>6,230,539</u>

Approved and authorised by the Board on 13.5.19 and signed on its behalf by:



E S Hall  
Director

The notes on pages 12 to 28 form an integral part of these financial statements.

**Baxi Partnership Limited**  
**(Registration number: 367875)**  
**Balance Sheet as at 31 December 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	13	40	91
Investment property	14	170,000	170,000
Investments	15	1,021,267	467,068
Other financial assets	16	3,727,900	3,268,062
		<u>4,919,207</u>	<u>3,905,221</u>
<b>Current assets</b>			
Debtors	17	161,533	1,269,571
Cash at bank and in hand		1,865,939	1,119,027
		<u>2,027,472</u>	<u>2,388,598</u>
<b>Creditors: Amounts falling due within one year</b>	19	<u>(64,766)</u>	<u>(20,630)</u>
<b>Net current assets</b>		<u>1,962,706</u>	<u>2,367,968</u>
<b>Total assets less current liabilities</b>		6,881,913	6,273,189
<b>Creditors: Amounts falling due after more than one year</b>	19	<u>(16,778)</u>	<u>(16,778)</u>
<b>Net assets</b>		<u>6,865,135</u>	<u>6,256,411</u>
<b>Capital and reserves</b>			
Called up share capital	21	914,870	914,870
Share premium reserve		3,566,094	3,566,094
Capital redemption reserve		116,122	116,122
Revaluation reserve		(300,001)	(300,001)
Profit and loss account		2,568,050	1,959,326
<b>Total equity</b>		<u>6,865,135</u>	<u>6,256,411</u>

The company made a profit after tax for the financial year of £608,724 (2017 - loss of £154,708).

Approved and authorised by the Board on 13.5.19 and signed on its behalf by:



E S Hall  
Director

# **Baxi Partnership Limited**

## **Consolidated Statement of Changes in Equity for the Year Ended 31 December 2018** **Equity attributable to the parent company**

	<b>Share capital £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>	<b>Total equity £</b>
At 1 January 2018	914,870	3,566,094	116,122	1,633,453	6,230,539	6,230,539
Profit for the year	-	-	-	479,696	479,696	479,696
Total comprehensive income	-	-	-	479,696	479,696	479,696
At 31 December 2018	<u>914,870</u>	<u>3,566,094</u>	<u>116,122</u>	<u>2,113,149</u>	<u>6,710,235</u>	<u>6,710,235</u>
	<b>Share capital £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>	<b>Total equity £</b>
At 1 January 2017	914,870	3,566,094	116,122	1,889,189	6,486,275	6,486,275
Loss for the year	-	-	-	(255,736)	(255,736)	(255,736)
Total comprehensive income	-	-	-	(255,736)	(255,736)	(255,736)
At 31 December 2017	<u>914,870</u>	<u>3,566,094</u>	<u>116,122</u>	<u>1,633,453</u>	<u>6,230,539</u>	<u>6,230,539</u>

The notes on pages 12 to 28 form an integral part of these financial statements.

# Baxi Partnership Limited

## Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2018	914,870	3,566,094	116,122	(300,001)	1,959,326	6,256,411
Profit for the year	-	-	-	-	608,724	608,724
Total comprehensive income	-	-	-	-	608,724	608,724
At 31 December 2018	<u>914,870</u>	<u>3,566,094</u>	<u>116,122</u>	<u>(300,001)</u>	<u>2,568,050</u>	<u>6,865,135</u>
	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2017	914,870	3,566,094	116,122	(300,001)	2,114,034	6,411,119
Loss for the year	-	-	-	-	(154,708)	(154,708)
Total comprehensive income	-	-	-	-	(154,708)	(154,708)
At 31 December 2017	<u>914,870</u>	<u>3,566,094</u>	<u>116,122</u>	<u>(300,001)</u>	<u>1,959,326</u>	<u>6,256,411</u>

The notes on pages 12 to 28 form an integral part of these financial statements.

## **Baxi Partnership Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England, UK. The company registration number is 367875.

The address of its registered office is:

Runway East Offices

20 St Thomas Street

London

SE1 9RG

These financial statements were authorised for issue by the Board on 13 May 2019.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Sterling which is the company's functional currency. All financial information is presented in Sterling and has been rounded to the nearest pound.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2018.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

## **Baxi Partnership Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method. In the parent company financial statements joint ventures are accounted for at cost less impairment.

