

Old Baxi Holdings Limited
Annual report and accounts
for the year ended 31 December 2001

Registered Number 3879158



Old Baxi Holdings Limited
Annual report and accounts
for the year ended 31 December 2001
Contents

Directors' report for the year ended 31 December 2001	1
Independent auditors' report to the members of Old Baxi Holdings Limited	3
Profit and loss account for the year ended 31 December 2001	4
Balance sheet as at 31 December 2001	5
Notes to the financial statements for the year ended 31 December 2001	6

Old Baxi Holdings Limited

Directors' report for the year ended 31 December 2001

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activity and review of business

The company acts as an intermediate holding company. The company's profit for the year is £nil (2000: £11,856,000 loss) as set out in the profit and loss account on page 4.

Dividends

The dividend for the year is £37,253 (2000: £nil)

Directors

The following were directors of the company during the year:

Newmond Administration Ltd
Newmond Management Services Ltd

Directors' interests

None of the directors in office at 31 December 2001 had any interest in the share capital of the company or any other subsidiary of Baxi Group Ltd.

Directors' interests in contracts

During the year, none of the directors had any material interest in any contract of significance in relation to the company's business.

Old Baxi Holdings Limited

Directors' report for the year ended 31 December 2001 (continued)

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2001. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time with the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the Annual General Meeting.

By order of the Board



M J Edwards

For and on behalf of Newmond Management Services Limited

7 March 2002

Independent auditors' report to the members of Old Baxi Holdings Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Birmingham

7 March 2002

Old Baxi Holdings Limited

Profit and loss account for the year ended 31 December 2001

	Notes	2001 £'000	2000 £'000
Administration expenses		-	(828)
Operating loss	2	-	(828)
Income receivable from shares in group undertakings		42,333	
Other interest receivable and similar income	3	-	1
Interest payable and similar charges	4	-	(16,109)
Profit/(loss) on ordinary activities before taxation		42,333	(16,936)
Taxation	5	(5,080)	5,080
Profit on ordinary activities after taxation		37,253	(11,856)
Dividends		(37,253)	-
Loss for the financial year	11	-	(11,856)

All amounts relate to continuing operations for the year to 31 December 2001.

There is no difference between the profit on ordinary activities before taxation and the profit for the year above, and their historical cost equivalents.

The company has no recognised gains or losses, other than the profit for the financial year, and therefore no separate statement of total recognised gains and losses has been presented.

Old Baxi Holdings Limited

Balance sheet as at 31 December 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Investments	6	56,417	56,417
Current assets			
Debtors	7	209,130	171,877
Creditors: amounts falling due within one year	8	(220,991)	(183,738)
Net current liabilities		(11,861)	(11,861)
Net assets		44,556	44,556
Capital and reserves			
Called up share capital	9	134	134
Share premium	10	44,390	56,278
Profit and loss account	10	32	(11,856)
Shareholders' funds	11	44,556	44,556
Represented by:			
Equity shareholders' funds		44,522	44,522
Non-equity shareholders' funds		34	34
Shareholders' funds	11	44,556	44,556

The financial statements on pages 4 to 10 were approved by the board of directors on 7 March 2002 and were signed on its behalf by:



M J Edwards
For and on behalf of Newmond Management Services Limited

Old Baxi Holdings Limited

Notes to the financial statements for the year ended 31 December 2001

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the historical cost convention. A summary of the more important accounting policies, which have been applied consistently, is set out below:

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.

The company is itself a subsidiary company, and as such is exempt from the requirement to prepare group accounts by virtue of s228 of the Companies Act 1985. 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 Baxi Group Limited as at 31 December 2001. Consequently the company is exempt under the terms of FRS 1 (revised) from publishing a cash flow statement.

Foreign currencies

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

Deferred taxation

Full provision is made for the tax liability on all timing differences in accordance with FRS 19. No provision is made for the taxation liability on the revaluation of fixed assets. Deferred tax balances have not been subject to discounting.

Fixed assets investments

Fixed assets investments are held at cost less any provision for permanent diminution in value.

