Windmill Midco Limited

Report and Financial Statements

31 July 2015

Directors
R A George
I Dew

Auditor
Ernst & Young LLP
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London SE1 2AF

Registered Office
Fleming Way
Crawley
West Sussex
RH10 9YX

Strategic report

The directors of Windmill Midco Limited ('the Company') present their strategic report for the year ended 31 July 2015.

Principal activity and review of the business

Windmill Midco Limited is an intermediate parent undertaking that, prior to a group re-organisation which was completed during the year, directly and indirectly held investments in a number of subsidiaries. The trading subsidiaries were 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.

During the year the group headed by Volution Group plc ('the Group') underwent a re-organisation. As the Group had grown and been through various rounds of ownership and re-financing the Group structure had evolved accordingly. Because the Group is now fully listed it was necessary to simplify the Group corporate structure and remove dividend blocks, as initially described in the IPO prospectus (pages 207 and 208).

The simplification of the corporate structure involved the movement "sideways" of four subsidiary holding companies out of the dividend chain, which included the Company. This "sideways" movement was achieved by selling the Company's indirect shareholding in Volution Holdings Limited (and its indirectly held subsidiaries) to Volution Group plc. This resulted in four holding companies, including the Company, no longer owning any trading subsidiaries either directly or indirectly.

Once the sale completed, the Company settled its sundry assets and liabilities and distributed its remaining assets to its ultimate parent company, Volution Group plc.

The re-organisation resulted in the following:

- The purchase of one share in its direct subsidiary, Windmill Cleanco Limited, for £99,174,000;
- a bonus issue of one share to its shareholder at a premium of £26,626,000;
- a capital reduction which decreased the nominal value of share capital from £1.00 per share to £0.000001 per share and cancelled the amount on the share premium account with it becoming distributable on transfer to the profit and loss account;
- the Company released its direct parent from an amount owed of £129,837,000;
- an impairment to its investment in subsidiaries of £163,895,000; and
- receipt of a waiver of debt from its subsidiary company of £133,488,000.

Change in reporting framework

During the year, the company transitioned from UK GAAP to FRS 101 - Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, Windmill Topco Limited, was notified of and did not object to the use of the disclosure exemptions available under FRS 101. There were no material recognition and measurement differences arising on adoption of FRS 101.

Principal risks and uncertainties

Given the changes in the year as described above, the directors do not consider that there are any principal risks or uncertainties facing this Company at 31 July 2015.

On behalf of the Board

Ian Dew
Director
17 December 2015

Directors' report

The directors of Windmill Midco Limited ('the Company') present their report and financial statements for the year ended 31 July 2015.

Directors

The directors who served the Company during the year and subsequent to the year-end are set-out on page 1.

Results and dividends

The Company generated a loss for the year after tax of £23,557,000 (2014 – loss of £1,817,000) as a result of the impairment of its investments.

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 directors confirm that after making appropriate enquiries, they have a reasonable expectation that the Company has adequate support from its ultimate parent company, Volution Group plc, 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.

Disclosure of information to the auditor

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.

Re-appointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed for reappointment of Ernst & Young LLP as auditor of the Company.

On behalf of the Board

Ian Dew
Chief Financial Officer
17 December 2015

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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.

Independent auditors' report to the members of Windmill Midco Limited

We have audited the financial statements of Windmill Midco Limited for the year ended 31 July 2015 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 11. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially inconsistent based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 at 31 July 2015 and of its loss 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Windmill Midco Limited (continued)

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

Zishan Nurmohamed (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
London
Date 18/12/15

Statement of comprehensive income

For the year ended 31 July 2015

	Notes	2015 £000	2014 £000
Impairment of investments	7	(163,895)	-
Operating loss	3	(163,895)	-
Income from shares in group undertakings		133,488	
Interest receivable and similar income	4	6,896	7,491
Interest payable and other similar expenses	4	(46)	(6,799)
(Loss)/profit on ordinary activities before tax		(23,557)	692
Income tax	6	-	(2,509)
Loss for the year		(23,557)	(1,817)
Other comprehensive income		-	-
Total comprehensive expense		(23,557)	(1,817)

Results of the current and prior years arise solely from continuing operations.

Statement of financial position

At 31 July 2015

	Notes	2015 £000	2014 £000	As at 1 August 2013 £000
Fixed assets				
Investments	7	-	64,721	1,946
Current assets				
Deferred tax asset		-	-	6
Amounts owed by group companies falling due within one year		-	-	68
Amounts owed by group companies falling due after one year		-	92,373	113,996
Cash at bank and in hand		-	-	2,800
		-	92,373	116,870
Creditors: amounts falling due within one year				
Amounts owed to group companies		-	(2,503)	(921)
Net current assets		-	89,870	115,949
Total assets less current liabilities		-	154,591	117,895
Creditors: amounts falling due after one year				
Amounts owed to group companies		-	(1,197)	(117,222)
Net assets		-	153,394	673
Capital and reserves				
Share capital	8	-	1,946	1,946
Share premium		-	154,538	-
Profit and loss account		-	(3,090)	(1,273)
Total equity		-	153,394	673

The financial statements of Windmill Midco Limited (registered number 07889278) were approved by the Board of Directors and authorised for issue on 17 December 2015.

