

Baxi 2000 Limited

Annual report and financial statements
for the year ended 31 December 2010

Registered number 4059868



Baxi 2000 Limited

Annual report and financial statements for the year ended 31 December 2010

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Baxi 2000 Limited

Directors' report for the year ended 31 December 2010

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2010

Company registered number

The company registered number is 4059868

Business review, principal activity and future developments

On 30 October 2009, Baxi Group and De Dietrich Remeha Group ("DDR") combined to form a new group BDR Thermea Group that has a leading position in the European heating market. The transaction was structured as an exchange of cash and shares in Baxi Holdings Limited for convertible loan notes in the new holding company for the combined group, De Dietrich Remeha Holding BV, now renamed BDR Thermea Group BV ("BDR"). As a result of the transaction, the economic rights in the combined group are held approximately 59.99% by Stichting Aandelen Remeha Foundation, a Dutch foundation that controls BDR, and approximately 40.01% by Brave B Lux S A, a company controlled by funds advised by BC Partners Limited. The Dutch foundation will exercise majority control of the combined group. The Dutch foundation holds its interest in BDR through a holding company called Remeha Group BV.

The company acts as an intermediate holding company. The company's loss after tax for the year is £3,949,000 (2009 profit £62,927,000) as set out in the profit and loss account on page 5.

Dividends

During the year, the company declared dividends of nil p (2009 580.17p) per ordinary share amounting to £nil (2009 £60,947,000).

Directors

The directors who held office during the year and up to the date of this report were as follows:

A E Darling
J McFaul
R L Nash

Going concern

The financial statements have been prepared on a going concern basis (notwithstanding net current liabilities of £149,122,000 (2009 £145,163,000)) which the directors believe to be appropriate. An intermediate holding company, Heating Finance Plc, has given an undertaking to support the company over the next twelve months and for the foreseeable future.

Baxi 2000 Limited

Directors' report for the year ended 31 December 2010 (continued)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

Independent auditors

Deloitte LLP were appointed as auditor during the year and have expressed their willingness to be reappointed for another term. Appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the Board

A E Darling
Director
8 April 2011



Independent auditor's report to the members of Baxi 2000 Limited

We have audited the financial statements of Baxi 2000 Limited for the year ended 31 December 2010 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Baxi 2000 Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

David Hall, FCA

David Hall FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, United Kingdom

Date 8 April 2011

Baxi 2000 Limited

Profit and loss account for the year ended 31 December 2010

		2010	2009
	Note	£'000	£'000
Income from shares in group undertakings	3	-	69,822
Interest receivable and similar income	4	8,011	8,503
Interest payable and similar charges	5	(13,564)	(18,079)
(Loss)/profit on ordinary activities before tax		(5,553)	60,246
Tax on (loss)/profit on ordinary activities	6	1,604	2,681
(Loss)/profit for the financial year		(3,949)	62,927

All amounts relate to continuing operations

The company has no recognised gains or losses, other than the (loss)/profit for the financial years, and therefore no separate statement of total recognised gains and losses has been presented

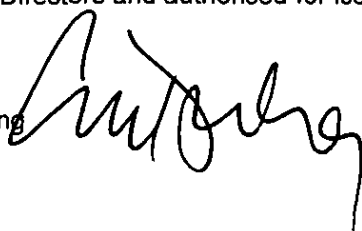
Baxi 2000 Limited

Balance sheet as at 31 December 2010

		2010	2009
	Note	£'000	£'000
Fixed assets			
Investments	7	349,418	349,418
Current assets			
Debtors	8	235,194	285,597
Creditors , amounts falling due within one year	9	(384,306)	(430,760)
Net current liabilities		(149,112)	(145,163)
Net assets		200,306	204,255
Capital and reserves			
Called up share capital	11	10,505	10,505
Share premium account	12	49,995	49,995
Other capital reserves	12	149,418	149,418
Profit and loss account	12	(9,612)	(5,663)
Total shareholders' funds	13	200,306	204,255

The financial statements of Baxi 2000 Limited, registered number 4059868, were approved by the Board of Directors and authorised for issue on 8 April 2011. They were signed on its behalf by

A E Darling
Director



Baxi 2000 Limited

Notes to the financial statements for the year ended 31 December 2010

1 Principal accounting policies

The financial statements have been prepared on the going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

Going concern

The financial statements have been prepared on a going concern basis (notwithstanding net current liabilities of £149,112,000 (2009: £145,163,000)) which the directors believe to be appropriate. An intermediate holding company, Heating Finance Plc, has given an undertaking to support the company over the next twelve months and for the foreseeable future.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Transactions with other group companies have not been disclosed as permitted by FRS 8, 'Related Party Disclosures'.

The company is itself a subsidiary company, and as such is exempt from the requirement to prepare group accounts by virtue of s400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about the group.

Cash flow statement

The company is a wholly owned subsidiary of BDR Thermea Group BV as at 31 December 2010 which publishes a consolidated cash flow statement. Consequently the company is exempt under the terms of FRS 1 (revised 1996), 'Cash Flow Statements' from publishing a cash flow statement.

Investments

Investments are held at cost less any provision for permanent diminution in value.

Dividends

Dividends are recognised on a paid basis.

Current and deferred tax

Corporation tax payable is provided on taxable profits at the current rate.

