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## **Torin Sifan Limited**

### **Report and Financial Statements**

31 July 2012

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COMPANIES HOUSE

**Directors**

R A George  
I Jamieson

**Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

**Registered Office**

Vent-Axia  
Fleming Way  
Crawley  
West Sussex RH10 9YX

## Directors' report

The directors of Torin Sifan Limited ('the Company') present their report and financial statements for the year ended 31 July 2012

### Results and dividends

The company generated a profit for the year of £1,839,000 (2011 – £2,387,000) The directors do not recommend a dividend (2011 – nil)

### Principal activities and review of the business

The principal activity of the Company is the design, manufacture and distribution of a range of motors and components for use in air movement applications and gas boilers

The Company's key financial and other performance indicators were as follows

	2012 £000	2011 £000	Change %
Turnover	19,771	20,451	(3.33)%
Operating profit	2,039	2,949	(30.86)%
EBITDA	2,808	3,736	(24.81)%
Average number of employees	215	223	(3.59)%

Revenue marginally declined following changes in seasonal trends and was accompanied by a greater decline in operating profit following a change in the sales mix

### Future developments

The Company carries out research and development programmes to suit its particular market and product needs, offering customers application specific solutions to their air movement and gas boiler requirements

### Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the Company to be broadly grouped as economic and exchange rate related (explained below) To facilitate trading, the Company also enters into non-derivative financial instruments The principal risks and uncertainties the Company is exposed to as a result of entering into financial instruments are also explained below

#### Economic risk

In the UK, demand for the Company's products is influenced by both public and privately funded construction projects The UK construction market is in turn heavily influenced by prevailing macro economic conditions The Company reviews its cost base and organisational structure on a regular basis

#### Exchange rate risk

Fluctuations in the exchange rate of sterling with other major currencies will impact both the revenue stream and purchase cost of some of the Company's products The Company benchmarks revenues and direct expenditure denominated in foreign currency on a regular basis

#### Price risk

The directors consider this risk to relate to foreign exchange and any exposure is mitigated by utilisation of surplus foreign exchange within the group of which the Company is a member (as set out in note 24)

## **Directors' report (continued)**

### **Principal risks and uncertainties (continued)**

#### **Credit risk**

Risk that one party to a financial instrument will fail to discharge their obligation and cause the other party to incur a financial loss. The directors believe credit risk relates to trade debtors and to mitigate against exposure to credit risk, the Company has developed strong credit control procedures and internal control mechanisms.

#### **Liquidity risk**

Risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. To the best of the directors' knowledge, there are no foreseeable constraints in discharging obligations in relation to financial liabilities. Cash flow is regularly monitored using weekly and monthly reporting in addition to quarterly reforecast updates against the annual budget.

#### **Cash flow risk**

Risk that future cash flows of a financial instrument will fluctuate, exposure is deemed minimal.

### **Going concern**

The directors confirm that after making appropriate enquiries, they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The directors' responsibilities are set out on page 5 and should be read in conjunction with this statement.

### **Directors**

The Directors who served the Company during the year and subsequent to the year end were as follows:

R A George (appointed 3 February 2012)

I Jamieson (appointed 19 September 2012)

R R R Davis (appointed 3 February 2012 & resigned 19 September 2012)

S J Diamond (resigned 3 February 2012)

L F Rutter (resigned 3 February 2012)

K Sargeant (resigned 3 February 2012)

### **Directors' liabilities**

The company has Directors and Officers insurance to cover its directors against liability or proceeding brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such insurance was in place during the year and remains in place at the date of approving the director's report.

