

Baxi Overseas Holdings Limited  
Annual report and financial statements  
for the year ended 31 December 2022

Registered number: 03879162



# **Baxi Overseas Holdings Limited**

## **Annual report and financial statements for the year ended 31 December 2022**

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# **Baxi Overseas Holdings Limited**

## **Strategic report for the year ended 31 December 2022**

The directors present their Strategic report for the company for the year ended 31 December 2022.

### **Principal activities**

The Company acts as an intermediate holding company. Its subsidiaries are located outside the UK and are managed by their boards of directors in accordance with local legislation and the group strategy established by the directors of the Company's ultimate parent company, Remeha Group B.V.

In February 2023, the Company transferred its interests in its overseas subsidiaries, with the exception of its minority interest in BDR Thermea Rus LLC, to BDR Thermea Group B.V.

### **Review of the business**

The company's profit for the financial year is £3,546 (2021: loss £495) as set out in the profit and loss account on page 9.

### **Principal risks and uncertainties**

The company is part of the BDR Thermea Group and acts as an intermediate holding company. As such the fundamental underlying risks of this company are those of the wider business including supply chain, labour and cyber risk. These risks are managed in accordance with the group risk management policy. Supply chain and cyber security risks are mitigated through the combined buying power and support of the BDR Thermea Group and a focus on talent acquisition and retention.

### **Financial risk management**

The main financial risks of the company as an intermediate holding company reflect those of the wider business: credit risk, availability of funds to meet business needs (liquidity risk), cash flow interest rate risk and exposure to foreign currency transactions (market risk). These risks are mitigated by local mitigation strategies in line with policies set and overseen by the central Finance function at BDR Thermea Group. This is supported by a group Treasury function to manage liquidity and interest rate risk and to hedge exposures to foreign currency fluctuations through the use of forward foreign exchange contracts.

### **Key performance indicators ("KPIs")**

Considering the limited activities undertaken by the Company, the 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 Overseas Holdings Limited.

### **Section 172(1) statement**

As a holding company, the principal activity of the Company is aligned with the activity of the Remeha Group. As such, the directors are guided by the Group's culture, policies and strategies underpinned by its values while acknowledging that they have a statutory duty to act together and individually in good faith, in a manner that would be most likely to promote the success of the Company for the benefit of its members as a whole ("the section 172 duty").

This statement sets out how the directors have met the section 172 duty.

As a wholly owned intermediate holding company with no employees, third party suppliers or customers, the Board does not consider the matters listed in section 172(b) – (d) and (f) as relevant to the proper discharge of their section 172 duty.

The Board aims to ensure its decisions are consistent and intended to promote the long-term success of the Company and the wider Remeha Group. The Board relies on guidance from the functional experts within the Group to ensure it is kept informed on any matters of significance affecting the Company's activities. Board meetings were held as required to enable directors to execute plans agreed with Group and to meet regulatory requirements.

# **Baxi Overseas Holdings Limited**

## **Strategic report for the year ended 31 December 2022 (continued)**

As a member of the BDR Thermea Group, the Board follows the Group's policies and procedures in all business activities. These are supported by the Group's Code of Conduct that sets out minimum standards of behaviour that are consistent with the group's shared core values and safeguard the group's good reputation worldwide.

### **Future developments**

On 28 February 2023, the Company transferred its interests in Baxi SpA, Baxi B.V., BDR Thermea HVAC (Zhejiang) Co. Ltd, BDR Thermea Iberia S.L.U and BDR Thermea (Czech Republic) s.r.o to BDR Thermea Group B.V. The company continues to act as a minority shareholder of BDR Thermea Rus LLC.

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



S Oliver  
**Director**

21 April 2023

# **Baxi Overseas Holdings Limited**

## **Directors' report for the year ended 31 December 2022**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2022.

### **Company registered number**

The company's registered number is 03879162.

### **Dividends**

No dividend was paid or proposed in respect of the current or prior year.

### **Directors**

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

S Oliver  
K Boswell

### **Directors' indemnities**

The Company purchased and maintained throughout the financial year a qualifying third party indemnity provision in respect of itself and its Directors. This remained in place at the date of approval of the financial statements.