On behalf of the board

Ian Dew
Chief Financial Officer

Statement of changes in equity

For the year ended 31 July 2015

	Share capital *£000*	*Share premium* *£000*	*Profit and loss account* *£000*	*Total* *£000*
At 1 August 2013	1,946	-	(1,273)	673
Loss for the year	-	-	(1,817)	(1,817)
Shares issued during the year	-	154,538	-	154,538
At 31 July 2014	1,946	154,538	(3,090)	153,394
Loss for the year	-	-	(23,557)	(23,557)
Bonus issue	-	26,626	(26,626)	-
Capital reduction	(1,946)	(181,164)	183,110	-
Waiver of debt	-	-	(129,837)	(129,837)
At 31 July 2015	-	-	-	-

The re-organisation, during the year, resulted in the following:

- A bonus issue of one share to its shareholder at a premium of 26,626,000;
- a capital reduction which decreased the nominal value of share capital from £1.00 per share to £0.000001 per share and cancelled the amount on the share premium account with it becoming distributable on transfer to the profit and loss account; and
- the Company released its direct parent from an amount owed of £129,837,000.

Notes to the financial statements

at 31 July 2015

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

The financial statements present the results and financial position of Windmill Midco Limited ("the Company") for the year ended 31 July 2015. 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 17 December 2015 and the balance sheet was signed on the board's behalf by Ian Dew.

The Company has early adopted FRS 101, which is effective for accounting periods commencing after 1 January 2015. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£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 Windmill Midco Limited 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.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

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
- 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

Notes to the financial statements (continued)

at 31 July 2015

2. Accounting policies (continued)

Going concern

The directors confirm that after making appropriate enquiries, they have a reasonable expectation that the Company has adequate support from its ultimate parent company Volution Group plc 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.

Turnover recognition

Interest receivable and similar income

Turnover 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.

Financial assets

Recognition and measurement

Financial assets within the scope are classified as loans and receivables or available-for-sale financial assets.

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 short-term deposits, trade and other receivables and loan notes.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable and similar income in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

Available-for-sale financial assets

Available-for-sale financial investments include equity securities. Equity investments classified as available-for sale are those which are neither classified as held for trading nor designated at fair value though profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the unrealised gains and losses reserve. When the investment is derecognised, the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is recognised in the income statement in other operating expenses and removed from the unrealised gains and losses reserve.

The Company evaluates its available-for-sale financial assets and whether the ability and intent to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intent significantly changes to do so in the foreseeable future, the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and when the Company has the intent and ability to hold these assets for the foreseeable future or until maturity.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Notes to the financial statements (continued)

at 31 July 2015

2. Accounting policies (continued)

Financial liabilities (continued)

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in interest receivable and similar income and interest payable and similar expenses.

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.

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 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 enforcement 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.

Notes to the financial statements (continued)

at 31 July 2015

2. Accounting policies (continued)

Other debtors

Other debtors are recognised when it is probable that a future economic benefit will flow to the Company. Other debtors are carried at original invoice or contract amount less any provisions for discounts and doubtful debts. Provisions are made where there is evidence of a risk of non-payment taking into account ageing, previous experience and general economic conditions.

Cash and cash equivalents

Cash and short-term deposits comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

Investments

Investments are held at cost less accumulated impairment losses. The carrying value is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Dividends

Dividends are recognised when they meet the criteria for recognition as a liability. In relation to final dividends, this is when the dividend is approved by the directors in the general meeting, and in relation to interim dividends, when paid.

New standards and interpretations

The following standards and interpretations have an effective date after the date of these financial statements. The Company plans to adopt them from the effective dates adopted by EU and although limited impact assessment work has been completed, the Company does not foresee any material impact.

Standard or interpretation	*Title*	*Effective for accounting periods beginning on or after*
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2018
IFRS 15	Turnover from Contracts with Customers	1 January 2018

3. Operating loss

The current and prior year audit fees were borne by a fellow group undertaking.

4. Interest receivable and payable

	2015	*2014*
	£000	*£000*
Interest receivable and similar income:		
Interest received on amounts owed by group companies	6,896	7,491
Total interest receivable and similar income	6,896	7,491
Interest payable and similar expenses:		
Interest payable on amounts owed to group companies	(46)	(6,799)
Total interest payable and similar expenses	(46)	(6,799)

5. Directors' remuneration

No remuneration was paid or is payable to the directors in their capacity as directors of the Company (2014 – £nil). 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 £1,102,000 (2014 – £1,691,000). It is not possible to identify the proportion of this remuneration that relates to services to this Company.

