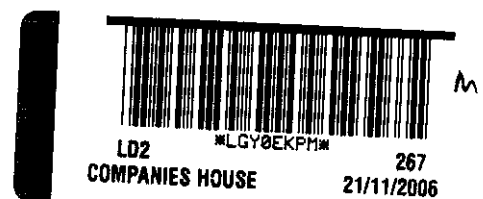


4564321

Volusion Limited

Report and Financial Statements

31 July 2006



Volution Limited

Registered No: 4569321

Directors

S P Clews (resigned 5 July 2006)

S J Diamond

A D Reid

L F Rutter

K Sargeant

Secretary

S J Diamond

Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

Registered Office

Fleming Way

Crawley

West Sussex

RH10 9YX

Directors' report

The directors have pleasure in presenting their report and the financial statements for the year ended 31 July 2006.

Results and dividends

The profit for the year after tax was £9,159,000 (2005 – £2,260,000).

During the year, a dividend of £2,500,000 (2005 - £2,500,000) was declared and paid. The directors do not recommend the payment of any further dividend.

Principal activity and review of the business

Volution Limited is an intermediate holding company with subsidiaries engaged in the design, manufacture and distribution of high quality unitary and systems ventilation products, cable protection systems and electrical components. These include a number of respected brands in the electrical wholesaler and contractor sectors of the construction market.

The ultimate parent company until 27 July 2006 was Volution Holdings Limited in whose annual financial statements all of the group's activities are consolidated. At the year-end the Directors consider the parent company in the U.K to be Darwin Equity Limited and the ultimate parent company to be ABN Amro Holding N.V., a company incorporated in The Netherlands.

Volution Limited provides a range of management services to the companies within the group.

Future developments

The Company will develop its existing activities and seek expansion opportunities to increase profitability of the group, both organically and by acquisition.

Directors and their interests

The directors who served throughout the year are as shown on page 1 and their disclosable interests in the share capital of the ultimate parent company until 27 July 2006, Volution Holdings Limited, at the beginning and end of the year are disclosed in the report and financial statements of that company.

The directors' disclosable interests in Darwin Equity Limited are disclosed in the financial statements of Volution Holdings Limited.

Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the Company to include potential impairment of the company's investments (detailed in note 8). Risks and uncertainties specific to the Company's subsidiary undertakings can be found in their respective financial statements.

Auditors

Ernst & Young LLP will remain as auditor to the Company by virtue of an elective resolution passed on 5 April 2004.

Directors' report

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board

S J Diamond
Secretary
31 October 2006



Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Volution Limited

We have audited the company's financial statements for the year ended 31 July 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

Basis of audit opinion

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

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

Independent auditors' report

to the members of Volution Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young Ltd

Ernst & Young LLP
Registered Auditor
London

10 November 2006

Profit and loss account

for the year ended 31 July 2006

	Notes	2006 £000	2005 £000
Management fee income	2	215	81
Operating expenses		(314)	(115)
Operating loss	3	(99)	(34)
Bank interest receivable		126	97
Interest payable and similar charges	5	(9,228)	(13,289)
Dividends received	6	15,629	11,504
Profit/(loss) on ordinary activities before tax		6,428	(1,722)
Tax	7	2,731	3,982
Profit for the year		9,159	2,260
Ordinary dividends paid		(2,500)	(2,500)
Retained profit/(loss) for the year	13	6,659	(240)

Statement of total recognised gains and losses

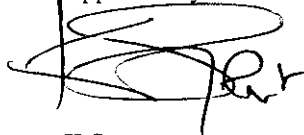
There are no recognised gains and losses other than those disclosed in the profit and loss account above.

Balance sheet

at 31 July 2006

	Notes	2006 £000	2005 £000
Fixed assets			
Investment in subsidiaries	8	105,192	105,262
Current assets			
Debtors: amounts falling due within one year	9	2,730	4,011
Cash		1,704	1,544
Creditors: amounts falling due within one year	10	4,434 (2,649)	5,555 (6,768)
Net current assets/(liabilities)		1,785	(1,213)
Total assets less current liabilities		106,977	104,049
Creditors: amounts falling due in more than one year	10	(91,981)	(95,712)
Net assets		14,996	8,337
Capital and reserves			
Called up equity share capital	12	–	–
Profit and loss account	13	14,996	8,337
Shareholders' funds	13	14,996	8,337

Approved by the Board on 31 October 2006 and signed on its behalf by:



K Sargeant
Director



S J Diamond
Director

Notes to the financial statements

at 31 July 2006

1 Accounting policies

Accounting convention

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

Basis of preparation

The Company is exempt from the requirement to prepare group financial statements by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the Company as an individual undertaking.

Statement of cash flows

A statement of cash flows has not been prepared as the company is a wholly owned subsidiary of a parent which prepares consolidated financial statements available to the public.

Investments

Investments are included in the balance sheet at cost less amounts written off.

The carrying value of investments in subsidiaries are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be fully recoverable.

Deferred taxation

Deferred tax 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 tax, with the following exceptions:

- Provision is made for deferred tax that would arise on remittance of 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 taxable profits will be available 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 denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in the profit and loss account.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

Notes to the financial statements

at 31 July 2006

2. Management fee income

Management fee income comprises a single class of activity and represent the net amount invoiced to group companies excluding value added tax. All fee income was derived in the UK.

3. Operating loss

This is stated after charging:

	2006 £000	2005 £000
Auditors' remuneration - audit services	3	2
Impairment of investment (note 8)	70	–
	<u>73</u>	<u>2</u>

4. Directors and staff

No emoluments were paid or are payable to the directors in their capacity as directors of the company. The company had no employees during the year.