### **Streamlined Energy and Carbon Reporting**

The Company consumed less than 40,000 kWh of energy in the UK during 2022. It has therefore taken advantage of the provisions set out in paragraph 20D(7)(a) of Schedule 7, Part 7A of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) which exempts it from disclosing information on the Company's emissions, energy consumption and energy efficiency action.

### **Going concern**

The Directors have considered the business activities and forecasts for the company. For the forthcoming year the Baxi Holdings group, which the company belongs to, believes demand remains strong for its products and that the energy transition presents considerable opportunities for the heating industry. While the overall economic environment remains challenging, the industry has proven very robust over the last 12 months, and it is within this environment that the group has continued to operate.

All assets and liabilities of the company are amounts owed from or to fellow group companies, all of which are part of the group controlled by Baxi Holdings Limited.

Consequently the Directors have not identified any material uncertainties that cast significant doubt about the ability of the company to continue as a going. Therefore the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

# **Baxi Overseas Holdings Limited**

## **Directors' report for the year ended 31 December 2022 (continued)**

### **Post balance sheet events**

In February 2023, the company and certain of its subsidiaries undertook a restructuring project to simplify the group's intercompany balances, transfer the Company's overseas subsidiaries (excluding its minority interest BDR Thermea Rus LLC) and streamline the group's operations with a view to liquidating a number of the companies within the Baxi Holdings group which have been deemed surplus to requirements.

On 27 February 2023, the Company, by special resolution, undertook a share capital reduction from £65,540,495 to £0.36 pursuant to section 641(1)(a) of Companies Act 2006.

On 28 February 2023, the Company transferred its interest in Baxi SpA, BDR Thermea Iberia SLU, BDR Thermea HVAC (Zhejiang) Co. Ltd, Baxi B.V. and BDR Thermea (Czech Republic) s.r.o to BDR Thermea Group B.V.

On 28 February 2023, the Company made a distribution in specie to its shareholder, Baxi Global Limited in the amount of £371,893.

### **Future developments and financial risk management**

These disclosures are included within 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, 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 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 also 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.

### **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.

# **Baxi Overseas Holdings Limited**

## **Directors' report for the year ended 31 December 2022 (continued)**

### **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

21 April 2023

# **Baxi Overseas Holdings Limited**

## **Independent auditors' report to the members of Baxi Overseas Holdings Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Baxi Overseas Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 2022; the Profit and loss account and 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.

#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **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.



## **Baxi Overseas Holdings Limited**

### **Independent auditors' report to the members of Baxi Overseas Holdings Limited (continued)**

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2022 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## **Baxi Overseas Holdings Limited**

### **Independent auditors' report to the members of Baxi Overseas Holdings Limited (continued)**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in account estimates. Audit procedures performed by the engagement team included:

- Inquiries of management and reviewing minutes of meetings of those charged with governance regarding any known or suspected instances of fraud or non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging assumptions and judgements made by management in their accounting estimates; and
- Testing of journal entries posted with higher risk or unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://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 obtained 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.



Alex Smith (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
21 April 2023

## Baxi Overseas Holdings Limited

### Profit and loss account for the year ended 31 December 2022

		2022	2021
	Note	£'000	£'000
Income from shares in group undertakings	6	-	7
<b>Profit before interest and taxation</b>		<b>-</b>	<b>7</b>
Interest receivable and similar income	7	<b>6,439</b>	2,320
Interest payable and similar expenses	8	<b>(2,247)</b>	(2,778)
<b>Profit/(loss) before taxation</b>		<b>4,192</b>	<b>(451)</b>
Tax on profit/(loss)	9	<b>(646)</b>	(44)
<b>Profit/(loss) for the financial year</b>		<b>3,546</b>	<b>(495)</b>

All amounts relate to continuing operations.

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

## Baxi Overseas Holdings Limited

### Balance sheet as at 31 December 2022

		2022	2021
	Note	£000	£000
<b>Fixed assets</b>			
Investments	10	145,952	141,222
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	11	302,976	297,970
Cash at bank and in hand		-	3
		302,976	297,973
Creditors: amounts falling due within one year	12	(78,046)	(71,859)
<b>Net current assets</b>		224,930	226,114
<b>Total assets less current liabilities</b>		370,882	367,336
<b>Net assets</b>		370,882	367,336
<b>Capital and reserves</b>			
Called-up share capital	13	36	36
Share premium account		65,504	65,504
Other reserves		164,505	164,505
Retained earnings		140,837	137,291
<b>Total equity</b>		370,882	367,336

The notes on pages 12 to 21 are an integral part of these financial statements.

