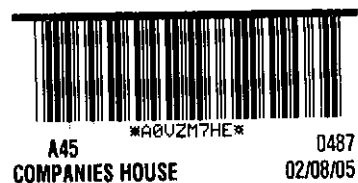


Tyco Thermal Controls (UK) Limited
Annual report and accounts
for the year ended 30 September 2003

Registered number: 03710607



Tyco Thermal Controls (UK) Limited
Annual report and accounts
for the year ended 30 September 2003
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Tyco Thermal Controls (UK) Limited

Directors and advisers for the year ended 30 September 2003

Directors

J Kansen

R Stokes (Resigned 4 July 2003)

M G Ward (Appointed 24 January 2003)

S Lemmens (Appointed 4 July 2003)

Secretary

G Latham

Registered Office

Victoria Road

Leeds

LS11 5UG

Independent Auditors

PricewaterhouseCoopers LLP

Benson House

33 Wellington Street

Leeds

LS1 4JP

Bankers

HSBC

2 Ecclestone Street

Prescot

L34 5QF

Tyco Thermal Controls (UK) Limited

Directors' report for the year ended 30 September 2003

The directors present their report and the audited financial statements of the company for the year ended 30 September 2003.

Principal activities

The principal activity of the company is to sell mineral insulated heating and wiring cables and related products under the Pyrotenax brand name primarily to construction and industrial markets throughout the world.

Review of business and future developments

Following the rationalisation during 2001, further changes have taken place. In order to create new synergies, the existing business of Raychem HTS Limited, part of the Tyco Thermal Controls reporting group, was relocated into the Washington site from 1 October 2003. This expands the Washington product range to include heat tracing cables and components, enhancing Tyco Thermal Controls UK Limited's position to service its customers and markets.

The directors do not recommend the payment of a dividend (2002: £Nil).

The loss sustained for the year ended September 2003 £1,034,000 (2002: £721,000) will be transferred to reserves.

Details of post balance sheet events are described in note 16.

Directors

The directors of the company are listed on page 1. The changes in directors during the year are as shown below.

J Kansen	
R Stokes	(Resigned 4 July 2003)
M G Ward	(Appointed 24 January 2003)
S Lemmens	(Appointed 4 July 2003)

Directors interests in shares of the company

The company's ultimate parent undertaking is incorporated outside the United Kingdom. As permitted by statutory instrument, the register of directors' shareholdings maintained in accordance with Section 325 of the Companies Act 1985, does not include the interests of directors in the shares of the parent undertaking.

No director has a beneficial interest in the shares of the company or other subsidiaries of the ultimate parent company and no contracts exist, other than service agreements with the company or other subsidiaries of the ultimate parent company in which the directors have an interest.

Tyco Thermal Controls (UK) Limited

Statement of directors' responsibilities

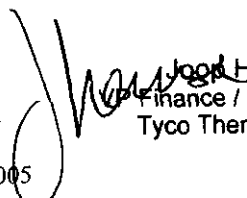
Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained in the statement of accounting policies. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2003, and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

On behalf of the board

J Kansen
Director
29 July 2005


J. H. Kansen
Finance / Controller EMEA
Tyco Thermal Controls

Tyco Thermal Controls (UK) Limited

Independent auditors' report to the members of Tyco Thermal Control (UK) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of accounting policies and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 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. However the evidence available to us was limited in respect of the corresponding amounts in the current year's financial statements which are derived from the financial statements for the year ended 30 September 2002. In our report on those financial statements we stated that we were unable to express an opinion on the profit for the year ended on that date because we were unable to substantiate the amount of stocks at 1 October 2001. Accordingly the corresponding amounts shown for the profit and loss account may not be comparable with the figures for the current year.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Tyco Thermal Controls (UK) Limited

Qualified opinion arising from limitation on audit scope

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2003 and of its loss and cash flows for the year then ended and, except for any adjustments that we might have found to be necessary had we been able to obtain sufficient evidence concerning the amount of stock at 1 October 2001 have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne
29 July 2005

Tyco Thermal Controls (UK) Limited

Profit and loss account for the year ended 30 September 2003

	Note	2003 £'000	2002 £'000
Turnover	1	11,057	12,751
Net operating costs	2	(11,824)	(13,154)
Operating loss		(767)	(403)
Profit on sale of fixed assets		-	139
Interest receivable		20	20
Interest payable and similar charges	3	(287)	(477)
Loss on ordinary activities before taxation		(1,034)	(721)
Tax on loss on ordinary activities	4	-	-
Loss for the year		(1,034)	(721)

All of the above activities relate to continuing operations.