Entities, other than subsidiary undertakings or joint ventures, in which the group has a participating interest and whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method. In the parent company financial statements associates are accounted for at cost less impairment.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the group's activities.

#### **Tax**

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

## **Baxi Partnership Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Furniture, fittings and equipment	25%/33.3% straight line

#### **Investment property**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

#### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

#### **Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



## **Baxi Partnership Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Share based payments**

The group operates an equity-settled, share-based consideration plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

### **3 Revenue**

The analysis of the group's revenue for the year from continuing operations is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Rendering of services	1,540,816	2,106,158
Rental income from investment property	6,000	1,500
	<u>1,546,816</u>	<u>2,107,658</u>

### **4 Other operating income**

The analysis of the group's other operating income for the year is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Miscellaneous other operating income	<u>-</u>	<u>3,945</u>

### **5 Other gains and losses**

The analysis of the group's other gains and losses for the year is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Gain (loss) on disposal of property, plant and equipment	<u>(611)</u>	<u>(580)</u>

## Baxi Partnership Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 6 Operating loss

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	8,323	9,392
Loss on disposal of property, plant and equipment	611	580
	<u>611</u>	<u>580</u>

#### 7 Other interest receivable and similar income

	2018 £	2017 £
Interest income on investments	18,465	27,111
Interest income on bank deposits	28	1,107
Dividend income	-	56,794
Net gain on disposal of financial assets transferred from equity	551,016	-
	<u>569,509</u>	<u>85,012</u>

#### 8 Interest payable and similar expenses

	2018 £	2017 £
Other finance costs	-	1
	<u>-</u>	<u>1</u>

#### 9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018 £	2017 £
Wages and salaries	969,577	1,062,723
Social security costs	115,542	124,947
Pension costs, defined contribution scheme	135,867	189,228
Share-based payment expenses	2	-
Other employee expense	25,243	18,914
	<u>1,246,231</u>	<u>1,395,812</u>

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

	2018 No.	2017 No.
Administration and support	2	2
Direct	11	13
Management	2	4
	<u>15</u>	<u>19</u>

## Baxi Partnership Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	301,525	377,365
Contributions paid to money purchase schemes	48,508	91,140
Compensation for loss of office	60,000	-
	<u>410,033</u>	<u>468,505</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2018 No.	2017 No.
Accruing benefits under defined benefit pension scheme	<u>4</u>	<u>4</u>

In respect of the highest paid director:

	2018 £	2017 £
Remuneration	100,411	123,500
Company contributions to money purchase pension schemes	<u>23,934</u>	<u>19,500</u>

#### 11 Auditors' remuneration

	2018 £	2017 £
Audit of these financial statements	<u>12,400</u>	<u>15,475</u>

#### 12 Taxation

Tax charged/(credited) in the income statement

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	-	(1,080)
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>-</u>	<u>(3,498)</u>
Tax receipt in the income statement	<u>-</u>	<u>(4,578)</u>

## Baxi Partnership Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 13 Tangible assets

##### Group

	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>		
At 1 January 2018	35,733	35,733
Disposals	<u>(6,198)</u>	<u>(6,198)</u>
At 31 December 2018	<u>29,535</u>	<u>29,535</u>
<b>Depreciation</b>		
At 1 January 2018	20,294	20,294
Charge for the year	8,322	8,322
Eliminated on disposal	<u>(5,494)</u>	<u>(5,494)</u>
At 31 December 2018	<u>23,122</u>	<u>23,122</u>
<b>Carrying amount</b>		
At 31 December 2018	<u>6,413</u>	<u>6,413</u>
At 31 December 2017	<u>15,439</u>	<u>15,439</u>

## Baxi Partnership Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Company

	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>		
At 1 January 2018	4,694	4,694
Disposals	<u>(250)</u>	<u>(250)</u>
At 31 December 2018	<u>4,444</u>	<u>4,444</u>
<b>Depreciation</b>		
At 1 January 2018	4,602	4,602
Charge for the year	52	52
Eliminated on disposal	<u>(250)</u>	<u>(250)</u>
At 31 December 2018	<u>4,404</u>	<u>4,404</u>
<b>Carrying amount</b>		
At 31 December 2018	<u>40</u>	<u>40</u>
At 31 December 2017	<u>91</u>	<u>91</u>

#### 14 Investment properties

##### Group

	<b>2018</b>
	<b>£</b>
At 1 January	<u>170,000</u>

The property was independently valued by Allied Surveyors on 15 March 2016 at a market value of £170,000. In the directors' opinion the fair value of the investment property is not significantly different from that valuation.

