

# **Volution Holdings Limited**

Report and Financial Statements

Year Ended

31 July 2023

Company Number 04569313

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# **Volution Holdings Limited**

## **Report and financial statements for the year ended 31 July 2023**

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### **Directors**

R A George  
A O'Brien

### **Secretary and registered office**

Fiona Smith, Fleming Way, Crawley, West Sussex, RH10 9YX, United Kingdom

### **Company number**

04569313

# Volution Holdings Limited

## Strategic report for the year ended 31 July 2023

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The directors of Volution Holdings Limited ('the Company') present their strategic report for the year ended 31 July 2023.

### Principal activity and review of the business

Volution Holdings Limited is an intermediate parent undertaking that directly and indirectly holds investments in several subsidiaries. The Company provides a range of management services to companies within the enlarged group of which it is a member 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 several 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 received a cash dividend from its investments of £34,082,000 (2022: £21,389,000) during the year.

### Key performance indicators

As the Company does not trade, there are no specific key performance indicators that are reviewed annually, rather the Board reviews the underlying performance of the subsidiaries this Company holds investments in.

### Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the Company to be broadly grouped as asset impairment, economic, exchange rate and financial instrument related. These risks are explained further below:

#### Asset impairment risk

To identify any risk of impairment in a timely manner, the company reviews the financial performance of its investments on a regular basis. To date, all investments have had a strong year and are not exhibiting indicators of impairment. This is expected to continue for the foreseeable future.

#### Economic risk

Demand for the products of the Company's trading subsidiaries is influenced by both public and privately funded new and refurbishment construction projects. The markets are in turn heavily influenced by prevailing macro-economic conditions and relevant legislation particularly with regards to air quality and energy efficiency. The Company reviews its cost base and organisational structure on a regular basis. We continue to monitor developments around Brexit as well as the macro-economic uncertainty, inflation, high interest rates and impacts of the Russian invasion of Ukraine and we will adjust our contingency planning accordingly. Uncertainty remains over the eventual outcome.

#### Exchange rate risk

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

#### Financial instrument risk

The most significant financial instrument held by the company is its investments in subsidiaries. The directors understanding of the risks associated with the investments held by the entity relate to the potential impairment of those investments. To identify any risk of impairment in a timely manner, the company reviews the financial performance of its investments on a regular basis. To date, all investments have had a strong year and are not exhibiting indicators of impairment. This is expected to continue for the foreseeable future.

# Volution Holdings Limited

## Strategic report for the year ended 31 July 2023 (continued)

### Principal risks and uncertainties (continued)

In addition to investments, the Company engages in two types of financial instrument:

- Short-term working capital (other debtors, other creditors and cash); and
- Intra-group debtors and creditors.

The directors do not consider the book value of financial instruments to materially differ from their fair values.

The directors' understanding of and the Company's exposure to risk because of using financial instruments is as follows:

- **Price risk**  
Risk that the value of a financial instrument will fluctuate because of changes in market prices. The directors consider this risk to relate to foreign exchange. Risk arising on financial instruments is mitigated by utilisation of surplus foreign currency within the group of which the Company is a member.
- **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. In relation to banking relationships, the directors consider this to relate to the counterparty the Company transacts with, which is typically a reputable high street bank and exposure is therefore minimal. With regard to other financial instruments, the directors believe credit risk principally relates to intra-group receivables. To mitigate against exposure to credit risk the Company only lends to companies in the group of which it is a member and regularly reviews the performance and cash flow forecasts of the entities to which it has lent.
- **Liquidity risk**  
Risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments, principally the repayment of its intra-group payables. To the best of the directors' knowledge there are no foreseeable constraints in discharging obligations under financial instruments.
- **Cash flow risk**  
Risk that future cash flows of a financial instrument will fluctuate. As the rate and amounts are fixed by the parent and the Company hedges its exposure, risk is deemed minimal.

On behalf of the Board



Andy O'Brien  
Director  
11 January 2024

# Volution Holdings Limited

## Directors' report for the year ended 31 July 2023

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The directors of Volution Holdings Limited ('the Company') present their report and financial statements for the year ended 31 July 2023.