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

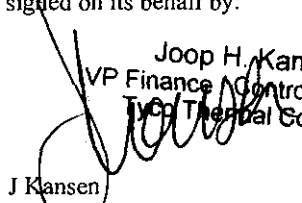
There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

Tyco Thermal Controls (UK) Limited

Balance sheet as at 30 September 2003

	Note	2003 £'000	2002 £'000
Fixed assets			
Tangible assets	5	603	161
Current assets			
Stock	6	2,064	2,222
Debtors	7	3,662	3,655
Cash at bank and in hand		986	1,903
		6,712	7,780
Creditors - Amounts falling due within one year	8	(7,720)	(11,263)
Net current liabilities		(1,008)	(3,483)
Net liabilities		(405)	(3,322)
Capital and reserves			
Called up share capital	10	9,924	5,973
Profit and loss account	11	(10,329)	(9,295)
Equity shareholders' deficit	12	(405)	(3,322)

The financial statements on pages 6 to 19 were approved by the board of directors on 29 July 2005 and were signed on its behalf by:


 Joop H. Kansen
 VP Finance / Controller EMEA
 Tyco Thermal Controls

 J Kansen
 Director

Tyco Thermal Controls (UK) Limited

Cash flow statement for the year ended 30 September 2003

	Year ended 30 September 2003 £'000	Year ended 30 September 2002 £'000
Cash (outflow)/inflow from operating activities	(152)	456
Returns on investment and servicing of finance		
Interest received	20	20
Interest paid	(287)	(477)
Net cash outflow from returns on investment and servicing of finance	(267)	(457)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(498)	-
Sale of tangible fixed assets	-	1,015
Net cash (outflow)/inflow from capital expenditure and financial investment	(498)	1,015
Cash (outflow)/inflow before financing	(917)	1,014
Financing		
Issue of ordinary share capital	3,951	-
Loans repaid	(3,951)	-
Net cash flow from financing	-	-
(Decrease)/increase in net cash	(917)	1,014

Tyco Thermal Controls (UK) Limited

Reconciliation of operating loss to net cash flow from operating activities

	2003 £'000	2002 £'000
Operating loss	(767)	(403)
Depreciation	56	209
Decrease in stocks	158	393
Increase in debtors	(7)	(89)
Increase in creditors	408	346
Net cash (outflow)/inflow from operating activities	(152)	456

Reconciliation of net cash flow to movement in net debt

	£'000
Net debt at 1 October 2002	7,048
Increase in net cash	(3,034)
Net debt at 30 September 2003	4,014

Analysis of net debt

	At 1 October 2002 £'000	Cash flow £'000	At 30 September 2003 £'000
Cash at bank and in hand	1,903	(917)	986
Debt due within 1 year	(8,951)	3,951	(5,000)
Total	(7,048)	3,034	(4,014)

Tyco Thermal Controls (UK) Limited

Statement of accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The accounts have been prepared on a going concern basis which assumes the support of the parent undertaking. The directors have received a letter from Tyco Group SARL confirming that support will be provided for a year at least 12 months from the date of approval of these financial statements. A summary of the more important accounting policies is set out below.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, or if hedged, at the forward contract rate.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All gains and losses arising are charged directly to the profit and loss account.

Tangible fixed assets

Tangible fixed assets, other than freehold land, are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:-

Plant and machinery, fixtures and fittings	10% to 33 1/3 %
--	-----------------

Leases

Assets held under hire purchase arrangements are initially reported at the fair value of the asset with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is depreciated over its useful economic life. Finance costs are allocated to accounting periods to produce a constant rate of charge on the outstanding balance. Rentals are apportioned between finance costs and reduction of the liability, and allocated to cost of sales and other operating expenses as appropriate.

