

Baxi Finance Limited

Annual report and financial statements
for the year ended 31 December 2019

Registered number: 04010580



Baxi Finance Limited

Annual report and financial statements for the year ended 31 December 2019

| | Page |
|---|-------------|
| Strategic Report for the year ended 31 December 2019..... | 1 |
| Directors' report for the year ended 31 December 2019 | 2 |
| Independent auditors' report to the members of Baxi Finance Limited | 5 |
| Profit and loss account for the year ended 31 December 2019 | 8 |
| Balance sheet as at 31 December 2019..... | 9 |
| Statement of changes in equity for the year ended 31 December 2019 | 10 |
| Notes to the financial statements for the year ended 31 December 2019 | 11 |

Baxi Finance Limited

Strategic Report for the year ended 31 December 2019

The directors present their Strategic Report for the company for the year ended 31 December 2019.

Principal activity

The company acts as an intermediate holding company.

Review of the business

The company's loss for the financial year is £13,572,000 (2018: £14,710,000) as set out in the profit and loss account on page 8.

Principal risks and uncertainties

The directors of Remeha Group BV, the company's ultimate parent company, manage the Group's risks at a group level, rather than at an individual business unit level. The principal risks and uncertainties of Remeha Group BV, which include those of the company, are discussed in the Group's annual report, which does not form part of this report.

Key performance indicators ("KPIs")

The directors of Remeha Group BV manage the Group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Baxi Finance Limited. The development, performance and position of Remeha Group BV, which includes the company, are discussed in the Group's annual report, which does not form part of this report.

Future developments

The company will continue to act as an intermediate holding company.

Approved by the board of directors and signed on its behalf by:



S Oliver
Director
30 June 2020

Baxi Finance Limited

Directors' report for the year ended 31 December 2019

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2019.

Company registered number

The company's registered number is 04010580.

Dividends

No dividend was paid or proposed in respect of the year (2018: £nil).

Directors

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

S Oliver
J F Zwiers

Going concern

The Directors have considered the business activities, forecasts and funding position for the company. For the coming year we see increased uncertainties due to the worldwide COVID-19 pandemic and the related effects. The duration and intensity of the impact of the pandemic and the resulting disruption of the company's operations and its supply chain is uncertain. Given the dynamic nature of these circumstances it is unknown how the company may be affected if such a pandemic persists for an extended period. Although not yet quantifiable we believe that this situation could have a material adverse impact on the operating results of 2020 across the Group to which the company belongs. We have already seen adverse impact on turnover, as market demand falls rapidly in many countries. This subsequently creates uncertainty around the recoverability of investments and intercompany debtors which in turn could adversely impact the company's liquidity and ability to meet its liabilities as they fall due. This indicates the existence of a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In order to prepare, manage and mitigate the impact of the pandemic, across the Group several manufacturing sites have functioned in minimum standby mode in order to ensure adaptation of our capacities to demand and to prepare for a fast ramp-up. Further the Group have implemented cost saving measures and postponed non-business critical capital expenditures. All trading companies in the Group have taken appropriate steps to assess the potential impact of the pandemic and have prepared revised profit and loss accounts under various scenarios in order to stress test the forecast results.

We currently do not know whether the measures will be effective and how long this situation will continue. Especially when this takes longer this might have a financial impact on our company and its subsidiaries, considering that we and our subsidiaries are also dependent on the payment behaviour of our customers. Decrease of our result and an increasing debt position could influence our ability to meet our funding commitments.

Taking into account the measures we have taken and will take, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Baxi Finance Limited

Directors' report for the year ended 31 December 2019 (continued)

Directors' indemnities

The Company purchased and maintained throughout the financial year and up to the date of this report a qualifying third party indemnity provision in respect of itself and its Directors.