### **Disclosure of information to the auditors**


So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

## Directors' report (continued)

By order of the Board



I Jamieson  
Director  
Date 21 November 2012



R George  
Director  
Date 21 November 2012

## **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

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

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

# **Independent auditors' report**

**to the members of Torin Sifan Limited**

We have audited the financial statements of Torin Sifan Limited for the year ended 31 July 2012 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

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

## **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 July 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

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

## Independent auditors' report (continued)

to the members of Torin Sifan Limited

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

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

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

*Ernst & Young LLP*

Julian Gray (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
London  
Date *23 November 2012*



## Profit and loss account

for the year ended 31 July 2012

	Notes	2012 £000	2011 £000
<b>Turnover</b>	2	19,771	20,451
Cost of sales		(15,019)	(14,689)
<b>Gross profit</b>		4,752	5,762
Operating expenses	3	(2,713)	(2,813)
<b>Operating profit / (loss)</b>	4	2,039	2,949
Interest receivable	7	579	365
<b>Profit on ordinary activities before taxation</b>		2,618	3,314
Tax on profit on ordinary activities	8	(779)	(927)
<b>Profit for the financial year</b>	18	1,839	2,387

The results for the year arise solely from continuing operations

## Statement of total recognised gains and losses

for the year ended 31 July 2012

There are no recognised gains or losses other than the profit for the year of £1,839,000 (2011 - £2,387,000)

## Balance sheet

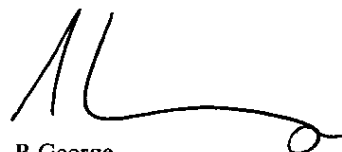
at 31 July 2012

	Notes	2012 £000	2011 £000
<b>Fixed assets</b>			
Intangible fixed assets	9	4,782	5,245
Tangible fixed assets	10	2,394	2,317
Investments	11	2,479	2,479
		<u>9,655</u>	<u>10,041</u>
<b>Current assets</b>			
Stocks	12	3,035	3,237
Debtors			
amounts falling due after one year	13	9,566	7,990
amounts falling due within one year	13	2,713	2,707
Cash at bank and in hand		<u>2,252</u>	<u>1,636</u>
		17,566	15,570
<b>Creditors</b> amounts falling due within one year	14	<u>(3,681)</u>	<u>(3,924)</u>
<b>Net current assets</b>		13,885	11,646
<b>Total assets less current liabilities</b>		23,540	21,687
<b>Creditors</b> amounts falling due after one year	15	(2,479)	(2,479)
<b>Provisions for liabilities</b>	16	<u>(212)</u>	<u>(198)</u>
<b>Net assets</b>		<u>20,849</u>	<u>19,010</u>
<b>Capital and reserves</b>			
Called up share capital	17	5,000	5,000
Share premium account	18	10,000	10,000
Profit and loss account	18	<u>5,849</u>	<u>4,010</u>
<b>Shareholders' funds</b>	18	<u>20,849</u>	<u>19,010</u>

The financial statements were authorised for issue on 21 November 2012 and approved on behalf of the board of directors by



I Jamieson  
Director  
Date 21 November 2012



R George  
Director  
Date 21 November 2012

## Notes to the financial statements

at 31 July 2012

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

#### *Group financial statements*

As set out in note 24, the results of the Company are consolidated into the results of a parent undertaking, which are publicly available. The Company is therefore exempt from the requirement to prepare consolidated financial statements by virtue of section 400 of the companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking.

#### *Going concern*

The directors confirm that after making appropriate enquiries, they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The directors' responsibilities are set out on page 5 and should be read in conjunction with this statement.

#### *Cash flow statement*

In accordance with FRS 1 (Revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the Company is a wholly owned subsidiary and the results of the Company are consolidated into the results of its parent (as set out in note 24), which are publicly available.

#### *Intangible fixed assets*

Intangible fixed assets acquired separately from a business are capitalised at cost. Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred. Intangible assets are amortised on a straight line basis, normally over 5 to 20 years.

The carrying values of intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be fully recoverable.

#### *Tangible fixed assets*

Depreciation is provided on all tangible fixed assets, at rates estimated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	–	over the length of the lease
Plant and machinery	–	5 to 10 years
Fixtures, fittings, tools, equipment and vehicles	–	2 to 10 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be fully recoverable.

#### *Investments*

Investments are included in the balance sheet at cost less amounts written off. The carrying values of investments in subsidiaries are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be fully recoverable.