##### Company

	<b>2018</b>
	<b>£</b>
At 1 January	<u>170,000</u>

The property was independently valued by Allied Surveyors on 15 March 2016 at a market value of £170,000. In the directors' opinion the fair value of the investment property is not significantly different from that valuation.

## Baxi Partnership Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 15 Investments

##### Company

	2018 £	2017 £
Investments in subsidiaries	500,005	6
Investments in joint ventures	-	238,800
Investments in associates	<u>521,262</u>	<u>228,262</u>
	<u>1,021,267</u>	<u>467,068</u>

##### Subsidiaries

£

##### Cost or valuation

At 1 January 2018	13,007
Additions	<u>499,999</u>

At 31 December 2018	513,006
---------------------	---------

##### Provision

At 1 January 2018	<u>13,001</u>
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##### Carrying amount

At 31 December 2018	<u>500,005</u>
At 31 December 2017	<u>6</u>

##### Joint ventures

£

##### Cost

At 1 January 2018	241,280
Disposals	<u>(241,280)</u>

At 31 December 2018	<u>-</u>
---------------------	----------

##### Provision

At 1 January 2018	2,480
Eliminated on disposals	<u>(2,480)</u>

At 31 December 2018	<u>-</u>
---------------------	----------

##### Carrying amount

At 31 December 2018	<u>-</u>
At 31 December 2017	<u>238,800</u>

## Baxi Partnership Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Aggregate financial information of joint ventures

	2018 £	2017 £
Profit/(loss) for the year before taxation	-	30,460
Taxation	-	-
Profit/(loss) for the year after taxation	<u>-</u>	<u>30,460</u>

#### Associates

£

##### Cost

At 1 January 2018	1,566,608
Additions	300,000
Disposals	<u>(7,000)</u>
At 31 December 2018	1,859,608

##### Provision

At 1 January 2018	<u>1,338,346</u>
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##### Carrying amount

At 31 December 2018	<u>521,262</u>
At 31 December 2017	<u>228,262</u>

#### Impairment of associates

The amount of impairment loss included in profit or loss is £Nil (2017 - £1,000,000). In the previous year the directors provided in full for the investment in UBH International Limited due to the company trading at a significant loss and although the balance sheet remained positive, the company increased borrowings and provided guarantees to customers. There has been no significant change to trading in this financial year and the directors consider that in the event of the company being wound up it is uncertain there would be any return of the amount invested.

In January 2019 Neighbourhood Midwives Limited ceased to trade and in February 2019 a liquidator was appointed, the investment had previously been impaired to the amount considered to be recoverable.

The results for the associates have not been accounted for using the equity method due to both associates operating at trading losses.

#### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

## Baxi Partnership Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

Undertaking		Registered office	Holding	Proportion of voting rights and shares held	
				2018	2017
Subsidiary undertakings					
Partnership Limited	Trustee	Wework Offices 22 Upper Ground London SE1 9PD UK	Ordinary	100%	100%
Partnership Limited	Directors	84 Hamilton Road Motherwell Lanarkshire ML1 3BY UK	Ordinary	100%	100%
Baxi Partnership Limited	Advisory	84 Hamilton Road Motherwell Lanarkshire ML1 3BY UK	Ordinary	100%	100%
Baxendale Limited	Advisory	Wework Offices 22 Upper Ground London SE1 9PD UK	Ordinary	100%	100%
Baxendale Limited		84 Hamilton Road Motherwell Lanarkshire ML1 3BY UK	Ordinary	100%	100%
Ownership Limited	Capital	84 Hamilton Road Motherwell Lanarkshire ML1 3BY UK	Ordinary	100%	100%
Joint ventures					
Berwick Energy Limited	Community	Wework Offices 22 Upper Ground London SE1 9PD UK	Ordinary	0%	50%



## Baxi Partnership Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Associates

Neighbourhood Midwives Limited	34b York Way London N1 9AB UK	Ordinary	20%	20%
UBH International Limited	Orrell Lane Burscough Ormskirk Lancashire L40 0SL UK	Ordinary	56.6%	56.6%

The principal activity of Partnership Trustee Limited is dormant.