Future developments

These are included in page 1 in the Strategic Report.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Baxi Finance Limited

Directors' report for the year ended 31 December 2019 (continued)

Disclosure of information to auditors

In the case of each director in office at the date the Directors' report is approved:

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

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to be reappointed for another term. Appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the board of directors and signed on its behalf by:



S Oliver
Director
30 June 2020

Independent auditors' report to the members of Baxi Finance Limited

Report on the audit of the financial statements

Opinion

In our opinion, Baxi Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019, the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the company's ability to continue as a going concern. COVID-19 has had an adverse impact on the performance of trading entities and consequently the cash flows generated. There remains uncertainty surrounding the impact of COVID-19 on recoverability of investments and intercompany debtors held by the company, which in turn could adversely impact the company's liquidity and ability to meet its liabilities as they fall due for the foreseeable future. These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Independent auditors' report to the members of Baxi Finance Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent auditors' report to the members of Baxi Finance Limited (continued)

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Mark Skedgel (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

30 June 2020

Baxi Finance Limited

Profit and loss account for the year ended 31 December 2019

| | | 2019 | 2018 |
|---------------------------------------|------|-----------------|-----------------|
| | Note | £'000 | £'000 |
| Interest payable and similar expenses | 6 | (16,756) | (18,161) |
| Loss before tax | | (16,756) | (18,161) |
| Tax on loss | 7 | 3,184 | 3,451 |
| Loss for the financial year | | (13,572) | (14,710) |

All amounts relate to continuing operations.

The company has no other comprehensive income, other than the loss for the financial years, and therefore no separate statement of comprehensive income has been presented.

Baxi Finance Limited

Balance sheet as at 31 December 2019

| | | 2019 | 2018 |
|--|------|-------------|-------------|
| | Note | £'000 | £'000 |
| Fixed assets | | | |
| Investments | 8 | 881,304 | 881,304 |
| Current assets | | | |
| Debtors | 9 | 1,459 | 1,459 |
| Cash at bank and in hand | | 50 | 51 |
| | | 1,509 | 1,510 |
| Creditors: amounts falling due within one year | 10 | (2,408) | (2,408) |
| Net current liabilities | | (899) | (898) |
| Total assets less current liabilities | | 880,405 | 880,406 |
| Creditors: amounts falling due after more than one year | 11 | (1,016,373) | (1,002,802) |
| Net liabilities | | (135,968) | (122,396) |
| Capital and reserves | | | |
| Called-up share capital | 12 | - | - |
| Accumulated losses | | (135,968) | (122,396) |
| Total shareholders' deficit | | (135,968) | (122,396) |

The notes on pages 11 to 19 are an integral part of these financial statements.

The financial statements on pages 8 to 19, were approved for issue by the Board of Directors on 30 June 2020. They were signed on its behalf by:



S Oliver
Director

Baxi Finance Limited
Registered number 04010580

Baxi Finance Limited

Statement of changes in equity for the year ended 31 December 2019

| | Called-up share capital | Accumulated losses | Total shareholders' deficit |
|---|-------------------------------|-----------------------|-----------------------------------|
| | £'000 | £'000 | £'000 |
| Balance at 1 January 2018 | - | (107,686) | (107,686) |
| Loss for the financial year | - | (14,710) | (14,710) |
| Total comprehensive expense for the year | - | (14,710) | (14,710) |
| At 31 December 2018 | - | (122,396) | (122,396) |
| Balance at 1 January 2019 | - | (122,396) | (122,396) |
| Loss for the financial year | - | (13,572) | (13,572) |
| Total comprehensive expense for the year | - | (13,572) | (13,572) |
| At 31 December 2019 | - | (135,968) | (135,968) |

Baxi Finance Limited

Notes to the financial statements for the year ended 31 December 2019

1 General information

Baxi Finance Limited is a private company, limited by shares and is incorporated in the England under the Companies Act. The address of the registered office is Brooks House, Coventry Road, Warwick, CV34 4LL. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 1.

2 Statement of compliance

The financial statements of Baxi Finance Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102. "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and the Companies Act 2006.