## Notes to the financial statements (continued)

at 31 July 2012

### 1. Accounting policies (continued)

#### **Revenue recognition**

Revenue is recognised to the extent the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding settlement discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

#### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

#### **Interest income**

Revenue is recognised as interest accrues using the effective interest rate method.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value. In the case of work in progress and finished goods, this includes the relevant proportion of overheads.

#### **Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### **Leasing commitments**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Provision is made for the cost of reinstatement work on leased properties where there is an obligation under the lease, and the costs can be reasonably estimated.

#### **Pensions**

The cost of providing defined contribution retirement pensions for employees charged in the profit and loss account represents the amounts payable by the Company for the financial year.

## Notes to the financial statements (continued)

at 31 July 2012

### 1. Accounting policies (continued)

#### *Provisions for liabilities*

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore provisions are not discounted

#### *Research and development*

Research and development expenditure, other than that re-chargeable to third parties, is written off as incurred

### 2. Turnover

Turnover, which comprises a single continuing class of activity represents the net amount invoiced to customers, excluding value added tax and income from the disposal of fixed assets. Turnover is split by geographical area as follows

	2012 £000	2011 £000
UK	10,567	10,643
Overseas	9,204	9,808
	<u>19,771</u>	<u>20,451</u>

### 3. Operating expenses

	2012 £000	2011 £000
Distribution costs	740	817
Administrative expenses	1,973	1,996
	<u>2,713</u>	<u>2,813</u>

### 4. Operating profit

Operating profit is stated after charging

	2012 £000	2011 £000
Auditors' remuneration	–	21
Depreciation of tangible fixed assets	306	324
Profit on disposal of tangible fixed assets	5	2
Operating lease rentals – plant and machinery	18	19
– land and buildings	3	3
Amortisation of intangible fixed assets	463	463
Research and development expenditure	<u>407</u>	<u>383</u>

The 2012 audit fee was borne by a fellow group undertaking

## Notes to the financial statements (continued)

at 31 July 2012

### 5. Directors' remuneration

No remuneration was paid or is payable to the directors in their capacity as directors of the Company (2011 – nil). The directors receive remuneration from a fellow intermediate parent undertaking, Volution Holdings Limited in respect of services to the group of which the Company is a member. Total remuneration paid by the enlarged group to directors of the Company (including pension scheme contributions) was £773,000 (2011 – £1,052,000). It is not possible to identify the proportion of this remuneration that relates to services to this Company.

### 6. Staff costs

	2012 £000	2011 £000
Wages and salaries	3,755	4,077
Social security costs	334	363
Other pension costs	182	179
	<u>4,271</u>	<u>4,619</u>

The average monthly number of employees during the year was made up as follows

	No	No
Production	166	174
Sales and administration	49	49
	<u>215</u>	<u>223</u>

### 7. Interest receivable

	2012 £000	2011 £000
On loans to group undertakings	576	358
Other interest receivable	3	7
	<u>579</u>	<u>365</u>

## Notes to the financial statements (continued)

at 31 July 2012

### 8. Tax on profit on ordinary activities

(a) The tax charge is made up of the following

	2012 £000	2011 £000
<b>Current tax</b>		
UK corporation tax on profit for the year	794	1,054
Under / (over) provision in prior years	-	(128)
Total current tax (note 8(b))	794	926
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(15)	(3)
Effect of changes in tax rate on opening balance	-	4
Total deferred tax (note 8(c))	(15)	1
Tax on profit on ordinary activities	779	927

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25 33% (2011 – 27 33%) The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	2,618	3,314
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25 33% (2011 – 27 33%)	663	906
<b>Effects of</b>		
Expenses not deductible for tax purposes	118	144
Capital allowances in advance of depreciation	10	4
Other timing differences	3	-
Adjustment in respect of the prior year	-	(128)
Current tax for the year (note 8(a))	794	926