The principal activity of Partnership Directors Limited is dormant.

The principal activity of Baxi Partnership Advisory Limited is dormant.

The principal activity of Baxendale Advisory Limited is consultancy.

The principal activity of Baxendale Limited is dormant.

The principal activity of Ownership Capital Limited is dormant.

The principal activity of Berwick Community Energy Limited is production of electricity. Its financial period end is 30 September.

The principal activity of Neighbourhood Midwives Limited is midwifery. Its financial period end is 31 March.

The principal activity of UBH International Limited is design and manufacture of transport tanks, tank containers and pressure vessels. Its financial period end is 30 September.

The loss for the financial period of Neighbourhood Midwives Limited was £148,765 and the aggregate amount of capital and reserves at the end of the period was in deficit by £(913,253).

The loss for the financial period of UBH International Limited was £1,187,142 and the aggregate amount of capital and reserves at the end of the period was in deficit by £4,699,102.

The results disclosed for UBH International Limited are for the year ended 30 September 2017 as the results for the year ended 30 September 2018 are not yet available.

During the financial year, the investment in the joint venture, Berwick Community Energy Limited, was disposed off.

For the year ending 31 December 2018 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

Partnership Trustee Limited

Partnership Directors Limited

Baxi Partnership Advisory Limited

Baxendale Limited

Ownership Capital Limited

# Baxi Partnership Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 16 Other financial assets

#### Group

	Financial assets at cost less impairment £	Total £
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 January 2018	3,283,062	3,283,062
Additions	497,522	497,522
Disposals	(37,684)	(37,684)
At 31 December 2018	<u>3,742,900</u>	<u>3,742,900</u>
<b>Impairment</b>		
At 1 January 2018	<u>15,000</u>	<u>15,000</u>
At 31 December 2018	<u>15,000</u>	<u>15,000</u>
<b>Carrying amount</b>		
At 31 December 2018	<u>3,727,900</u>	<u>3,727,900</u>

#### Company

	Financial assets at cost less impairment £	Total £
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 January 2018	3,283,062	3,283,062
Additions	497,522	497,522
Disposals	(37,684)	(37,684)
At 31 December 2018	<u>3,742,900</u>	<u>3,742,900</u>
<b>Impairment</b>		
At 1 January 2018	<u>15,000</u>	<u>15,000</u>
At 31 December 2018	<u>15,000</u>	<u>15,000</u>
<b>Carrying amount</b>		
At 31 December 2018	<u>3,727,900</u>	<u>3,727,900</u>

## Baxi Partnership Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 17 Debtors

	Note	Group		Company	
		2018 £	2017 £	2018 £	2017 £
Trade debtors		226,873	346,538	100	18,461
Amounts owed by related parties	22	-	-	152,393	637,052
Other debtors		34,690	216,949	-	200,000
Prepayments		197,508	221,696	9,040	9,303
Accrued income		-	404,755	-	404,755
		<u>459,071</u>	<u>1,189,938</u>	<u>161,533</u>	<u>1,269,571</u>

#### 18 Cash and cash equivalents

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Cash on hand	4	4	-	-
Cash at bank	1,984,007	1,218,300	1,810,203	1,063,319
Short-term deposits	55,736	55,708	55,736	55,708
	<u>2,039,747</u>	<u>1,274,012</u>	<u>1,865,939</u>	<u>1,119,027</u>

#### 19 Creditors

		Group		Company	
	Note	2018 £	2017 £	2018 £	2017 £
<b>Due within one year</b>					
Trade creditors		10,758	8,696	119	227
Social security and other taxes		85,413	120,659	1,272	5,641
Other payables		50,001	122	50,000	-
Accruals		51,208	28,813	13,375	14,762
Income tax liability	12	-	(1,080)	-	-
		<u>197,380</u>	<u>157,210</u>	<u>64,766</u>	<u>20,630</u>
<b>Due after one year</b>					
Other non-current financial liabilities		<u>16,778</u>	<u>16,778</u>	<u>16,778</u>	<u>16,778</u>

## **Baxi Partnership Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **20 Pension and other schemes**

##### **Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £135,867 (2017 - £189,228).

Contributions totalling £Nil (2017 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