### Directors

The directors of the company throughout the year were:

K A George  
A O'Brien

### Dividends

The Company paid an interim dividend of £201.58 (2022: £133.25) per share totalling £35,837,000 (2022: £23,689,000). The directors do not recommend the payment of a final dividend (2022: £nil).

### Donations

During the year, the company did not make any political or charitable donations.

### Financial instruments

The directors' understanding of, and the Company's exposure to risk as a result of using financial instruments is set out in the strategic report.

### Disabled employees and employee involvement

A skilled workforce is key to the future of the Company. Health and Safety matters are reviewed regularly by the directors and it is our policy to ensure that:

- Full and fair consideration is given to all applications for employment made by disabled persons, having regard to their capabilities;
- If an existing employee becomes disabled (whether due to illness or accident) every reasonable effort is made to continue to provide employment either in the same job, or by training for a suitable alternative job; and
- Disabled persons are given equal consideration for training, career development and opportunities for promotion within the Company.

Management are regularly provided with a range of information concerning the performance of the business by means of meetings and similar briefings that allows employees' views and opinions to be taken into consideration. Other means of communication are used to ensure employees are systematically provided with information on matters of concern to them.

### Directors' liabilities

The enlarged Group of which the Company is a member has granted an indemnity to certain directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force at the date of approving the directors' report.

### Going concern

The principal risks and uncertainties of the Company are managed at a Group level. The Company is dependent upon the continued support of its ultimate parent company, Volution Group plc, because of the way that the Group's intra-group funding structure is administered. Therefore, the directors have requested and obtained a letter from the directors of Volution Group plc confirming, in writing, their commitment to continue to support the company until 31 January 2025.

# **Volusion Holdings Limited**

## **Directors' report for the year ended 31 July 2023 (*continued*)**

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### **Going concern (*continued*)**

In considering the appropriateness of adopting the going concern basis for preparing the financial information, the directors have considered government policy, and the overall impact on consumer demand as well as the ability of Volusion Group plc to provide the required support to the Company. Having made suitable enquiries, the Board has a reasonable expectation that the Group will be able to manage its business risks and to continue in operational existence until 31 January 2025 and has sufficient liquidity and covenant headroom, after consideration of the reasonably possible downside scenarios and stress testing, over this going concern period to prepare the accounts on that basis.

Accordingly, the directors consider it appropriate to adopt the going concern basis for preparing the financial information.

On behalf of the Board



Andy O'Brien  
Director  
11 January 2024

# **Volution Holdings Limited**

## **Directors' responsibilities statement for the year ended 31 July 2023**

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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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **Volution Holdings Limited**

## **Statement of comprehensive income for the year ended 31 July 2023**

	Note	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Revenue from contracts with customers</b>	4	<b>5,576</b>	5,324
Administrative expenses		<u>(5,455)</u>	<u>(5,228)</u>
<b>Operating profit</b>	5	<b>121</b>	96
Income from shares in group undertakings		<b>34,082</b>	21,389
Interest payable		<b>(11)</b>	(6)
Interest receivable		<u>18</u>	<u>—</u>
<b>Profit on ordinary activities before taxation</b>		<b>34,210</b>	21,479
Taxation on profit on ordinary activities	7	<u><b>(51)</b></u>	<u>(10)</u>
<b>Profit for the financial year</b>		<b>34,159</b>	21,469
Other comprehensive income		<u>—</u>	<u>—</u>
<b>Total comprehensive income</b>		<u><b>34,159</b></u>	<u>21,469</u>

The results for the current and prior years arise solely from continuing operations.

The notes on pages 10 to 21 form part of these financial statements.