3 Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council and the Companies Act 2006.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Going concern

The Directors have considered the business activities, forecasts and funding position for the company. For the coming year we see increased uncertainties due to the worldwide COVID-19 pandemic and the related effects. The duration and intensity of the impact of the pandemic and the resulting disruption of the company's operations and its supply chain is uncertain. Given the dynamic nature of these circumstances it is unknown how the company may be affected if such a pandemic persists for an extended period. Although not yet quantifiable we believe that this situation could have a material adverse impact on the operating results of 2020 across the Group to which the company belongs. We have already seen adverse impact on turnover, as market demand falls rapidly in many countries. This subsequently creates uncertainty around the recoverability of investments and intercompany debtors which in turn could adversely impact the company's liquidity and ability to meet its liabilities as they fall due. This indicates the existence of a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Baxi Finance Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

3 Summary of significant accounting policies (continued)

Going concern (continued)

In order to prepare, manage and mitigate the impact of the pandemic, across the Group several manufacturing sites have functioned in minimum standby mode in order to ensure adaptation of our capacities to demand and to prepare for a fast ramp-up. Further the Group have implemented cost saving measures and postponed non-business critical capital expenditures. All trading companies in the Group have taken appropriate steps to assess the potential impact of the pandemic and have prepared revised profit and loss accounts under various scenarios in order to stress test the forecast results.

We currently do not know whether the measures will be effective and how long this situation will continue. Especially when this takes longer this might have a financial impact on our company and its subsidiaries, considering that we and our subsidiaries are also dependent on the payment behaviour of our customers. Decrease of our result and an increasing debt position could influence our ability to meet our funding commitments.

Taking into account the measures we have taken and will take, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12, from preparing a statement of cash flows, some financial instrument disclosures and the non-disclosure of key management personnel compensation on the basis that it is a qualifying entity. The company has also taken advantage of its exemption in FRS 102, with respect to related party transactions with companies that fall within a 100% owned group.

Consolidated financial statements

At 31 December 2019, the company is a wholly owned subsidiary of Remeha Group BV, registered office Kanaal Zuid 106, 7332 BD Apeldoorn. The company is included in the consolidated financial statements of Remeha Group BV, which are publicly available. Copies of the Remeha Group B.V. consolidated financial statements are available via the website www.kvk.nl of the Chamber of Commerce in The Netherlands. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements are the company's separate financial statements.

Functional currency

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions. The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Foreign currencies

Assets and liabilities denominated in overseas currencies are translated into sterling at the rate ruling at the balance sheet date. All exchange differences are dealt with in the profit and loss account. Exchange differences arising in respect of revenue transactions are taken to the profit and loss account in the year in which they arise.

Baxi Finance Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

3 Summary of significant accounting policies (continued)

Financial liabilities

Basic financial liabilities include loans from fellow group undertakings which are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method.

Financial assets

Basic financial assets, including amounts owed by group undertakings are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest method.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Investments

Investments in subsidiaries are held at cost less any provision for impairment.

Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when

- (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or
- (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Baxi Finance Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

4 Critical accounting judgements and estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no significant judgements made in applying the company's accounting policies.

Critical accounting estimates and assumptions

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

Investments

Investments in subsidiaries are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that the investment is impaired. An impairment loss is recognised for the amount by which an investment's carrying value exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in use. No impairment loss has been recognised in this financial year (2018: nil). See note 8.

5 Supplementary profit and loss information

None of the directors received any emoluments for their services to the company during the year (2018: £nil).

There were no employees during the year (2018: none).

Audit fees were approximately £1,000 (2018: £1,000) and the fees were borne by a fellow group company in both the current and the prior year and were not recharged.

During either year no non-audit services have been provided to the Company by its auditor.