2 Operating loss

Audit fees are borne by a fellow group company.

None of the directors received any emoluments for their services to the company.

The only employees of the company during the year were the directors.

Old Baxi Holdings Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

3 Other interest receivable and similar income

	2001 £'000	2000 £'000
Bank interest	-	1

4 Interest payable and similar charges

	2001 £'000	2000 £'000
Bank loans and overdrafts	-	15,187
Debt issue costs written off on repayment of loan	-	922
	-	16,109

5 Taxation

	2001 £'000	2000 £'000
United Kingdom corporation tax at 30%	-	5,080
Adjustment in respect of prior period	(5,080)	-
	(5,080)	5,080

The tax charge in the current period relates to reclassification of brought forward losses.

Old Baxi Holdings Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

6 Fixed assets investments

£'000

Cost

At 31 December 2001 and 31 December 2000

56,417

At 31 December 2001 the company held the entire ordinary share capital of the following UK company which operated in the United Kingdom.

Company	Principal activity
Old Baxi Group Limited	Intermediate holding company

7 Debtors

	2001 £'000	2000 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	209,096	166,763
Corporation tax	-	5,080
Other debtors	34	34
	<u>209,130</u>	<u>171,877</u>

8 Creditors: amounts falling due within one year

	2001 £'000	2000 £'000
Amounts owed to group undertakings	183,738	183,738
Dividends	37,253	-
	<u>220,991</u>	<u>183,738</u>

Old Baxi Holdings Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

9 Share capital

	2001 £'000	2000 £'000
Authorised		
96,600,000 ordinary shares of 1p each	966	966
3,400,000 'B' shares of 1p each	34	34
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
10,000,000 ordinary shares of 1p each	100	100
3,400,000 'B' shares of 1p each	34	34
	<u>134</u>	<u>134</u>

Rights of 'B' shares

- i) The 'B' Shares have no rights to receive any dividends out of the profits of the Company available for distribution and resolved to be distributed in respect of any financial year.
- ii) On a distribution of assets, on a winding-up, or other return of capital, the 'B' Shares shall be entitled to receive the amount paid up on their shares plus a proportion of any surplus after there shall have been distributed (in cash or in specie) to the holders of the Ordinary Shares the amount of £10,000,000 in respect of each Ordinary Share held by them respectively.
- iii) The 'B' Shares have the entitlement to vote on any resolution to be proposed and have one vote for every 'B' Share of which he is the holder.

10 Reserves

	Share premium £'000	Profit and loss account £'000
At 1 January 2001	56,278	(11,856)
Cancellation of share premium	(11,888)	11,888
At 31 December 2001	<u>44,390</u>	<u>32</u>

On 10th December 2001 the Company received court approval for the cancellation of £11,888,000 of the share premium account.

Old Baxi Holdings Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

11 Reconciliation of movement in shareholders' funds

	2001 £'000	2000 £'000
Profit/(loss) for the financial year	37,253	(11,856)
Net proceeds on issue of ordinary share capital	-	56,412
Dividends	(37,253)	
Net addition to shareholders' funds	-	44,556
Opening shareholders' fund	44,556	-
Closing shareholders' funds	44,556	44,556

12 Contingent liabilities

The company is a guarantor, with other group companies, of loans totalling £331.9 million (2000: £405.7 million) made by Baxi Group bankers to New Baxi Holdings Limited, Baxi Finance Limited, and Financiere Celsius SA, which are all fellow subsidiary companies.

The company has also guaranteed the bank borrowing of its fellow subsidiaries. At 31 December 2001, the borrowings from banks under such guarantees were £2.9 million (2000: £33.8 million).

13 Parent company

At 31 December 2001 the company was a wholly owned subsidiary of Baxi Finance Limited, a company incorporated in Great Britain.

The company's ultimate holding company is Baxi Group Limited, a company incorporated in Great Britain, which is both the smallest and largest group to consolidate these financial statements.

Copies of the Baxi Group Limited consolidated accounts are available from: The Secretary, Baxi Group Limited, Pentagon House, Sir Frank Whittle Road, Derby, DE21 4XA.