# Volution Holdings Limited

## Statement of financial position at 31 July 2023

Company number 04569313

	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
<b>Non-current assets</b>					
Intangible assets	9		2,277		2,898
Tangible assets	10		71		98
Investments	11		14,382		14,382
			<u>16,730</u>		<u>17,378</u>
<b>Current assets</b>					
Trade and other receivables	12	43,054		41,209	
Cash at bank and in hand		<u>7</u>		<u>161</u>	
		43,061		41,370	
<b>Trade and other payables: amounts falling due within one year</b>	13	<u>(42,999)</u>		<u>(40,249)</u>	
<b>Net current assets</b>			<u>62</u>		<u>1,121</u>
<b>Total assets less current liabilities</b>			16,792		18,499
<b>Deferred tax</b>	14		<u>(96)</u>		<u>(125)</u>
<b>Net assets</b>			<u>16,696</u>		<u>18,374</u>
<b>Capital and reserves</b>					
Called up share capital	15		—		—
Share premium			2,282		2,282
Capital contribution reserve			1,294		1,294
Profit and loss account			<u>13,120</u>		<u>14,798</u>
<b>Equity attributable to owners of the parent company</b>			<u>16,696</u>		<u>18,374</u>

The financial statements were approved by the Board of Directors and authorised for issue on 11 January 2024.

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.



Andy O'Brien  
Director

The notes on pages 10 to 21 form part of these financial statements.

## Volution Holdings Limited

### Statement of changes in equity at 31 July 2023

	Share capital £'000	Share Premium £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total equity £'000
<b>1 August 2021</b>	—	2,282	1,294	17,018	20,594
Profit for the year	—	—	—	21,469	21,469
Dividends (note 8)	—	—	—	(23,689)	(23,689)
<b>31 July 2022</b>	—	2,282	1,294	14,798	18,374
Profit for the year	—	—	—	34,159	34,159
Dividends (note 8)	—	—	—	(35,837)	(35,837)
<b>31 July 2023</b>	—	2,282	1,294	13,120	16,696

The Capital contribution reserve is from a Group restructuring in July 2013 where Torin Sifan was transferred to the Company at cost. The Company received a waiver in respect of amounts due to Volution Ventilation Group Limited and then in July 2015 a portion of this was capitalised by allotting one share to its shareholder at a premium.

The notes on pages 10 to 21 form part of these financial statements.

# Volution Holdings Limited

## Notes forming part of the financial statements for the year ended 31 July 2023

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### 1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements present the results and financial position of Volution Holdings Limited ("the Company") for the year ended 31 July 2023. The Company is a private limited company and is incorporated and domiciled in England and Wales. The address of the Company's registered office is Fleming Way, Crawley, West Sussex RH10 9YX.

The financial statements were authorised for issue by the board of directors on 11 January 2024 and the statement of financial position was signed on the board's behalf by Andy O'Brien.

The financial statements have been prepared in accordance with FRS 101, under the historical cost convention and in accordance with the Companies Act 2006.

The financial statements are presented in the functional currency of the Company which is Sterling and all values are rounded to the nearest thousand (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Volution Group plc. The results of the Company are included in the consolidated financial statements of Volution Group plc which are available from Fleming Way, Crawley, West Sussex RH10 9YX.

The principal accounting policies adopted by the Company are set out in note 2.

### 2 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 the years presented, unless otherwise stated.

#### *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention except for derivative financial instruments which have been recognised at fair value and in accordance with the Companies Act 2006.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment'
- The requirements of IFRS 7 'Financial Instruments: Disclosures'
- The requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 'Property, Plant and Equipment';
  - paragraph 118(e) of IAS 38 'Intangible Assets';
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements'
- The requirements of IAS 7 'Statement of Cash Flows'
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

# Volusion Holdings Limited

## Notes forming part of the financial statements for the year ended 31 July 2023 (continued)

### 2 Accounting policies (continued)

#### *Basis of preparation (continued)*

- The requirements of paragraph 17 of IAS 24 Related Party Disclosures
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

#### *Going concern*

The principal risks and uncertainties of the Company are managed at a Group level. The Company is dependent upon the continued support of its ultimate parent company, Volusion Group plc, as a result of the way that the Group's intra-group funding structure is administered. Therefore, the directors have requested and obtained a letter from the directors of Volusion Group plc confirming, in writing, their commitment to continue to support the company until 31 January 2025.

In considering the appropriateness of adopting the going concern basis for preparing the financial information, the directors have considered government policy, and the overall impact on consumer demand as well as the ability of Volusion Group plc to provide the required support to the Company. Having made suitable enquiries, the Board has a reasonable expectation that the Group will be able to manage its business risks and to continue in operational existence until 31 January 2025 and has sufficient liquidity and covenant headroom, after consideration of the reasonably possible downside scenarios and stress testing, over this going concern period to prepare the accounts on that basis.