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all appropriate production overheads in bringing each product to its present location and condition. Provision is made for obsolete, slow-moving or defective items where appropriate.

Turnover

Turnover is recognised at the point of despatch and represents the invoiced amount of goods sold and services provided (stated net of value added tax and discounts).

Tyco Thermal Controls (UK) Limited

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 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. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

Pensions

The Company participated in the General Cable Pension Scheme until 8 March 2001. The Pension Scheme was a defined benefit type with the assets held in separate Trustee Administered Funds. Since 9 March 2001, the Company has operated a Defined Contribution Benefit Scheme.

Pension contributions for the defined contribution benefit scheme are charged to profit and loss account as incurred.

Tyco Thermal Controls (UK) Limited

Notes to the financial statements for the year ended 30 September 2003

1 Segmental reporting

Turnover and loss before taxation are derived wholly from the company's principal activity. All turnover arises in the United Kingdom.

Turnover by customer location	2003 £'000	2002 £'000
United Kingdom	6,592	7,452
Europe (excluding UK)	2,568	2,838
North and South America	490	855
Middle East	750	799
Asia and Australia	632	768
Africa	25	39
	11,057	12,751

2 Net operating expenses

	2003 £'000	2002 £'000
Change in stocks of finished goods and work in progress	79	(1,130)
Raw materials and consumables	6,850	7,657
Other external charges	212	481
Staff costs	2,804	4,045
Depreciation and other amounts written off tangible fixed assets	56	209
Other operating charges	1,823	1,892
	11,824	13,154

Tyco Thermal Controls (UK) Limited

Net operating costs include the following:

	2003 £'000	2002 £'000
Operating lease rentals		
- plant and machinery	59	114
- other	158	135
Auditors remuneration		
- for audit services	30	30

Employee information and directors' remuneration

The average monthly number of persons (including executive directors) employed by the company during the period was:

By activity	2003	2002
Production	67	83
Selling, distribution and administration	31	57
	98	140

Staff costs (for the above persons)	2003 £'000	2002 £'000
Wages and salaries	2,266	3,006
Social security costs	185	253
Redundancy	249	668
Other pension costs	104	118
	2,804	4,045

Directors' emoluments during the year were £Nil (2002: £Nil).

3 Interest payable and similar charges

	2003 £'000	2002 £'000
On long term loan from group company	287	471
On bank loan and overdrafts repayable within 5 years	-	6
	287	477

Tyco Thermal Controls (UK) Limited

4 Tax on loss on ordinary activities

(a) Analysis of charge in the period

	2003 £'000	2002 £'000
<i>Current tax:</i>		
UK corporation tax on losses of the period	-	-
Total current tax (Note 4 (b))	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences	-	-
Tax on profits on ordinary activities	-	-

(b) Factors affecting tax charge for the period

The tax assessed for the period is different to the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £'000	2002 £'000
Loss on ordinary activities before tax	(1,034)	(721)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	(310)	(216)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	90	140
Accelerated capital allowances / other timing differences	25	65
Group relief surrendered not paid	195	-
Capital transactions	-	11
Current tax charge for the period (note 4 (a))	-	-

(c) Factors that may affect future tax charges

No provision has been made for the deferred tax asset, see note 9, on the basis that all of the losses may not be utilised in future years.

Tyco Thermal Controls (UK) Limited

5 Tangible fixed assets

	Plant and machinery, fixtures & fittings
	£'000
Cost or valuation	
At 1 October 2002	272
Additions	498
At 30 September 2003	770
Depreciation	
At 1 October 2002	(111)
Charge for the period	(56)
At 30 September 2003	(167)
Net book amount	
At 30 September 2003	603
At 30 September 2002	161

6 Stocks

	2003 £'000	2002 £'000
Raw materials and consumables	93	172
Work in progress	-	167
Finished goods	1,971	1,883
	2,064	2,222

Tyco Thermal Controls (UK) Limited

7 Debtors

	2003 £'000	2002 £'000
Trade debtors	3,197	3,352
Amounts owed by fellow subsidiary undertakings	298	183
Prepayments and accrued income	111	85
Other debtors	56	35
	3,662	3,655

8 Creditors – Amounts falling due within one year

	2003 £'000	2002 £'000
Trade creditors	1,775	1,278
Amounts owed to fellow subsidiary undertakings	611	635
Amounts owed to parent undertaking	5,058	8,951
Other taxation and social security	66	58
Other creditors and accruals	210	341
	7,720	11,263

The amounts owed to parent undertakings are unsecured, have no fixed repayment date and carry interest rates of 3 month GBP LIBOR + 1.0%.