#### **21 Share capital**

##### **Allotted, called up and fully paid shares**

	<b>2018</b>		<b>2017</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £0.10 each	4,648,703	464,870.30	4,648,703	464,870.30
Growth shares of £0.01 each	4,648,703	46,487.03	4,648,703	46,487.03
Preference shares of £0.01 each	40,204,073	402,040.73	40,204,073	402,040.73
Redeemable preference shares of £0.01 each	147,224	1,472.24	147,224	1,472.24
	<u>49,648,703</u>	<u>914,870</u>	<u>49,648,703</u>	<u>914,870</u>

##### **Redeemable preference shares**

The redeemable preference shares are redeemable at the option of the company. They are redeemable at £0.01 per share and carry no voting rights.

#### **22 Related party transactions**

##### **Company**

##### **Summary of transactions with entities with joint control or significant interest**

UBH International Limited

The company receives dividend income from the related party, no dividends were received in the financial year.

##### **Summary of transactions with subsidiaries**

Baxi Partnership Advisory Limited

Baxendale Advisory Limited

Ownership Capital Limited

Expenditure paid on behalf of the subsidiary was recharged to the subsidiary during the year.

Invoices are payable within 30 day payment terms.

##### **Summary of transactions with associates**

Interest is charged on three outstanding loan balances at 9% per annum. Interest is charged on one outstanding overdraft facility at 3% per annum. The associate is also charged an annual monitoring fee.

## Baxi Partnership Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Summary of transactions with joint ventures

Berwick Community Energy Limited

Rendering of services is undertaken in the normal course of business. Interest is charged on the loan provided to the company at 8% per annum. The investment was disposed off during the current year.

#### Income and receivables from related parties

				Subsidiary £
<b>2018</b>				<u>1,682</u>
Amounts receivable from related party				
	Entities with joint control or significant influence	Subsidiary	Associates	Joint ventures
	£	£	£	£
<b>2017</b>				
Receipt of services	56,794	172,060	40,303	30,044
Expenses recognised as bad debt	-	-	(40,303)	-
Amounts receivable from related party	<u>2,951</u>	<u>4,598</u>	<u>-</u>	<u>2,951</u>

#### Expenditure with and payables to related parties

		Subsidiary £
<b>2017</b>		<u>377</u>
Rendering of services		
Amounts payable to related party		<u>450</u>

#### Loans to related parties

	Subsidiary £	Associates £	Joint ventures £
<b>2018</b>			
At start of period	632,903	228,262	238,750
Advanced	-	300,000	-
Repaid	(482,192)	(7,000)	(238,750)
At end of period	<u>150,711</u>	<u>521,262</u>	<u>-</u>
	Subsidiary	Associates	Joint ventures
	£	£	£
<b>2017</b>			
At start of period	306,741	235,262	238,750
Advanced	350,000	-	-
Repaid	(23,732)	(7,000)	-
Impairment	(106)	-	-
At end of period	<u>632,903</u>	<u>228,262</u>	<u>238,750</u>

## **Baxi Partnership Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Terms of loans to related parties**

Subsidiaries - Loans are repayable on demand and interest is not charged.

Associates - Loans are repayable on demand and interest is charged at 9% per annum. Overdraft facility is repayable on demand and interest is charged at 3% per annum.

Joint ventures - There are no fixed repayment terms and interest is charged at 8% per annum. The loan was fully repaid during the year.

#### **23 APB Ethical Standards relevant circumstances**

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

## Baxi Partnership Limited

### Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2018

	2018 £	2017 £
Turnover (analysed below)	1,546,816	2,107,658
Cost of sales (analysed below)	<u>(1,211,226)</u>	<u>(1,344,670)</u>
Gross profit	<u>335,590</u>	<u>762,988</u>
Gross profit (%)	21.7%	36.2%
<b>Administrative expenses</b>		
Employment costs (analysed below)	(219,618)	(150,308)
Establishment costs (analysed below)	(111,450)	(120,176)
General administrative expenses (analysed below)	(181,610)	(11,266)
Finance charges (analysed below)	(1,313)	(3,029)
Depreciation costs (analysed below)	(8,323)	(9,392)
Other expenses (analysed below)	<u>(611)</u>	<u>(580)</u>
	(522,925)	(294,751)
Other operating income (analysed below)	<u>-</u>	<u>3,945</u>
Operating (loss)/profit	<u>(187,335)</u>	<u>472,182</u>
Gain/(loss) on financial assets at fair value through profit and loss account (analysed below)	97,522	(847,967)
Other interest receivable and similar income (analysed below)	569,509	85,012
Interest payable and similar expenses (analysed below)	<u>-</u>	<u>(1)</u>
	667,031	(762,956)
Share of profit of equity accounted investees	<u>-</u>	<u>30,460</u>
Profit/(loss) before tax	<u><u>479,696</u></u>	<u><u>(260,314)</u></u>