Accordingly, the directors consider it appropriate to adopt the going concern basis for preparing the financial information.

#### *Revenue from contracts with customers*

Revenue is recognised when the control of services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

#### *Management fees*

Revenue from management fees received represents amounts agreed within the contract and is recognised over time.

#### *Interest receivable and similar income*

Interest income is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

#### *Income from shares in group undertakings*

Income is recognised when the Company's right to receive payment is established.

# Volution Holdings Limited

## Notes forming part of the financial statements for the year ended 31 July 2023 (continued)

### 2 Accounting policies (continued)

#### *Income taxes*

Current income tax assets and liabilities are measured at the amount expected to be recovered from, or payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements with the following exceptions:

- Where the temporary differences arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that the directors consider it is probable that there will be taxable profits from which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates enacted or substantively enacted by the reporting date.

The carrying amount of deferred income tax assets is reviewed at each reporting date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Deferred income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, deferred tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

#### *Tangible assets*

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the tangible asset; when significant parts of tangible assets are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred. Tangible assets are depreciated on a straight-line method over their estimated useful lives as follows:

Fixtures & fittings	- 4 – 10 years
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The gain or loss arising on the disposal or retirement of an item of tangible assets is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income as part of administrative expenses.

#### *Intangible assets*

Intangible assets consists of software, the costs of the software includes purchase costs of non-internally generated assets with a definite life are amortised on a straight-line basis over their estimated useful lives as follows:

Software costs	- 5 years
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The estimated useful life and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

# Volution Holdings Limited

## Notes forming part of the financial statements for the year ended 31 July 2023 (continued)

### 2 Accounting policies (continued)

#### *Impairment of tangible and intangible assets*

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets with definite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are immediately recognised in the statement of comprehensive income.

#### *Trade and other receivables*

Trade and other receivables are recognised when it is probable that a future economic benefit will flow to the Company. Trade and other receivables are carried at original invoice or contract amount less any provisions for discounts and doubtful debts. Provisions are made using the simplified approach in calculating the expected credit loss (ECL), the provision is measured at an amount equal to lifetime ECLs.

#### *Cash and cash equivalents*

Cash and short-term deposits comprise cash at banks and in hand.

#### *Trade and other payables*

Creditors are obliged to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

#### *Financial assets*

##### *Initial recognition and measurement*

Financial assets are recognised when the Company becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets include cash and trade and other receivables.

# Volusion Holdings Limited

## Notes forming part of the financial statements for the year ended 31 July 2023 (*continued*)

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### 2 Accounting policies (*continued*)

#### *Financial assets (continued)*

##### Derecognition of financial assets

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### *Financial liabilities*

##### Initial recognition and measurement

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are measured at amortised cost.

##### Subsequent measurement

Financial liabilities measured at amortised cost require the use of the effective interest method with gains or losses recognised in profit or loss when the financial liability is derecognised or through the amortisation process.

##### Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

#### *Pensions*

Contributions to defined contribution schemes are recognised in the statement of comprehensive income in the year they become payable. The cost charged to the statement of comprehensive income of providing retirement pensions for employees represents the amounts paid by the Company to various defined contribution pension schemes operated by the Group in the financial year.

#### *Dividends*

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

#### *New standards and interpretations*

New standards effective for accounting periods beginning 1 January 2022 were adopted by the Company on 1 August 2022. The new standards did not have material impact to the Financial Statements.

Other new standards or interpretations in issue, but not yet effective, are not expected to have a material impact on the Company's net assets or results.

# Volution Holdings Limited

## Notes forming part of the financial statements for the year ended 31 July 2023 (continued)

### 3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, management is 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when these financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Carrying value of investments

The carrying value of the investments is estimated based on the expected performance and value of the investments factoring in potential expected future net cash flow to be generated from the investment. The Company based its estimation on information available when these financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected when they occur. The carrying value of investments is shown in note 11.