9 Deferred taxation

The potential deferred tax asset not provided in the accounts comprises:

	2003 £'000	2002 £'000
Depreciation in excess of capital allowances	221	199
Short term timing differences	-	10
Pension provision	4	-
Losses	1,494	1,723
	1,719	1,932

Tyco Thermal Controls (UK) Limited

10 Called up share capital

	2003 £'000	2002 £'000
Authorised		
25,000,000 (2002: 6,000,000) ordinary shares of £1	25,000	6,000
Allotted and fully paid		
9,924,000 (2002: 5,973,100) ordinary shares of £1	9,924	5,973

On 10 January 2003 the authorised share capital was increased to 25,000,000 and on 24 January 2003 3,951,000 ordinary shares of £1 each were issued at par for cash.

11 Reserves

	Profit and loss account £'000
At 1 October 2002	(9,295)
Loss for the period	(1,034)
At 30 September 2003	(10,329)

12 Reconciliation of movements in shareholders' funds

	2003 £'000	2002 £'000
Opening deficiency of equity shareholders' funds	(3,322)	(2,601)
Loss for the period	(1,034)	(721)
Increase in share capital	3,951	-
Closing deficiency of equity shareholders' funds	(405)	(3,322)

Tyco Thermal Controls (UK) Limited

13 Financial commitments

Operating leases

At 30 September 2003, the company had the following annual commitments under non-cancellable operating leases expiring as follows:

	2003		2002	
	Land and buildings £'000	Plant and machinery £'000	Land and buildings £'000	Plant and machinery £'000
Within one year	-	37	-	52
Between two and five years, inclusive	-	6	-	10
After five years	180	-	180	-
	180	43	180	62

14 Parent undertaking and controlling party

The company is a wholly owned subsidiary undertaking of Tyco Group SARL, a company registered in Luxembourg, which is the smallest group of undertakings for which group financial statements are prepared.

The ultimate parent company and controlling is Tyco International Ltd, a company incorporated in Bermuda. Copies of the group financial statements may be obtained from the Company Secretary, Tyco International Ltd, The Gibbons Building, 10 Queen Street, Hamilton HM11, Bermuda.

15 Pensions

The Company operates a Defined Contribution Pension Scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The total pension cost for the year were £104,000 (2002: £118,000).

16 Post Balance Sheet Events

On 1 October 2003 the company acquired the trade and assets of Raychem HTS Limited, another group company. The consideration paid for the trade and assets was not significant.

Tyco Thermal Controls (UK) Limited

17 Related party transactions

During the period the company made the following purchases and sales from Tyco Group Companies:

	2003 £'000	2002 £'000
Purchases:		
Pyrotenax Canada	1,353	2,090
Sales:		
Pyrotenax Canada	46	256
Raychem Belgium	149	71
Raychem HTS UK	-	15
Thorin and Thorin Sweden	189	243
Tyco Flow Control Pacific	305	-
Tyco Pumping and Controls New Zealand	20	-
Isopad Germany	64	74
TTC Holland	61	-
TTC Norway	18	19

Amounts owed by and to Tyco Group Companies include the following:

	2003 £'000	2002 £'000
Owed by:		
Tyco Flow Control Pacific	139	-
TTC Canada	38	36
TTC Belgium	40	41
TTC Nordic	43	-
TTC Germany	26	-
Raychem HTS	-	17
Thorin & Thorin Sweden	-	74
Owed to:		
Tyco Group SARL	5,058	8,951
Pyrotenax Canada	585	635
TTC Sweden	26	-