## Notes to the financial statements (continued)

at 31 July 2012

### 8. Tax (continued)

(c) Deferred tax liability

	2012 £000	2011 £000
At 1 August	(37)	(36)
Amounts utilised/(arising) in the year (note 8(a))	15	(1)
At 31 July	<u>(22)</u>	<u>(37)</u>
Consisting of		
Short-term timing differences	(8)	(5)
Accelerated capital allowances	<u>(14)</u>	<u>(32)</u>
Deferred tax liability (note 16)	<u>(22)</u>	<u>(37)</u>

The Finance Act 2011 included legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012. As a result of the UK Budget announcement on 21 March 2012, an additional 1% reduction in the main rate of corporation tax to 24% was announced. This was substantively enacted on 26 March 2012 and is effective from 1 April 2012.

As the additional reduction to 24% was substantively enacted as at the balance sheet date, deferred tax has been recognised at this rate. Further reductions to 23% (effective 1 April 2013) and 22% (effective 1 April 2014) were announced by the UK Chancellor. The reduction to 23% was enacted on 17th July 2012 and the reduction to 22% is expected to be enacted in Finance Act 2013. The impact of the further reductions to 22% is expected to result in a profit and loss movement of £1,000.

### 9. Intangible fixed assets

Intangible fixed assets represents goodwill acquired during the period ended 2 August 2003

	Goodwill £000
Cost	
At 1 August 2011 and 31 July 2012	<u>9,256</u>
Amortisation	
At 1 August 2011	(4,011)
Charge for the year	<u>(463)</u>
At 31 July 2012	<u>(4,474)</u>
Net book value	
At 31 July 2012	<u>4,782</u>
At 1 August 2011	<u>5,245</u>

Goodwill is amortised in equal annual instalments over its estimated economic life of 20 years



## Notes to the financial statements (continued)

at 31 July 2012

### 10. Tangible fixed assets

	<i>Long leasehold land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Fixtures, fittings, tools, equipment and vehicles £000</i>	<i>Total £000</i>
Cost				
At 1 August 2011	1,892	2,328	1,742	5,962
Additions	183	70	133	386
Disposals	-	(35)	(56)	(91)
At 31 July 2012	2,075	2,363	1,819	6,257
Depreciation				
At 1 August 2011	(509)	(1,571)	(1,565)	(3,645)
Charge for the year	(78)	(127)	(101)	(306)
Disposals	-	34	54	88
At 31 July 2012	(587)	(1,664)	(1,612)	3,863
Net book value				
At 31 July 2012	1,488	699	207	2,394
At 1 August 2011	1,383	757	177	2,317

### 11. Investments

	<i>2012 £000</i>	<i>2011 £000</i>
Cost		
At 31 July	2,479	2,479

Investments represent interests in the following wholly owned subsidiaries

<i>Company</i>	<i>Proportion of shares held</i>	<i>Nature of business</i>
Torin Limited	100%	Unremunerated agent
Sifan Systems Limited	100%	Unremunerated agent

## Notes to the financial statements (continued)

at 31 July 2012

### 12. Stocks

	2012 £000	2011 £000
Raw materials and consumables	1,495	1,818
Work in progress	609	640
Finished goods and goods for resale	931	779
	<u>3,035</u>	<u>3,237</u>

The difference in estimated replacement cost and the purchase price or production cost is not material

### 13. Debtors

	2012 £000	2011 £000
Amounts falling due within one year		
Trade debtors	2,602	2,488
Prepayments and accrued income	111	219
	<u>2,713</u>	<u>2,707</u>
Amounts falling due after one year		
Amounts due from parent undertakings	6,047	4,693
Amounts due from other group undertakings	3,519	3,297
	<u>9,566</u>	<u>7,990</u>

Amounts due from parent undertakings represents a loan to an intermediate parent undertaking, Volution Limited. This loan has no fixed date for repayment and carries interest at 7.3% per annum compounded half yearly on 31 January and 31 July. Amounts due from other group undertakings represents loans for which there is no fixed date for repayment. Interest is payable at 7.3% per annum and is compounded half-yearly on 31 January and 31 July.

