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## **Volusion Holdings Limited**

### **Report and Financial Statements**

31 July 2012

THURSDAY



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COMPANIES HOUSE

## **Volution Holdings Limited**

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### **Directors**

R A George  
I Jamieson

### **Auditors**

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

### **Registered Office**

Fleming Way  
Crawley  
West Sussex RH10 9YX

## Directors' report

The directors of Volusion Holdings 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 £435,000 (2011 – £118,000) The directors do not recommend a final dividend (2011 – nil)

### Principal activities and review of the business

Volusion Holdings Limited is an intermediate parent undertaking that directly and indirectly holds investments in a number of subsidiaries The Company provides a range of management services to companies within the enlarged group it is a member of (as set out in note 16) and will continue to provide these services for the foreseeable future

The Company's trading subsidiaries are engaged in the following

- the design, manufacture and distribution of unitary and systems ventilation products and equipment These include a number of respected brands in the ventilation industry, and
- 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 performance indicators are as follows

	2012 £000	2011 £000	Change %
Turnover (management fee income)	2,103	2,103	-
Profit on ordinary activities before taxation	584	162	260 5%

The increase in profit arose from a lower number of directors providing services to the Company in the year

### Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the Company to include potential impairment of the Company's investments To mitigate against exposure to this risk, the Company reviews the financial performance of its investments on a regular basis

### Going concern

The directors confirm that after making appropriate enquiries, they have a reasonable expectation 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 4 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' report (continued)

### 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.

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 Volution Holdings Limited**

We have audited the financial statements of Volution Holdings 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 16. 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 4, 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 Volution Holdings 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	2,103	2,103
Operating expenses		(1,964)	(2,566)
<b>Operating profit / (loss)</b>	3	139	(463)
Interest receivable	5	943	625
Interest payable	6	(498)	–
<b>Profit on ordinary activities before taxation</b>		584	162
Tax on profit on ordinary activities	7	(149)	(44)
<b>Profit for the financial year</b>	13	435	118

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 £435,000 (2011 – £118,000)



## Balance sheet

at 31 July 2012

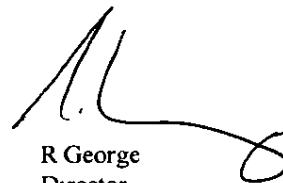
	Notes	2012 £000	2011 £000
<b>Fixed assets</b>			
Investments	8	100	100
<b>Current assets</b>			
Debtors			
amounts falling due after one year	9	16,887	7,186
amounts falling due within one year	9	1,942	2,325
Cash at bank and in hand		259	1,634
		19,088	11,145
<b>Creditors: amounts falling due within one year</b>	10	(362)	(956)
<b>Net current assets</b>		18,726	10,189
<b>Total assets less current liabilities</b>		18,826	10,289
<b>Creditors: amounts falling due after one year</b>	11	(11,580)	(3,478)
<b>Net assets</b>		7,246	6,811
<b>Capital and reserves</b>			
Called up share capital	12	18	18
Share premium account	13	1,760	1,760
Profit and loss account	13	5,468	5,033
<b>Shareholders' funds</b>	13	7,246	6,811

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 16, 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 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 4 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 16), which are publicly available.

#### *Investments*

Investments are stated at cost less provision for any impairment in value. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Revenue recognition*

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, namely management fees excluding VAT and other sales taxes or duty.

#### *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.

## Notes to the financial statements (continued)

at 31 July 2012

### 1. Accounting policies (continued)

#### Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange differences arising in the ordinary course of business are included in the profit and loss account.

### 2. Turnover

Turnover comprises management fee income and represents the net amount invoiced to fellow group companies excluding value added tax. All management fee income was derived in the UK.

### 3. Operating profit / (loss)

Operating profit / (loss) is stated after charging

	2012	2011
	£000	£000
Auditors' remuneration	-	5

The 2012 audit fee was borne by a fellow group undertaking.

### 4. Directors' remuneration

	2012	2011
	£000	£000
Amounts paid in respect of qualifying services		
Aggregate directors' remuneration	722	984
Aggregate directors' pension scheme contributions	51	68
In respect of the highest paid director		
Aggregate remuneration	446	392
Aggregate pension scheme contributions	17	28

Directors' remuneration relates to services provided to the enlarged Windmill Topco Limited group (as set out in note 16). Total remuneration paid by the Windmill Topco Limited group to the 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 relate to services to this Company.

The Company paid £26,000 (2011 – £51,000) for the services of A. Moye and P. Southwell who were directors of Volusion Group Limited, an intermediate parent undertaking.

The number of directors accruing benefits under group money purchase pension arrangements was 1 (2011 – 3).