Full provision is made for the tax liability on all timing differences in accordance with FRS 19, 'Deferred Tax'. A deferred tax asset is only recognised where transactions or events that have occurred before the balance sheet date give the company the right to pay less tax in future, and it is considered to be more likely than not that the asset will be recovered. Deferred tax balances are not discounted.

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

Baxi 2000 Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

2 Supplementary profit and loss information

None of the directors received any emoluments for their services to the company during the year (2009 £nil)

There were no employees during the year (2009 none)

Audit fees are borne by a fellow group company in both the current and prior year

3 Income from shares in Group undertakings

	2010	2009
	£'000	£'000
Dividends receivable	-	69,822

4 Interest receivable and similar income

	2010	2009
	£'000	£'000
Group interest receivable	8,011	8,503

5 Interest payable and similar charges

	2010	2009
	£'000	£'000
Group interest payable	13,564	18,079

Baxi 2000 Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

6 Tax on (loss)/profit on ordinary activities

	2010	2009
	£'000	£'000
Current tax		
UK corporation tax at 28% (2009 28%)	(2,458)	(2,681)
Deferred tax		
Origination and reversal of timing differences	905	-
Adjustment in respect of prior years	(51)	-
Tax on (loss)/profit on ordinary activities	(1,604)	(2,681)

The tax credit for the year consists solely of a payment for group relief and is higher (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are stated below

	2010	2009
	£'000	£'000
(Loss)/profit on ordinary activities before tax	(5,553)	60,246
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	(1,555)	16,869
Effects of		
Dividends receivable	-	(19,550)
Timing differences	(905)	-
Effect of rate change	2	-
Current tax credit for the year	(2,458)	(2,681)

The future expected rate of tax is expected to be in line with the standard rate of corporation tax in the UK

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Notes to the financial statements for the year ended 31 December 2010 (continued)

7 Investments

	Shares in Group undertakings
	£'000
Cost and net book value at 31 December 2009 and 31 December 2010	349,418

The company holds the entire ordinary share capital of Baxi Finance Limited, an intermediate holding company which is incorporated in Great Britain

8 Debtors

	2010	2009
	£'000	£'000
Amounts falling due within one year		
Amounts owed by group undertakings	232,687	282,013
Group relief receivable	2,458	2,681
Deferred tax (note 10)	49	903
	235,194	285,597

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Interest is receivable on group loans at a rate of 2.5% above LIBOR.

9 Creditors: amounts falling due within one year

	2010	2009
	£'000	£'000
Amounts owed to group undertakings	384,306	430,760

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Interest is payable on standard group loans at a rate of 2.5% above LIBOR.

Baxi 2000 Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

10 Deferred tax

	2010	2009
	£'000	£'000
At 1 January	903	903
Charged to the profit and loss account (note 6)	(854)	-
At 31 December	49	903
The deferred tax relates to		
	2010	2009
	£'000	£'000
Short term timing differences	49	903

The Finance (No 2) Act 2010 introduced legislation to reduce the main rate of corporation tax from 28% to 27% effective from 1 April 2011 and this legislation was substantively enacted at the balance sheet date. Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date and accordingly this reduction has been taken into account when stating the deferred tax assets as at 31 December 2010.

11 Called up share capital

	2010	2009
	£'000	£'000
Authorised		
10,505,000 ordinary shares of £1 each	10,505	10,505
Allotted and fully paid		
10,505,000 ordinary shares of £1 each	10,505	10,505

Baxi 2000 Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

12 Reserves

	Share premium account	Other capital reserves	Profit and loss account
	£'000	£'000	£'000
At 1 January 2010	49,995	149,418	(5,663)
Loss for the financial year	-	-	(3,949)
At 31 December 2010	49,995	149,418	(9,612)

13 Reconciliation of movements in total shareholders' funds

	2010	2009
	£'000	£'000
(Loss)/profit for the financial year	(3,949)	62,927
Dividends	-	(60,947)
Net movement in shareholders' funds	(3,949)	1,980
Opening shareholders' funds	204,255	202,275
Closing shareholders' funds	200,306	204,255

During the year, the Company declared dividends of nil p (2009 580 17p) per ordinary share amounting to £nil (2009 £60,947,000)

14 Contingent liabilities

The company is a guarantor of loans provided by various bankers to Heating Finance plc a group company. At 31 December 2010, the contingent liability was £391.2 million (2009 £444.9 million), being the net amount drawn down under the facility.

The company's assets and undertakings are secured by a debenture deed dated 12 March 2004 in respect of the above facilities.

The company has guaranteed the bank borrowings of its subsidiaries. At 31 December 2010, the borrowings from banks under such guarantees were £nil (2009 £0.1 million).

Since the year end the Group has raised new bank finance and Heating Finance plc has repaid the debt under its existing arrangements from the drawings under the new facility and the security under the debenture deed dated 12 March 2004 has been released. The company has guaranteed borrowings from banks under this new facility.

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Notes to the financial statements for the year ended 31 December 2010 (continued)

15 Ultimate parent company and controlling party

At 31 December 2010, the company's immediate parent company is Baxi Group Limited, a company incorporated in Great Britain

The company's ultimate parent company and controlling party is BDR Thermea Group BV, a company incorporated in the Netherlands, which is the largest and smallest group to consolidate these financial statements

Copies of the BDR Thermea Group BV consolidated accounts are available from Chamber of Commerce, Apeldoorn, Stationsstraat 80, The Netherlands