The financial statements on pages 9 to 21 were approved for issue by the Board of Directors on 21 April 2023. They were signed on its behalf by:



S Oliver  
Director

Baxi Overseas Holdings Limited  
Registered number: 03879162

## Baxi Overseas Holdings Limited

### Statement of changes in equity for the year ended 31 December 2022

	Called- up share capital	Share premium account	Other reserves	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2021</b>	<b>36</b>	<b>65,504</b>	<b>164,505</b>	<b>137,786</b>	<b>367,831</b>
Loss for the financial year	-	-	-	(495)	(495)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(495)</b>	<b>(495)</b>
<b>At 31 December 2021</b>	<b>36</b>	<b>65,504</b>	<b>164,505</b>	<b>137,291</b>	<b>367,336</b>
<b>Balance at 1 January 2022</b>	<b>36</b>	<b>65,504</b>	<b>164,505</b>	<b>137,291</b>	<b>367,336</b>
Profit for the financial year	-	-	-	3,546	3,546
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,546</b>	<b>3,546</b>
<b>At 31 December 2022</b>	<b>36</b>	<b>65,504</b>	<b>164,505</b>	<b>140,837</b>	<b>370,882</b>

Other reserves represent capital contributions.

# **Baxi Overseas Holdings Limited**

## **Notes to the financial statements for the year ended 31 December 2022**

### **1 General information**

Baxi Overseas Holdings Limited ('the company') is a private company, limited by shares and is incorporated in the United Kingdom and registered in England under the Companies Act 2006. 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 Overseas Holdings 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.

#### **Going concern**

The Directors have considered the business activities and forecasts for the company. For the forthcoming year the Baxi Holdings group, which the company belongs to, believes demand remains strong for its products and that the energy transition presents considerable opportunities for the heating industry. While the overall economic environment remains challenging, the industry has proven very robust over the last 12 months, and it is within this environment that the group has continued to operate.

All assets and liabilities of the company are amounts owed from or to fellow group companies, all of which are part of the group controlled by Baxi Holdings Limited.

Consequently the Directors have not identified any material uncertainties that cast significant doubt about the ability of the company to continue as a going. Therefore the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the 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 aforementioned information is included in the consolidated financial statements of the ultimate parent 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.

# **Baxi Overseas Holdings Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **Consolidated financial statements**

At 31 December 2022, the company is a wholly owned subsidiary of Remeha Group B.V., registered office Kanaal Zuid 106, 7332 BD Apeldoorn. The company is included in the consolidated financial statements of Remeha Group B.V., which are meet the requirements set out in section 401(2) of the Companies Act 2006. Copies of the Remeha Group B.V. consolidated financial statements are available via the website [www.kvk.nl](http://www.kvk.nl) of the Chamber of Commerce in The Netherlands. Therefore the company is exempt by virtue of section 401 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**

The financial statements are presented in pound sterling and rounded to thousands. 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 pound 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.

#### **Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments

##### **(i) Financial assets**

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

##### **(ii) 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.

#### **Investments**

Investments in subsidiary companies are held at cost less any provision for impairment with the exception of the company's investment in BDR Thermea Iberia S.L.U which is held in the currency of purchase and retranslated at the balance sheet date.

#### **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.

in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

# **Baxi Overseas Holdings Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **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

##### **(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.

### **4 Critical accounting estimates and assumptions**

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.

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.

#### **i. Recoverability of 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 (2021: nil). See note 10.



# Baxi Overseas Holdings Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 5 Critical accounting estimates and assumptions (continued)

#### ii. Recoverability of debtors

The Company has a long term loan with a fellow group company. The Company makes an assessment each year of the likelihood of recovery and whether a bad debt provision is required.

### 6 Supplementary profit and loss information

None of the directors received any emoluments for their services to the company during the year (2021: £nil).

There were no employees during the year (2021: none).

Audit fees were approximately £2,000 (2021: £2,000) and the fees were borne by a fellow group company in both the current and prior year and not recharged.

No non-audit services have been provided to the Company by its auditors during the current or prior year.