## Notes to the financial statements (continued)

at 31 July 2012

### 5. Interest receivable

	2012	2011
	£000	£000
On amounts due from group undertakings	943	625

### 6. Interest payable

	2012	2011
	£000	£000
On amounts owed to parent undertaking	498	–

### 7. Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2012	2011
	£000	£000
<b>Current tax</b>		
UK corporation tax on profit for the year	149	44
Tax on profit on ordinary activities (note 7(b))	149	44

#### (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	2011
	£000	£000
Profit on ordinary activities before tax	584	162
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25 33% (2011 – 27 33%)	149	44
Current tax for the year (note 7(a))	149	44

During the prior year, the Company had an unrecognised deferred tax asset of £1,000 in respect of tax losses carried forward, which was utilised in full during the current year

## Notes to the financial statements (continued)

at 31 July 2012

### 8. Investments

	2012	2011
	£000	£000
Cost		
At 31 July	100	100

The investment represents a 100% shareholding in Volution Limited (an intermediate parent undertaking), incorporated in England and Wales, which has interests in the following Companies

Company	Country of incorporation	Proportion of shares held	Nature of business
<b>Direct</b>			
Volution Limited	England	100%	Holding Company
<b>Indirect</b>			
Vent-Axia Group Limited	England	100%	Air movement products
Torin Sifan Limited	England	100%	Air movement products
Anda Products Limited	England	100%	Unremunerated agent
Axia Fans Limited	England	100%	Dormant
NCA Manufacturing Limited	England	100%	Dormant
Roof Units Limited	England	100%	Unremunerated agent
Sifan Systems Limited	England	100%	Unremunerated agent
Torin Limited	England	100%	Unremunerated agent
Torin Holdings Limited	England	100%	Non trading
Tradewinds Ventilation Limited	England	100%	Dormant
Vent-Axia Limited	England	100%	Unremunerated agent
Vent-Axia Air Conditioning Limited	England	100%	Dormant
Vent-Axia Clean Air Systems Limited	England	100%	Unremunerated agent
Vent-Axia Ventilation Limited	England	100%	Dormant

## Notes to the financial statements (continued)

at 31 July 2012

### 9. Debtors

	2012 £000	2011 £000
Amounts falling due within one year		
Prepayments and accrued income	112	125
Other debtors	1,830	2,188
Amounts due from group undertaking	–	12
	<u>1,942</u>	<u>2,325</u>
Amounts falling due after one year		
Amounts due from group undertakings	2,647	–
Amount due from parent undertakings	14,240	7,186
	<u>16,887</u>	<u>7,186</u>

Amounts due from group undertakings due after one year includes two deposits of £10,000 each held by Windmill Holdings B V and Windmill Holdings Cooperatief U A , which are both intermediate parent undertakings. The deposits carry no fixed date for repayment and are non-interest bearing.

Amounts owed by group undertakings due after one year also includes three loans to fellow group undertakings. The main terms of these loans are as follows:

- Windmill Bidco Limited £2,292,000 (2011 – nil), which has no fixed date for repayment and carries interest at 7.3% per annum compounded half yearly on 31 January and 31 July, and
- Windmill Topco Limited £99,000 (2011 – nil), which has no fixed date for repayment and carries interest at 7.3% per annum compounded half yearly on 31 January and 31 July, and
- Volusion Group Limited £236,000 (2011 – nil), which 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 parent undertakings due after one year represents a loan to Darwin Mezzanine Limited. The loan has no fixed date for repayment and carries interest at 7.3% (2011 11.5%) per annum compounded half yearly on 31 January and 31 July.

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

## Notes to the financial statements (continued)

at 31 July 2012

### 10. Creditors: amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	6	–
Other creditors	332	924
Taxes and social security	24	32
	<u>362</u>	<u>956</u>

### 11 Creditors: amounts falling due after one year

	2012 £000	2011 £000
Amounts owed to group undertakings	<u>11,580</u>	<u>3,478</u>

Amounts owed to group undertakings represent two loans from fellow group undertakings. The main terms of these loans are as follows:

- A loan from Volution Limited (a subsidiary undertaking) of £11,570,000 (2011 – £3,468,000), which has no fixed date for repayment and carries interest at 7.30% (2011 – 11.5%) per annum compounded half yearly on 31 January and 31 July, and
- A loan from Volution Group Limited (an intermediate parent undertaking) of £10,000 (2011 – £10,000), which has no fixed date for repayment and carries no interest charge.

The Company has received confirmation that repayment of the loans will not be called within 12 months of the date of approving these financial statements.

### 12. Issued share capital

	No	2012 £000	No	2011 £000
<i>Allotted, called up and fully paid</i>				
Ordinary 'A' shares of 10p each	137,778	14	137,778	14
Ordinary 'B' shares of 10p each	40,000	<u>4</u>	40,000	<u>4</u>
		<u>18</u>		<u>18</u>

Ordinary A shares rank *pari passu* with Ordinary B shares in respect of distributions and in terms of rights on the issue and allotment of new shares. On return of capital on a liquidation or otherwise, surplus assets and retained profits available will be distributed in preference to the holders of Ordinary A shares. Under certain circumstances the voting rights of Ordinary A shareholders may be increased to 95% of the rights attaching to all shares. The Ordinary B shares carry limited rights in respect of transfer and sale.

## Notes to the financial statements (continued)

at 31 July 2012

### 13. 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	18	1,760	4,915	6,693
Profit for the year	–	–	118	118
At 1 August 2011	18	1,760	5,033	6,811
Profit for the year	–	–	435	435
At 31 July 2012	18	1,760	5,468	7,246

### 14. 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.

### 15. 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 (set out in note 16), as 100% of the Company's voting rights are controlled within the Group and the Group financial statements in which the Company is included are publicly available.

### 16. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Darwin Mezzanine 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.