

# Aavid Thermalloy UK Holdings Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2006

Company Registration No 3859614

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COMPANIES HOUSE

# Aavid Thermalloy UK Holdings Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

B R Patel  
J W Mitchell

### SECRETARY

B R Ally

### COMPANY NUMBER

3859614 (England and Wales)

### REGISTERED OFFICE

Cheney Manor  
Swindon  
SN2 2QN

### AUDITORS

Baker Tilly UK Audit LLP  
Springpark House  
Basing View  
Basingstoke  
Hampshire  
RG21 4HG

### BANKERS

HSBC Bank Plc  
Swindon Civic Centre Branch  
Swindon  
SN1 1PW

### SOLICITORS

Macfarlanes  
10 Norwich Street  
London  
EC4A 1BD

# Aavid Thermalloy UK Holdings Limited

## DIRECTORS' REPORT

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The directors present their report and financial statements of Aavid Thermalloy UK Holdings Limited for the year ended 31 December 2006

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a holding company. The directors do not expect any changes in the activity of the company in the foreseeable future.

The financial statements have been prepared on a going concern basis as the ultimate parent company, Aavid Thermal Products, Inc., has confirmed its continued financial support to the company for the foreseeable future and, accordingly, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

On 1 May 2006, Aavid Thermal Technologies, Inc., a US corporation and until such date the ultimate parent company of the company, completed a series of mergers pursuant to a merger agreement with ANSYS, Inc. ("ANSYS"), certain of ANSYS's affiliates, Fluent Inc. ("Fluent"), and, for certain limited purposes described therein, Willis Stein & Partners II, L.P., and related investors ("Willis Stein"). Pursuant to these mergers, ANSYS acquired directly or indirectly all of the outstanding stock of Aavid Thermal Technologies, Inc. and Fluent. Aavid Thermal Technologies, Inc. and Fluent are now indirect subsidiaries of ANSYS.

Immediately prior to these mergers, Aavid Thermal Technologies, Inc. effected a spin-off of Aavid Thermal Products, Inc. to Willis Stein and other former investors in Aavid Thermal Technologies, Inc. As a result of this spin-off, Aavid Thermal Products, Inc., a company registered in the United States of America, is now the ultimate parent company and ultimate controlling party of the company.

### REVIEW OF THE BUSINESS

The main risks arising from the company's financial instruments are interest rate risk, foreign currency risk and credit risk. The board of directors regularly review and agrees policies for managing these risks and the company's finance department are responsible for implementing these policies.

The directors do not consider the company to have any significant exposure to interest rate risk as all interest bearing debts are in the form of loan facilities provided by fellow group companies. The company does not trade in any interest rate derivatives.

Potential exposures to foreign currency exchange rate movements are monitored through rolling cash flow forecasts in all currencies in which the company operates. These are reviewed monthly by the Financial Controller and appropriate actions taken to manage any open foreign currency positions.

The company trades only with fellow group companies and as such the directors do not consider the company to have any significant exposure to credit risk.

### RESULTS AND DIVIDENDS

The trading loss for the year was £320,000.

### DIRECTORS

The following directors have held office since 1 January 2006:

B R Patel  
J W Mitchell

# Aavid Thermalloy UK Holdings Limited

## DIRECTORS' REPORT (CONTINUED)

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### DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows

	A Ordinary Shares of £1 each	
	31 12 06	01 01 06
B R Patel	-	-
J W Mitchell	-	-

	B Ordinary Shares of £1 each	
	31 12 06	01 01 06
B R Patel	-	-
J W Mitchell	-	-

None of the directors at 31 December 2006 had any beneficial interest in the shares of the company that requires disclosure under Schedule 7 of the Companies Act 1985. As permitted by Statutory Instrument 1985 No 902, the directors are not required to disclose their interests and options in the ordinary share capital of the ultimate parent company.