The Company has undertaken not to demand either of the loans be repaid within 12 months of the date of approving these financial statements.

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

	2012 £000	2011 £000
Trade creditors	2,373	2,422
Amounts owed to group undertakings	794	926
Other creditors	435	484
Taxation and social security costs	79	92
	<u>3,681</u>	<u>3,924</u>

## Notes to the financial statements (continued)

at 31 July 2012

### 15. Creditors, amounts falling due after one year

	2012	2011
	£000	£000
Amounts owed to subsidiary undertakings	2,479	2,479

Amounts owed to subsidiary undertakings includes a non-interest bearing loan from Torin Limited of £2,479,000 with no fixed date for repayment. The directors have received confirmation that repayment of the loan will not be called within 12 months of the date of approving these financial statements.

### 16. Provisions for liabilities

	Service guarantees £000	Deferred tax £000	Total £000
At 1 August 2011	161	37	198
Arising during the year	128	-	128
Utilised	(99)	(15)	(114)
At 31 July 2012	190	22	212

#### Service guarantees

A provision is recognised for expected service guarantees on products sold during the year.

### 17. Issued share capital

	No	2012 £000	No	2011 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	5,000,000	5,000	5,000,000	5,000

### 18. Reconciliation of shareholders' funds and movements on reserves

	Ordinary share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 1 August 2010	5,000	10,000	1,623	16,623
Profit for the year	-	-	2,387	2,387
At 1 August 2011	5,000	10,000	4,010	19,010
Profit for the year	-	-	1,839	1,839
At 31 July 2012	5,000	10,000	5,849	20,849

## Notes to the financial statements (continued)

at 31 July 2012

### 19. Capital commitments

	2012 £000	2011 £000
Amounts contracted	77	171

### 20. Pensions

The Company's employees who have elected to receive pension benefits are members of a defined contribution scheme operated by Volution Limited (an intermediate parent undertaking). Under the scheme, contribution rates paid by the Company are fixed dependent upon the member's age and length of service.

### 21. Other financial commitments

At 31 July 2012 the Company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £000	Plant and Machinery £000	Land and buildings £000	Plant and Machinery £000
Operating leases which expire				
Within one year	-	2	-	10
In two to five years	-	10	-	8
Over five years	3	-	3	-
	3	12	3	18

### 22. Contingent liabilities

The Company guaranteed bank loans of £45,111,000 held by Darwin Mezzanine Limited (an intermediate parent undertaking) with Royal Bank of Scotland plc on a joint and several basis with other Group undertakings. These loans were redeemed in the year.

During the year, the Company agreed to co-guarantee bank loans of £75,000,000 held by Windmill Bidco Limited (an intermediate parent undertaking) with GE Corporate Finance Bank SAS, London Branch on a joint and several basis with other group undertakings. The Company also acts as a chargor for this secured bank funding and, as such, is subject to a fixed and floating charge over its assets.

### 23. Related party transactions

The Company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other wholly owned members of the Windmill Topco Limited Group, as 100% of the Company's voting rights are controlled within the group and the group financial statements in which the results of the Company is included are publicly available.

## Notes to the financial statements (continued)

at 31 July 2012

### 24. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Vent-Axia Group Limited. The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member, is Windmill Holdings BV, a company incorporated in the Netherlands. The parent undertaking of the largest group in the United Kingdom for which group financial statements are drawn up and of which the Company is a member is Windmill Topco Limited. The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member, is Windmill Cleanco Limited. Copies of the group financial statements of Windmill Topco Limited and Windmill Cleanco Limited are available from Fleming Way, Crawley, West Sussex RH10 9YX.

The majority shareholder in Windmill Topco Ltd is Windmill Holdings BV, a Company incorporated in the Netherlands and indirectly owned by TowerBrook Investors III, L P, TowerBrook Investors III Executive Fund, L P and TowerBrook Investors III (Parallel) L P ('the Funds'). Windmill Holdings BV is regarded as the direct controlling party of the Company and the Funds are regarded as the ultimate controlling parties of the Company.