### 7 Income from shares in group undertakings

	2022	2021
	£'000	£'000
Dividends received	-	7

### 8 Interest receivable and similar income

	2022	2021
	£'000	£'000
Group interest receivable	5,649	2,251
Currency translation gain	790	69
	6,439	2,320

The currency translation gain relates to the retranslation of Euro denominated liabilities held within the entity at the year end.

### 9 Interest payable and similar expenses

	2022	2021
	£'000	£'000
Group interest payable	2,053	1,793
Currency translation loss	194	985
	2,247	2,778

## Baxi Overseas Holdings Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 10 Tax on profit/(loss)

	2022	2021
	£'000	£'000
<b>Current tax:</b>		
UK corporation tax on profit/(loss) at 19% (2021: 19%)	646	102
Adjustments in respect of prior periods	-	(58)
<b>Tax on profit/(loss)</b>	<b>646</b>	<b>44</b>

The tax charge for the year is lower (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are stated below:

	2022	2021
	£'000	£'000
Profit/(loss) before tax	4,192	(451)
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	796	(86)
Effects of:		
Permanent differences	(150)	188
Adjustments in respect of prior periods	-	(58)
<b>Tax charge for the year</b>	<b>646</b>	<b>44</b>

#### Factors affecting current and future tax charges

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead.

# Baxi Overseas Holdings Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 11 Investments

	Shares in group undertakings
	£'000
<b>Cost and net book value</b>	
At 1 January 2022	141,222
Foreign exchange movement	4,730
<b>At 31 December 2022</b>	<b>145,952</b>

The directors consider the value of its investments to be supported by the higher of net realisable value and value in use. The company holds ordinary share capital in the following companies:

Company	Registered office	Country of incorporation	Class and percentage of shares held	Nature of business
Baxi SpA	Via Trozzetti, 20 - Bassano del Grappa 36061 (VI) - Italy	Italy	100% Ordinary	Producing and selling smart heating and hot water solutions
Baxi B.V.	Kanaal Zuid 110, Apeldoorn, The Netherlands	Netherlands	100% Ordinary	Holding company
BDR Thermea HVAC (Zhejiang) Co. Ltd	Room n.509, no.18 guo mao street Tianjin free trade zone, Tianjin, China	China	100% Ordinary	Smart heating/hot water solutions sales
BDR Thermea Iberia S.L.U	C/Lopez de hoyos 35 - BajosMadrid28-Madrid	Spain	100% Ordinary	Holding company
BDR Thermea (Czech Republic) s.r.o	Jeseniova 2770/56, Prague 3, 130 00	Czech Republic	90% Ordinary	Smart heating/hot water solutions sales
BDR Thermea Rus LLC	Pereulok Zubarev 15/1, 129164 Moscow	Russia	0.1% Ordinary	Smart heating/hot water solutions sales

On 28 February 2023, the Company' transferred its interests in Baxi SpA, Baxi B.V., BDR Thermea HVAC (Zhejiang) Co. Ltd, BDR Thermea Iberia S.L.U and BDR Thermea (Czech Republic) s.r.o to BDR Thermea Group B.V. As a result the only investment of the company relates to its minority interest in BDR Thermea Rus LLC with a reduction in NBV to £nil.

## Baxi Overseas Holdings Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 12 Debtors: amounts falling due after more than one year

	2022	2021
	£'000	£'000
<b>Amounts falling due after more than one year</b>		
Amounts owed by group undertakings	302,667	297,660
Other debtors	309	310
	<b>302,976</b>	<b>297,970</b>

Amounts owed by group undertakings include group loans of £302,667,000 (2021: £297,660,000), which are unsecured and repayable in over five years. Interest is receivable on group loans at a rate of between 0.7 and 0.8% (2021: 0.7 and 0.8%) above SONIA (Sterling Overnight Index Average) or equivalent rate.

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

	2022	2021
	£'000	£'000
Amounts owed to group undertakings	78,046	71,859

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is payable on group loans at a rate of 2.5% (2021: 2.5%).