Aavid Thermalloy, LLC, the company's immediate parent company, has granted an indemnity to one or more of the company's directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board

B R Patel  
Director



26 July 2007

# Aavid Thermalloy UK Holdings Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 that 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 AUDITOR'S REPORT TO THE MEMBERS OF AAVID THERMALLOY UK HOLDINGS LIMITED

We have audited the financial statements on pages 6 to 12

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 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 the directors and auditor**

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and 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 and 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

## **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2006 and of its loss for the year then ended and 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.

*Baker Tilly UK Audit LLP*

BAKER TILLY UK AUDIT LLP  
Registered Auditor  
Chartered Accountants  
Springpark House  
Basing View  
Basingstoke  
Hampshire  
RG21 4HG

*13 August 2007*

# Aavid Thermalloy UK Holdings Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2006

	<i>Notes</i>	2006 £000s	2005 £000s
OPERATING LOSS		-	-
Interest payable	1	320	321
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(320)	(321)
Taxation	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	9	(320)	(321)

The operating loss for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

# Aavid Thermalloy UK Holdings Limited

## BALANCE SHEET

31 December 2006

	Notes	2006 £000s	2005 £000s
<b>FIXED ASSETS</b>			
Investments	5	4,583	4,583
<b>CURRENT ASSETS</b>			
Debtors	6	1,346	1,346
CREDITORS Amounts falling due within one year	7	7,287	6,967
<b>NET CURRENT LIABILITIES</b>		(5,941)	(5,621)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(1,358)	(1,038)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	5,142	5,142
Share premium account	9	3,000	3,000
Profit and loss account	9	(9,500)	(9,180)
<b>SHAREHOLDERS' FUNDS</b>	10	(1,358)	(1,038)

The financial statements on pages 6 to 12 were approved by the board of directors and authorised for issue on and are signed on its behalf by

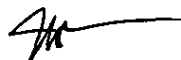
7/26/07

B R Patel

Director



AMTS 7/26/07





# Aavid Thermalloy UK Holdings Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

### GOING CONCERN

The financial statements have been prepared on a going concern basis as the ultimate parent company Aavid Thermal Products, Inc, has confirmed its continued financial support to the company for the foreseeable future and, accordingly the directors believe it is appropriate to prepare the financial statements on a going concern basis

The company has taken advantage of the exemption available under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements. The financial statements therefore purely reflect the company as an individual undertaking

### INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value

### 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

### FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

# Aavid Thermalloy UK Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

1	INTEREST PAYABLE	2006 £000s	2005 £000s
	On amounts payable to group undertakings	320	321

## 2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditor's remuneration for audit services of 2006 of £3,000 (2005 £2,000) is paid by a fellow group undertaking and therefore included in the financial statements of that company

## 3 EMPLOYEES

There were no employees during the year apart from the directors

## DIRECTORS REMUNERATION

The remuneration of the directors of the company has been borne by fellow group companies as the directors are also officers and directors of a number of companies with the Aavid Thermal Products, Inc, group. The directors' services to the company do not occupy a significant amount of their time and as such the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended 31 December 2006.

4	TAXATION	2006 £000s	2005 £000s
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(320)	(321)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 30.00% (2005 30.00%)	(96)	(96)
	Effects of		
	Non deductible expenses	-	35
	Tax losses utilised	-	61
	Other tax adjustments	96	-
		96	96
	Current tax charge	-	-

## DEFERRED TAX

A deferred tax asset of £96,000 (2005 £nil) exists at the year end. The asset is made up of trading losses. This asset has not been recognised in the accounts.