6 Interest payable and similar expenses

| | 2019 | 2018 |
|------------------------|--------|--------|
| | £'000 | £'000 |
| Group interest payable | 16,756 | 18,161 |
| | 16,756 | 18,161 |

Baxi Finance Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

7 Tax on loss on ordinary activities

| | 2019 | 2018 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Current tax | | |
| UK corporation tax on loss at 19% (2018: 19%) | (3,184) | (3,451) |
| Tax on loss on ordinary activities | (3,184) | (3,451) |

The tax credit for the year is equal to (2018: equal to) the standard rate of corporation tax in the UK of 19% (2018: 19%) as stated below:

| | 2019 | 2018 |
|--|-----------------|-----------------|
| | £'000 | £'000 |
| Loss before tax | (16,756) | (18,161) |
| Loss multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%) | (3,184) | (3,451) |
| Tax credit for the year | (3,184) | (3,451) |

Factors affecting current and future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax rate from 19% to 17%. This was confirmed in the March 2020 budget and will be introduced as part of Finance Bill 2020. This announcement does not constitute substantive enactment at the Balance Sheet date and therefore deferred taxes continue to be measured at the enacted tax rate of 17%.

Baxi Finance Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

8 Investments

| | Shares in group undertakings |
|--|------------------------------------|
| | £'000 |
| Cost and net book value at 31 December 2018 and 31 December 2019 | 881,304 |

The company holds the entire ordinary share capital of the following company, which is incorporated in Great Britain. The directors consider the value of its investments to be supported by the value in use. The company holds the entire ordinary share capital of the following company:

| Company | Registered office | Nature of business |
|---------------------|---|---------------------------------|
| Baxi Global Limited | Brooks House, Coventry Road, Warwick, CV34 4LL | Intermediate holding company |

9 Debtors

| | 2019 | 2018 |
|---|--------------|-------|
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | 1,459 | 1,459 |

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

10 Creditors: amounts falling due within one year

| | 2019 | 2018 |
|------------------------------------|--------------|-------|
| | £'000 | £'000 |
| Amounts owed to group undertakings | 2,408 | 2,408 |

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

Baxi Finance Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

11 Creditors: amounts falling due after more than one year

| | 2019 | 2018 |
|------------------------------------|-----------|-----------|
| | £'000 | £'000 |
| Amounts owed to group undertakings | 1,016,373 | 1,002,802 |

Amounts owed by group companies are unsecured and are repayable on 31 December 2026. Interest is payable on active group loans at a rate of 1.3% above LIBOR or equivalent rate.

12 Called-up share capital

| | 2019 | 2018 |
|--|------|------|
| | £ | £ |
| Allotted, called-up and fully paid | | |
| 100 (2018:100) ordinary shares of £0.01 each | 1 | 1 |

13 Contingent liabilities

The company is a guarantor of loans provided by various banks to Heating Finance Limited and BDR Thermea Group BV, both of which are group companies. At 31 December 2019, the contingent liability was £362.6 million (2018: £365.7 million), being the net amount drawn down under the facility.

14 Ultimate parent company and controlling party

At 31 December 2019, the company is a wholly owned subsidiary of GHP Midco Limited, a company incorporated in England.

The company's ultimate parent company is Remeha Group BV, a company incorporated in the Netherlands, which is the largest and smallest group to consolidate these financial statements. The ultimate controlling party is Stichting Aandelen Remeha Foundation, a Dutch Foundation.

Copies of the Remeha Group B.V. consolidated financial statements are available via the website www.kvk.nl of the Chamber of Commerce in The Netherlands.

Baxi Finance Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

15 Subsidiary undertakings

The company's direct subsidiary undertakings are shown in note 8. Indirect subsidiaries held through its investment in Baxi Global Limited at 31 December 2019 are listed below.