#### 14 Called-up share capital

	2022	2021
	£'000	£'000
<b>Allotted and fully paid</b>		
36,406 (2021: 36,406) ordinary shares of £1 each	36	36

On 27 February 2023, the company, by special resolution, undertook a share capital reduction pursuant to section 641(1)(a) of Companies Act 2006. As part of the capital reduction the nominal value of the ordinary shares was reduced from £1 to £0.00001 and the nominal value. Following the capital reduction, the issued share capital of the company is £0.36406 consisting of 36,406 ordinary shares of £0.00001 each.

#### 15 Contingent liabilities

The company is a guarantor of loans provided by various banks to BDR Thermea Group B.V., a group company. At 31 December 2022 the contingent liability was £425,000 (2021: £243,100), being the net amount drawn down under the facility.

## Baxi Overseas Holdings Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 16 Ultimate parent company and controlling party

At 31 December 2022, the company was a wholly-owned subsidiary of Baxi Potterton Limited, a company incorporated in England. Baxi Potterton Limited transferred its shares in the company to Baxi Holdings Limited, a company incorporated in England, on 28 February 2023.

The company's ultimate parent company was and remains Remeha Group B.V., 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](http://www.kvk.nl) of the Chamber of Commerce in The Netherlands.

#### 17 Subsidiary undertakings

The company's direct subsidiary undertakings are shown in note 10. Indirect subsidiaries held through those investments at 31 December 2022 are listed below.

Company	Registered office	Country of incorporation	Class and percentage of shares held
Baxi Climatizacion SLU (formerly 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, Sistemas y Servicios de Climatización SLU	C/Lopez de hoyos 35 - BajosMadrid28002-Madrid	Spain	100% Ordinary
Tecnosos Galicia S.L	Monasterio De Caaveiro 32 15010 A Coruna, Coruna A	Spain	100% Ordinary
Solas Serveis tecnics S.L	Carrer Lopex I Puigcerver 4 Planta BX 17230 Palamos, Girona	Spain	100% Ordinary
Hiplus Aire Acondicionado S.L	Calle Masía Torrents, número 2 08800 Vilanova i la Geltrú (Barcelona)	Spain	100% Ordinary
Wesper France S.A.R.L	42 Cours Jean Jaurès 17800 Pons (France)	France	100% Ordinary
Baxi Sistemas de Aquecimento, Unipessoal Lda	Campo Grande, 35 - 10ºD - Lisboa	Portugal	100% Ordinary

## Baxi Overseas Holdings Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 17 Subsidiary undertakings (continued)

Company	Registered office	Country of incorporation	Class and percentage of shares held
BDR Thermea HVAC Co., Ltd.	Room 1101-1, Building 1, 1539 Chengnan road, Jiaxing city, Zhejiang province	China	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.	Via Montebelluna di Salvarosa 39 Castelfranco Veneto (TV)	Italy	51% Ordinary
Gruppo Bravo S.r.l. (formerly New Quality S.r.l)	Viale De Gasperi, n. 17/19 Lainate (MI)	Italy	97% Ordinary

## Baxi Overseas Holdings Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 17 Subsidiary undertakings (continued)

Company	Registered office	Country of incorporation	Class and percentage of shares held
Bravo S.r.l.	Via Brusa, n. 17 Malnate (VA)	Italy	67% Ordinary
Bravo 6 S.r.l.	Via Quintino Sella, n. 125 Busto Arsizio (VA)	Italy	60% Ordinary
Bravo 4 S.r.l.	Via Tagliamento, n. 10 Cesate (MI)	Italy	64% Ordinary
Bravo Services S.r.l.	Via Calvino, n. 7 Rho (MI)	Italy	90% Ordinary
Bravo 10 S.r.l.	Piazza P. Galvani, n. 5 Buccinasco (MI)	Italy	67% Ordinary
Centro Servizi Italia S.r.l.	Via Gui, n. 72 Filighera (PV)	Italy	80% Ordinary
Eurogas S.r.l.	Via Posta Vecchia n. 61 Milandola (MO)	Italy	60% Ordinary
Tecnoservice Bettero S.R.L.	Via Mantovana n. 172/b Verona (VR)	Italy	51% Ordinary

On 28 February 2023, the Company transferred its interests in Baxi SpA, Baxi B.V., BDR Thermea HVAC (Zhejiang) Co. Ltd, BDR Thermea Iberia S.L.U and BDR Thermea (Czech Republic) s.r.o to BDR Thermea Group B.V. As a result as of 28 February 2023 there are no indirect interests.