**Aavid Thermalloy UK Holdings Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2006**

**5 FIXED ASSET INVESTMENTS**

	<i>Shares in group undertakings</i>
	£000s
Cost	
1 January 2006 and 31 December 2006	10,261
Provisions for diminution in value	
1 January 2006 and 31 December 2006	5,678
Net book value	
31 December 2006	4,583

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

**Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Class</b>	<b>Shares held</b>	<b>%</b>
<b>Subsidiary undertakings</b>				
Aavid Thermalloy Limited	England and Wales	Ordinary		100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	<b>Capital and reserves</b>	<b>Profit for the year</b>
	<b>2006</b>	<b>2006</b>
	<b>£000s</b>	<b>£000s</b>
Aavid Thermalloy Limited	4,772	(418)

<b>6 DEBTORS</b>	2006	2005
	£000s	£000s
Due within one year		
Amounts owed by group undertakings	1,346	1,346
<b>7 CREDITORS</b> Amounts falling due within one year	2006	2005
	£000s	£000s
Amounts owed to group undertakings	7,287	6,967

**Aavid Thermalloy UK Holdings Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2006

8	SHARE CAPITAL	2006 £000s	2005 £000s
	Authorised		
	6,000,000 A Ordinary shares of £1 each	6,000	6,000
	7,520,200 B Ordinary shares of £1 each	7,520	7,520
		<u>13,520</u>	<u>13,520</u>
	Allotted, issued and fully paid		
	2,000,200 A Ordinary shares of £1 each	2,000	2,000
	3,141,690 B Ordinary shares of £1 each	3,142	3,142
		<u>5,142</u>	<u>5,142</u>

On 17 May 2006, the 3,141,690 issued 'B' ordinary shares, which were held by Fluent UK Holdings Limited, were acquired by Aavid Thermalloy, LLC, incorporated and registered in the United States of America, at their nominal value. As a result, Aavid Thermalloy, LLC is now the immediate parent company.

9 STATEMENT OF MOVEMENT ON RESERVES

	<i>Share premium account £000s</i>	<i>Profit and loss account £000s</i>
1 January 2006	3,000	(9,180)
Retained loss for the year	-	(320)
31 December 2006	<u>3,000</u>	<u>(9,500)</u>

10	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2006 £000s	2005 £000s
	Loss for the financial year	(320)	(321)
	Opening shareholders' funds	(1,038)	(717)
	Closing shareholders' funds	<u>(1,358)</u>	<u>(1,038)</u>

At 31 December 2006, the Company's debt to equity ratio is greater than 1:1. The Company has ongoing plans to review its equity structure during the 2007 and 2008 years and if deemed necessary, convert intercompany debt to equity in an amount sufficient to maintain adequate capitalization.

# Aavid Thermalloy UK Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### for the year ended 31 December 2006

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#### 11 CONTROL

The immediate parent company is Aavid Thermalloy, LLC, a company incorporated and registered in the United States of America.

On 1 May 2006, Aavid Thermal Technologies, Inc, a US corporation and until such date the ultimate parent company of the company, completed a series of mergers pursuant to a merger agreement with ANSYS, Inc ("ANSYS"), certain of ANSYS's affiliates, Fluent Inc ("Fluent"), and, for certain limited purposes described therein, Willis Stein & Partners II, L P, and related investors ("Willis Stein"). Pursuant to these mergers, ANSYS acquired directly or indirectly all of the outstanding stock of Aavid Thermal Technologies, Inc and Fluent. Aavid Thermal Technologies, Inc and Fluent are now indirect subsidiaries of ANSYS.

Immediately prior to these mergers, Aavid Thermal Technologies, Inc affected a spin-off of Aavid Thermal Products, Inc to Willis Stein and other former investors in Aavid Thermal Technologies, Inc. As a result of this spin off, Aavid Thermal Products, Inc, a company registered in the United States of America, is now the ultimate parent company and ultimate controlling party of the company.

The consolidated financial statements of Aavid Thermal Products, Inc are available from 70 Commercial Street, Suite 200, Concord, New Hampshire 03301, United States of America.

#### 12 RELATED PARTY TRANSACTIONS

At 31 December 2006, the company was a wholly owned subsidiary of Aavid Thermal Products, Inc, a company registered in the United States of America, which prepares consolidated financial statements which are publicly available, and has therefore taken advantage of the exemption available under FRS 8 'Related Party Disclosures' from disclosing the details of transactions with other companies in the Aavid Thermal Products, Inc Group. There are no other related party transactions.