Notes to the financial statements (continued)

at 31 July 2015

6. Income taxes

(a) Income tax recognised in (loss)/profit for the year:

	2015 £000	2014 £000
Current income tax:		
Current income tax expense	-	1,209
Tax credit relating to the prior year	-	1,294
Total current tax charge	-	2,503
Deferred tax:		
Origination and reversal of temporary differences	-	1
Tax expense relating to prior years	-	5
Total deferred tax	-	6
Net tax charge	-	2,509

(b) Reconciliation of total tax

The tax charge for the year differs from the standard rate of UK corporation tax for the year of 20.67% (2014 – 22.33%). The differences are reconciled below:

	2015 £000	2014 £000
(Loss)/profit before tax	(23,557)	692
(Loss)/profit before tax multiplied by the standard rate of corporation tax in the UK of 20.67% (2014 – 22.33%)	(4,869)	155
Adjustment in respect of previous years	-	1,294
Expenses not deductible for tax purposes	6,285	1,055
Short term timing difference	-	(1)
Group relief claimed for nil payment	(1,416)	-
Net tax charge reported in the statement of comprehensive income	-	2,503

Notes to the financial statements (continued)

at 31 July 2015

7. Investments

	2015 £000
Cost:	
At 1 August 2013	1,946
Additions	62,775
31 July 2014	64,721
Additions	99,174
Impairment	(163,895)
31 July 2015	-

The investment at 1 August 2013 and 31 July 2014 represents a 100% shareholding in Windmill Cleanco Limited (an intermediate parent undertaking), incorporated in England and Wales, which had interests in the Companies set out below:

Company	Country of incorporation	Proportion of shares held	Nature of business
Indirect:			
Windmill Bidco Limited	England	100%	Holding company
Volution Holdings Limited	England	100%	Holding company
Manrose Manufacturing Limited	England	100%	Air movement products
Volution Ventilation Group Limited (formerly Volution Limited)	England	100%	Holding Company
Torin Sifan Limited	England	100%	Air movement products
Anda Products Limited	England	100%	Unremunerated agent
Axia Fans Limited	England	100%	Dormant
Roof Units Limited	England	100%	Unremunerated agent
Torin Limited	England	100%	Unremunerated agent
Vent-Axia Limited	England	100%	Unremunerated agent
Vent-Axia Clean Air Systems Limited	England	100%	Unremunerated agent
Vent-Axia Group Limited	England	100%	Air movement products
Volution Holdings Sweden AB	Sweden	100%	Holding company
Fresh AB	Sweden	100%	Air movement products
Volution Norge AS (formerly Fresh Norge AS)	Norway	100%	Air movement products
Fresh Shanghai Limited	China	100%	Air movement products
PAX AB	Sweden	100%	Air movement products
PAX Norge AS	Norway	100%	Air movement products
Volution Management Holding GmbH	Germany	100%	Holding company
inVENTer GmbH	Germany	100%	Air movement products
Volution Deutschland Real Estate GmbH	Germany	100%	Property investment

Principal shareholdings were of ordinary shares giving rise to complete voting rights in each subsidiary.

The investment at 31 July 2015 represents a 100% shareholding in Windmill Cleanco Limited (an intermediate parent undertaking), incorporated in England and Wales.

Due to a group restructure in the year, at 31 July 2015, the Company's indirect shareholding only comprised Windmill Bidco Limited. The Company purchased one additional ordinary share of £1.00 in Windmill Cleanco Limited at a premium of £99,174,000. An impairment to the investment balance within the Company has also been recognised.

Notes to the financial statements (continued)

at 31 July 2015

8. Share capital

Allotted, called up and fully paid	No.	2015 £000	No.	2014 £000	No.	At 1 August 2013 £000
Ordinary shares of £1.00 each	-	-	1,945,509	1,946	1,945,509	1,946
Ordinary shares of £0.000001 each	1,945,510	-	-	-	-	-
		-		1,946		1,946

During the year the nominal value of ordinary share capital was reduced from £1.00 per share to £0.000001 and the Company issued one bonus share.

9. Related party transactions

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.

10. Controlling parties

The Company's immediate parent undertaking is Windmill Topco Limited.

The parent undertaking of the largest and smallest group for which consolidated financial statements were drawn up and include the results of the Company for the year ended 31 July 2015 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.

11. Transition to FRS 101

For all periods up to and including the year ended 31 July 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 July 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 August 2013 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 August 2013, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. There were no adjustments made by the Company in restating its balance sheet as at 1 August 2013 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 July 2014.

On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

Estimates

The estimates at 1 August 2013 and at 31 July 2014 are consistent with those made for the same dates in accordance with UK GAAP (after adjustments to reflect any differences in accounting policies).