## Baxi Partnership Limited

### Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2018

	2018 £	2017 £
<b>Turnover</b>		
Rendering of services, UK	1,540,816	2,106,158
Rental income from investment property	6,000	1,500
	<u>1,546,816</u>	<u>2,107,658</u>
<b>Cost of sales</b>		
Direct costs	(178,358)	(82,621)
Wages and salaries (excluding directors)	(518,021)	(611,987)
Staff NIC (Employers)	(68,642)	(70,719)
Directors remuneration	(258,047)	(352,046)
Directors NIC (Employers)	(33,507)	(45,077)
Staff pensions (Defined contribution)	(81,767)	(91,469)
Directors pensions (Defined contribution)	(38,284)	(59,677)
Staff bonuses	(11,395)	(3,778)
Staff training	(6,255)	(16,545)
Recruitment expenses	(16,950)	(10,751)
	<u>(1,211,226)</u>	<u>(1,344,670)</u>
<b>Employment costs</b>		
Wages and salaries (excluding directors)	(78,636)	(69,593)
Staff NIC (Employers)	(8,545)	(7,355)
Directors remuneration	(43,478)	(25,319)
Directors NIC (Employers)	(4,848)	(1,796)
Staff pensions (Defined contribution)	(5,592)	(6,619)
Directors pensions (Defined contribution)	(10,224)	(31,463)
Commissions payable	(6,994)	(8,000)
Staff training	1	(163)
Staff welfare	(1,300)	-
Share-based payment expense - cash settled	(2)	-
Compensation for loss of office	(60,000)	-
	<u>(219,618)</u>	<u>(150,308)</u>
<b>Establishment costs</b>		
Rent and rates	(111,175)	(118,869)
Light, heat and power	-	(1,194)
Repairs and maintenance	(275)	(113)
	<u>(111,450)</u>	<u>(120,176)</u>
<b>General administrative expenses</b>		
Telephone and fax	(7,752)	(7,469)
Computer software and maintenance costs	(21,161)	(19,010)

This page does not form part of the statutory financial statements.



## Baxi Partnership Limited

### Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2018

	2018 £	2017 £
Printing, postage and stationery	(1,148)	(2,862)
Trade subscriptions	(31,108)	(28,543)
Sundry expenses	(737)	(848)
Travel and subsistence	(47,088)	(46,014)
Advertising	(22,270)	(11,000)
Staff entertaining (allowable for tax)	(1,790)	(17,833)
Customer entertaining (disallowable for tax)	(848)	(1,850)
Accountancy fees	(5,444)	(4,775)
Auditor's remuneration - The audit of the company's annual accounts	(12,400)	(15,475)
Professional indemnity insurance	(20,632)	(19,948)
Legal and professional fees	(11,712)	(10,639)
Bad debts recovered/(written off)	2,480	175,000
	<u>(181,610)</u>	<u>(11,266)</u>
<b>Finance charges</b>		
Bank charges	<u>(1,313)</u>	<u>(3,029)</u>
<b>Depreciation costs</b>		
Depreciation of fixtures and fittings (owned)	(149)	(142)
Depreciation of office equipment (owned)	<u>(8,174)</u>	<u>(9,250)</u>
	<u>(8,323)</u>	<u>(9,392)</u>
<b>Other expenses</b>		
(Profit)/loss on disposal of tangible fixed assets	<u>(611)</u>	<u>(580)</u>
<b>Other operating income</b>		
Other operating income	<u>-</u>	<u>3,945</u>
<b>Gain/(loss) on financial assets at fair value through profit and loss account</b>		
Gain/(loss) on financial asset at fair value through profit and loss account	<u>97,522</u>	<u>(847,967)</u>
<b>Other interest receivable and similar income</b>		
Unlisted investment interest receivable	18,465	27,111
Bank interest receivable	28	1,107
Dividend income	-	56,794
Net gain on disposal of financial assets transferred from equity	<u>551,016</u>	<u>-</u>
	<u>569,509</u>	<u>85,012</u>
<b>Interest payable and similar expenses</b>		
Other interest payable	<u>-</u>	<u>(1)</u>

This page does not form part of the statutory financial statements.