5. Interest payable and similar charges

	2006 £000	2005 £000
Interest payable on term debt	1,888	3,480
Interest paid to parent company	6,773	6,174
Finance cost amortisation	462	3,522
Interest payable on loan from group undertaking	104	106
Other interest payable	1	7
	<u>9,228</u>	<u>13,289</u>

6. Dividends received

The dividends received represent dividends declared and paid by Vent-Axia Group Limited on 31 January and 31 July 2006 and by Adaptaflex Pty Limited on 23 May 2006.

Notes to the financial statements

at 31 July 2006

7. Tax on profit/(loss) on ordinary activities

(a) Analysis of credit in year:

	2006 £000	2005 £000
<i>Current tax</i>		
UK corporation tax on the profit/(loss) for the year	(2,623)	(3,802)
Adjustment in respect of prior year	—	(24)
Double tax relief	(108)	(156)
Total current tax credit (note 7(b))	<u>(2,731)</u>	<u>(3,982)</u>

(b) Factors affecting tax credit for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

Profit/(loss) on ordinary activities before tax	<u>6,428</u>	<u>(1,722)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 - 30%)	1,928	(517)
Effects of:		
Non-taxable income	(4,583)	(3,300)
Adjustment in respect of prior year	—	(24)
Other timing differences	—	(15)
Foreign tax credits	(76)	(126)
Current tax credit for the year (note 7(a))	<u>(2,731)</u>	<u>(3,982)</u>

8. Investment in subsidiary undertakings

	2006 £000	2005 £000
Cost:		
At 1 August 2005/2004	105,262	105,285
Adjustment to acquisition cost	—	(23)
Impairment loss	(70)	—
At 31 July 2006/2005	<u>105,192</u>	<u>105,262</u>

Vent-Axia Ventilation was closed during the year. As a result the value of the investment has been written down to its expected realisable value resulting in an impairment loss of £70,000.

Notes to the financial statements

at 31 July 2006

8. Investment in subsidiary undertakings (continued)

Investments represent interests in the following subsidiary companies:

<i>Company</i>	<i>Country of incorporation</i>	<i>Proportion of shares held</i>	<i>Nature of business</i>
<i>Direct:</i>			
Vent-Axia Group Limited	England	100%	Air movement products
Vent-Axia Ventilation Limited	Ireland	100%	Air movement products
Adaptaflex Pty Limited	Australia	100%	Cable protection systems
<i>Indirect:</i>			
Cable Management Products Limited	England	100%	Cable protection systems and electrical components
Torin Sifan Limited	England	100%	Air movement products
Adaptaflex Limited	England	100%	Unremunerated agent
Anda Products Limited	England	100%	Unremunerated agent
Axia Fans Limited	England	100%	Dormant
Elkay Electrical Manufacturing Company Limited	England	100%	Unremunerated agent
Harnessflex Limited	England	100%	Unremunerated agent
Kopex International Limited	England	100%	Unremunerated agent
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

9. Debtors

	<i>2006</i>	<i>2005</i>
	<i>£000</i>	<i>£000</i>
Amounts falling due within one year:		
Amounts owed by group undertakings	2,730	4,002
Other debtors	-	9
	<u>2,730</u>	<u>4,011</u>

Notes to the financial statements

at 31 July 2006

10. Creditors

	2006 £000	2005 £000
Amounts falling due within one year:		
Bank loans (note 11)	–	5,750
Unamortised finance costs	–	(87)
	–	5,663
Amounts owed to other group undertakings	2,595	555
Other creditors	54	550
	2,649	6,768
Amounts falling due in more than one year:		
Bank loans (note 11)	–	38,500
Unamortised finance costs	–	(375)
Amounts owed to parent company	91,981	57,587
	91,981	95,712

11. Bank loans

	2006 £000	2005 £000
Analysis of the maturity of bank debt:		
In one year or less	–	5,750
In more than one but not more than two years	–	6,250
In more than two but not more than five years	–	32,250
	–	44,250

On 27 July 2006, the Company repaid in full the outstanding balance of the bank loan, plus accrued interest thereon to that date.

On 27 July 2006 the Company bought out the interest rate swap agreement with Lloyds TSB Bank plc which was linked to the above loan.

These transactions were made possible by drawing additional loan funds from the parent company.

Notes to the financial statements

at 31 July 2006

12. Called up share capital

	2006 £	2005 £
Authorised, issued and fully paid <i>Ordinary shares of £1 each</i>	1	1

13. Reconciliation of shareholders' funds and movement on reserves

	Ordinary share capital £000	Profit and loss account £000	Total £000
At 2 August 2004	–	8,577	8,577
Retained loss for the year	–	(240)	(240)
At 31 July 2005	–	8,337	8,337
Retained profit for the year	–	6,659	6,659
At 31 July 2006	–	14,996	14,996

14. Contingent liabilities

With effect from 27 July 2006, the company guarantees bank loans of £122,500,000 held by Darwin Mezzanine Limited with Royal Bank of Scotland plc on a joint and several basis with other group companies. 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 members of the Volusion Holdings Limited group, as over 90% of voting rights are controlled within the group and group financial statements in which the company is consolidated are publicly available.

16. Parent undertaking and controlling party

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, and the Company's ultimate controlling party until 27 July 2006, is Volusion Holdings Limited. Copies of the group financial statements may be obtained from the Company Secretary, Fleming Way, Crawley, West Sussex, RH10 9YX.

On 27 July 2006, the entire share capital of Volusion Holdings Limited was acquired by Darwin Mezzanine Limited whose ultimate parent company in the U.K. is Darwin Equity Limited. The ultimate parent company of Darwin Equity Limited is ABN Amro Holding N.V., a company incorporated in The Netherlands. ABN Amro Holding N.V. represents the largest group of undertakings for which group financial statements are prepared and of which the company is a member.