### 4 Revenue from contracts with customers

	2023 £'000	2022 £'000
Analysis by class of business:		
Management fee income	<u>5,576</u>	<u>5,324</u>
Analysis of turnover by country of destination:		
United Kingdom	<u>5,576</u>	<u>5,324</u>



# **Volution Holdings Limited**

## **Notes forming part of the financial statements for the year ended 31 July 2023 (continued)**

### **5 Operating profit**

	<b>2023 £'000</b>	<b>2022 £'000</b>
This is arrived at after charging		
Depreciation of tangible fixed assets	<b>27</b>	27
Amortisation of intangible assets	<b>621</b>	620
Management fees	<b>4,113</b>	3,885
Insurance fees	<b>134</b>	129

Fees payable to the Company's auditors of £15,000 (2022: £15,000) for the audit of the Company's annual accounts were borne by a fellow group company.

### **6 Employees**

	<b>2023 £'000</b>	<b>2022 £'000</b>
Staff costs (including directors) consist of:		
Wages and salaries	<b>326</b>	298
Social security costs	<b>37</b>	37
Cost of defined contribution scheme	<b>18</b>	17
	<b>381</b>	352

The average number of employees (including directors) during the year was as follows:

	<b>2023 Number</b>	<b>2022 Number</b>
Administration	<b>5</b>	6

No remuneration was paid, or is payable, to the directors in their capacity as directors to the Company in the current or previous year.

The directors receive remuneration from a fellow group undertaking, Volution Group plc, 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 £3,807,000 (2022: £3,569,000). It is not possible to identify the proportion of this remuneration that relates to services to the Company.

# **Volusion Holdings Limited**

**Notes forming part of the financial statements  
for the year ended 31 July 2023 (continued)**

## **7 Taxation on profit on ordinary activities**

	<b>2023 £'000</b>	<b>2022 £'000</b>
<i>UK corporation tax</i>		
Current tax on profits of the year	<b>52</b>	44
Adjustment in respect of previous years	<b>28</b>	(1)
Total current tax	<b>80</b>	43
<i>Deferred tax</i>		
Current year deferred tax	<b>(29)</b>	(26)
Adjustment in respect of previous years	<b>—</b>	(7)
	<b>(29)</b>	(33)
Taxation on profit on ordinary activities	<b>51</b>	10

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	<b>2023 £'000</b>	<b>2022 £'000</b>
Profit on ordinary activities before taxation	<b>34,210</b>	21,479
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.00% (2022: 19.00%)	<b>7,184</b>	4,081
Effects of:		
Income not taxable for tax purposes	<b>(7,161)</b>	(4,063)
Adjustment in respect of previous years	<b>28</b>	(8)
Total tax charge for year	<b>51</b>	10

On 24 May 2021, legislation was passed which substantively enacted an increase in UK corporation tax rate from 19% to 25% from April 2023. Deferred tax on the balance sheet at 31 July 2023 was therefore measured at 25%.

## **8 Dividends**

	<b>2023 £'000</b>	<b>2022 £'000</b>
Ordinary shares		
Interim paid of £201.58 (2022: £133.25) per share	<b>35,837</b>	23,689

# **Volution Holdings Limited**

**Notes forming part of the financial statements  
for the year ended 31 July 2023 (*continued*)**

## **9 Intangible assets**

	<b>Software costs £'000</b>
<i>Cost</i>	
At 1 August 2022 and 31 July 2023	6,197
<i>Amortisation</i>	
At 1 August 2022	3,299
Provision for year	621
At 31 July 2023	<b>3,920</b>
<i>Net book value</i>	
At 31 July 2023	<b>2,277</b>
At 31 July 2022	2,898

The intangibles assets are financial and payroll software developed for the Company.

## **10 Tangible assets**

	<b>Fixtures &amp; Fittings £'000</b>
<i>Cost</i>	
At 1 August 2022 and 31 July 2023	382
<i>Depreciation</i>	
At 1 August 2022	284
Provision for year	27
At 31 July 2023	<b>311</b>
<i>Net book value</i>	
At 31 July 2023	<b>71</b>
At 31 July 2022	98

## Volution Holdings Limited

### Notes forming part of the financial statements for the year ended 31 July 2023 (continued)

#### 11 Investments

Cost:	£'000
At 1 August 2022 and 31 July 2023	<u>14,382</u>

The investment at 31 July 2023 represents a 100% shareholding in Volution Ventilation Group Limited (an intermediate parent undertaking) and Torin Sifan Limited (an original equipment manufacturer); all of which are incorporated in England and Wales and share the same registered office as the company.