| Company | Registered office | Country of incorporation | Class and percentage of shares held |
|------------------------------------|--|--------------------------|-------------------------------------|
| Baxi Potterton Limited | Brooks House Coventry Road Warwick, CV344LL, United Kingdom | United Kingdom | 100% Ordinary |
| Baxi Heating UK Limited | Brooks House Coventry Road Warwick, CV344LL, United Kingdom | United Kingdom | 100% Ordinary |
| Potterton Myson (Ireland) Limited | Unit F6 Calmount Business Park, Calmount Road, Ballymount, Dublin, D12 Y923 | Republic of Ireland | 100% Ordinary |
| Packaged Plant Solutions Limited | Brooks House Coventry Road Warwick, CV344LL, United Kingdom | United Kingdom | 100% Ordinary |
| Baxi Overseas Holdings Limited | Brooks House Coventry Road Warwick, CV344LL, United Kingdom | United Kingdom | 100% Ordinary |
| Baxi SpA | Via Trozzetti, 20 - Bassano del Grappa 36061 (VI) - Italy | Italy | 100% Ordinary |
| Baxi BV | Kanaal Zuid 110, Apeldoorn, The Netherlands | Netherlands | 100% Ordinary |
| BDR Thermea (Tianjin) Co Ltd | Room n.509, no.18 guo mao street Tianjin free trade zone, Tianjin, China | China | 100% Ordinary |
| BDR Thermea HVAC Co., Ltd. | Room 1101-1, Building 1, 1539 Chengnan road, Jiaxing city, Zhejiang province | China | 100% ordinary |
| BDR Thermea (Czech Republic) s.r.o | Jeseniova 2770/56, Prague 3, 130 00 | Czech Republic | 90% Ordinary |
| BDR Thermea Iberia S.L.U | C/Lopez de hoyos 35 - BajosMadrid28-Madrid | Spain | 100% Ordinary |
| Baxi Calefacción SLU | C/Lopez de hoyos 35 - BajosMadrid28-Madrid | Spain | 100% Ordinary |
| De Dietrich Thermique Iberia SLU | C/Lopez de hoyos 35 - BajosMadrid28002-Madrid | Spain | 100% Ordinary |
| Fabrisolia SLU | Polígono Industrial, Can Albareda, Calle C, Castellbisbal | Spain | 100% Ordinary |

Baxi Finance Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

15 Subsidiary undertakings (continued)

| Company | Registered office | Country of incorporation | Class and percentage of shares held |
|---|---|--------------------------|-------------------------------------|
| Baxi, Sistemas y Servicios de Climatización SLU | C/Lopez de hoyos 35 - Bajos Madrid 28002-Madrid | Spain | 100% Ordinary |
| SATCAL, S.L.U. (SP) | 28521 Rivas-vaciamadrid, Calle Electrodo 66, Nave 51, Madrid | Spain | 100% Ordinary |
| Baxi Sistemas de Aquecimento, Unipessoal Lda | Campo Grande, 35 - 10ºD - Lisboa | Portugal | 100% Ordinary |
| BDR Thermea (Slovakia) s.r.o | Hroznová 2318, Trenčín, 911 05 | Slovakia | 90% Ordinary |
| Baxi Holding GmbH | August-Brötje-Strasse 17, 26180 Rastede | Germany | 100% Ordinary |
| August Brötje Raumheizsysteme GmbH | August-Brötje-Strasse 1, 26689 Apen | Germany | 100% Ordinary |
| August Brötje GmbH | August-Brötje-Strasse 17, 26180 Rastede | Germany | 100% Ordinary |
| SenerTec Center Stuttgart GmbH | GutenbergStr. 76, 70176 Stuttgart | Germany | 100% Ordinary |
| SenerTec Kraft-Wärme-Energiesysteme GmbH | Carl-Zeiß-Str. 18, 97424 Schweinfurt | Germany | 100% Ordinary |
| Baxi Innotech GmbH | Ausschläger Elbdeich 127, 20539 Hamburg | Germany | 100% Ordinary |
| Brötje Heizung Kundendienst GmbH | August-Brötje-Strasse 15a, 26180 Rastede | Germany | 100% Ordinary |
| Remeha GmbH | Rheiner Str. 151, 48282 Emsdetten. | Germany | 100% Ordinary |
| Baymak Makina Sanayi ve Ticaret A.Ş. | Orhanlı Beldesi, Orta Mahalle Akdeniz Sokak No:8 Tepeören Mevkii Orhanlı/Tuzla/34959 İSTANBUL | Turkey | 47.87% Ordinary |
| Dallan S.r.l. (IT) | Castelfranco Veneto (TV) Via de Pini 21/A CAP 31033 | Italy | 51% Ordinary |
| LLC BDR Thermea Rus | Pereulok Zubarev 15/1, 129164 Moscow | Russia | 0.1% Ordinary |