## Baxi Partnership Limited

### Detailed Company Profit and Loss Account for the Year Ended 31 December 2018

	2018 £	2017 £
Turnover (analysed below)	<u>11,737</u>	<u>543,074</u>
Gross profit (%)	100%	100%
<b>Administrative expenses</b>		
Employment costs (analysed below)	(65,546)	(66,578)
Establishment costs (analysed below)	(275)	(1,335)
General administrative expenses (analysed below)	(23,919)	131,929
Finance charges (analysed below)	(265)	(1,887)
Depreciation costs (analysed below)	(53)	(368)
Other expenses (analysed below)	<u>-</u>	<u>(106)</u>
	(90,058)	61,655
Other operating income (analysed below)	<u>-</u>	<u>3,518</u>
Operating (loss)/profit	<u>(78,321)</u>	<u>608,247</u>
Gain/(loss) on financial assets at fair value through profit and loss account (analysed below)	97,522	(847,967)
Other interest receivable and similar income (analysed below)	<u>589,523</u>	<u>85,012</u>
	<u>687,045</u>	<u>(762,955)</u>
Profit/(loss) before tax	<u><u>608,724</u></u>	<u><u>(154,708)</u></u>

## Baxi Partnership Limited

### Detailed Company Profit and Loss Account for the Year Ended 31 December 2018

	2018 £	2017 £
<b>Turnover</b>		
Rendering of services, UK	5,737	541,574
Rental income from investment property	6,000	1,500
	<u>11,737</u>	<u>543,074</u>
<b>Employment costs</b>		
Directors remuneration	(43,478)	(25,319)
Directors NIC (Employers)	(4,848)	(1,796)
Directors pensions (Defined contribution)	(10,224)	(31,463)
Commissions payable	(6,994)	(8,000)
Share-based payment expense - cash settled	(2)	-
	<u>(65,546)</u>	<u>(66,578)</u>
<b>Establishment costs</b>		
Rent and rates	-	(94)
Light, heat and power	-	(1,194)
Repairs and maintenance	(275)	(47)
	<u>(275)</u>	<u>(1,335)</u>
<b>General administrative expenses</b>		
Computer software and maintenance costs	(323)	(67)
Printing, postage and stationery	(681)	-
Travel and subsistence	(9,175)	(9,447)
Customer entertaining (disallowable for tax)	(11)	(85)
Accountancy fees	(3,264)	(2,845)
Auditor's remuneration - The audit of the company's annual accounts	(9,400)	(9,475)
Professional indemnity insurance	(1,502)	(19,719)
Legal and professional fees	(2,043)	(1,433)
Bad debts recovered/(written off)	2,480	175,000
	<u>(23,919)</u>	<u>131,929</u>
<b>Finance charges</b>		
Bank charges	(265)	(1,887)
<b>Depreciation costs</b>		
Depreciation of office equipment (owned)	(53)	(368)
<b>Other expenses</b>		
Gain/(loss) on disposal of fixed asset Investments - subsidiary loan/shares	-	(106)
<b>Other operating income</b>		
Other operating income	-	3,518

This page does not form part of the statutory financial statements.

## Baxi Partnership Limited

### Detailed Company Profit and Loss Account for the Year Ended 31 December 2018

	2018 £	2017 £
<b>Gain/(loss) on financial assets at fair value through profit and loss account</b>		
Gain/(loss) on financial asset at fair value through profit and loss account	<u>97,522</u>	<u>(847,967)</u>
<b>Other interest receivable and similar income</b>		
Unlisted investment interest receivable	18,465	27,111
Bank interest receivable	28	1,107
Dividend income	-	56,794
Net gain on disposal of financial assets transferred from equity	<u>571,030</u>	<u>-</u>
	<u><u>589,523</u></u>	<u><u>85,012</u></u>