At 31 July 2023, Volution Ventilation Group Limited held 100% of the voting shares of the following subsidiaries:

Group company	Principal activity	Country of incorporation
Manrose Manufacturing Limited <sup>1</sup>	Non-trading	England
Anda Products Limited <sup>1</sup>	Non-trading	England
Axia Fans Limited <sup>1</sup>	Non-trading	England
Roof Units Limited <sup>1</sup>	Non-trading	England
Vent-Axia Limited <sup>1</sup>	Non-trading	England
Vent-Axia Clean Air Systems Limited <sup>1</sup>	Non-trading	England
Vent-Axia Group Limited <sup>1</sup>	HR services to Volution Group plc	England
NVA Services Limited <sup>1</sup>	Non-trading	England
SW National Ventilation Limited <sup>1</sup>	Non-trading	England
Airtech Humidity Controls Limited <sup>1</sup>	Non-trading	England
Sens-Air Limited <sup>1</sup>	Non-trading	England
Breathing Buildings Limited <sup>1</sup>	Non-trading	England
Volution Ventilation UK Limited <sup>1</sup>	Ventilation products	England
Volution Holdings Sweden AB <sup>2</sup>	Intermediate holding company	Sweden
Fresh AB <sup>2</sup>	Ventilation products	Sweden
VoltAir System AB <sup>3</sup>	Ventilation products	Sweden
Volution Norge AS (formerly Fresh Norge AS) <sup>4</sup>	Ventilation products	Norway
inVENTer GmbH <sup>5</sup>	Ventilation products	Germany
Volution Management Holdings GmbH <sup>5</sup>	Intermediate holding company	Germany
Volution Deutschland Real Estate GmbH <sup>5</sup>	Property holding company	Germany
Ventilair Group International BVBA <sup>6</sup>	Intermediate holding company	Belgium
Ventilair Group Belgium BVBA <sup>6</sup>	Ventilation products	Belgium
Ventilair Group Netherlands B.V. <sup>7</sup>	Ventilation products	Netherlands
Vent-Axia B.V. (formerly AirFan B.V.) <sup>7</sup>	Ventilation products	Netherlands

1. Registered office: Fleming Way, Crawley, West Sussex RH10 9YX
2. Registered office: Gransholmsvägen 136, 35599 Gemla, Sweden
3. Registered office: Box 7033, 12107 Stockholm-Globen, Sweden
4. Registered office: Professor Birkelands vei 24B, 1081 Oslo, Norway
5. Registered office: Ortsstraße, 4a 07751 Löberschütz, Germany
6. Registered office: Pieter Verhaeghestraat 8, 8520 Kuurne, Belgium
7. Registered office: Kerver 16, 5521 DB Eersel, Netherlands.

# Volution Holdings Limited

## Notes forming part of the financial statements for the year ended 31 July 2023 (continued)

### 11 Investments (continued)

Group company	Principal activity	Country of incorporation
Volution Ventilation New Zealand Limited (formerly Chinook Limited) <sup>8</sup>	Intermediate holding company	New Zealand
Simx Limited <sup>9</sup>	Ventilation products	New Zealand
Oy Pamon Ab <sup>9</sup>	Ventilation products	Finland
Air Connection ApS <sup>10</sup>	Ventilation products	Denmark
Volution Ventilation Australia Pty Limited (formerly Woomera Pty Limited) <sup>11</sup>	Intermediate holding company	Australia
Ventair Pty Limited <sup>11</sup>	Ventilation products	Australia
Volution Ventilation Holdings B.V. <sup>12</sup>	Intermediate holding company	Netherlands
ClimaRad Holding B.V. <sup>12</sup>	Intermediate holding company	Netherlands
ClimaRad B.V. <sup>12</sup>	Ventilation products	Netherlands
ClimaRad d.o.o. <sup>13</sup>	Ventilation products	Bosnia
ERI Corporation DOO Bitola <sup>14</sup>	Ventilation products	North Macedonia
ERI Corporation SRL <sup>15</sup>	Ventilation products	Italy
Energy Recovery Industries Trading SLU <sup>16</sup>	Ventilation products	Spain
Energy Recovery Industries Corporation Limited <sup>17</sup>	Ventilation products	England
Ventilairsec <sup>18</sup>	Ventilation products	France
Neosfair <sup>19</sup>	Ventilation products	France
I-Vent doo <sup>20</sup>	Ventilation products	Slovenia
Lunos Hrvatska d.o.o. <sup>21</sup>	Ventilation products	Croatia

8. Registered office: 1 Haliday Place, East Tamaki, Auckland, 2013, New Zealand

9. Registered office: Keskikankaantie 17, 15680 Hollola, Finland

10. Registered office: Rude Havvej 17B, DK-8300 Odder, Denmark

11. Registered office: 4 Capital Pl, Carrum Downs VIC 3201, Australia

12. Registered office: Lübeckstraat 25, 7575 EE Oldenzaal, the Netherlands

13. Registered office: Kamenolom 10, 71215 Blazuj, Sarajevo, Bosnia and Herzegovina

14. Registered office: BURSA 124 7000, Bitola, North Macedonia

15. Registered office: Via Modigliani 90 81031 Aversa, Italy

16. Registered office: Calle Pere Dezcallar I Net 11 Planta 2, 07003 Palma De Mallorca Illes Balears, Spain

17. Registered office: 15 Ashfield, Consett, United Kingdom, DH8 0RF

18. Registered office: 16 Rue des Imprimeurs, 44220 Couëron, France

19. Registered office: 16 Rue des Imprimeurs, 44220 Couëron, France

20. Registered office: Robbova ulica 2, 1000 Ljubljana, Slovenia

21. Registered office: Zagreb (Grad Zagreb), Samoborska cesta 153A, Croatia

At 31 July 2023, Torin Sifan Limited held 100% of the voting shares of the following subsidiaries:

Group company	Principal activity	Country of incorporation
Torin Limited <sup>1</sup>	Non-trading	England

1. Registered office: Fleming Way, Crawley, West Sussex RH10 9YX

### 12 Trade and other receivables

	2023 £'000	2022 £'000
Amounts owed by group undertakings	42,934	41,088
Prepayments	113	110
Other debtors	7	11
	<b>43,054</b>	<b>41,209</b>

# **Volution Holdings Limited**

**Notes forming part of the financial statements  
for the year ended 31 July 2023 (continued)**

## **13 Trade and other payables: amounts falling due within one year**

	2023 £'000	2022 £'000
Trade payables	89	103
Amounts owed to group undertakings	39,384	36,580
Other creditors	33	45
Other taxation and social security	10	9
Income tax	3,483	3,512
	<u>42,999</u>	<u>40,249</u>

## **14 Deferred tax liabilities**

	1 August 2022 £'000	Charged to Income £'000	31 July 2023 £'000
Temporary differences:			
Depreciation and amortisation charged in advance of capital allowances	<u>125</u>	<u>(29)</u>	<u>96</u>

The Company has no unused tax losses or credits.

## **15 Share capital**

	2023 £'000	2022 £'000
<i>Authorised, called up and fully paid</i>		
177,781 (2022: 177,781) ordinary shares of £0.000001 each	<u>—</u>	<u>—</u>

## **16 Related party disclosures**

The Company has taken advantage of the exemption available under FRS 101 from the requirements in IAS 24 Related Party Disclosures not to disclose transactions with other wholly owned members of the Volution Group plc group ('the Group'), as 100% of the Company's voting rights are controlled within the Group and Group financial statements in which the Company is included are publicly available.

## **17 Controlling parties**

The Company's immediate parent undertaking is Volution Group Plc.

The parent undertaking of the largest and smallest group for which consolidated financial statements are drawn up that include the results of the Company is Volution Group plc, a public company incorporated in England and Wales. Copies of the group financial statements of Volution Group plc are available from Fleming Way, Crawley, West Sussex RH10 9YX.

The directors consider the ultimate parent and controlling party of the Company to be Volution Group plc.