

**TYCO THERMAL CONTROLS (UK)
LIMITED**

Report and Financial Statements

30 September 2004



**Deloitte & Touche LLP
Leeds**

TYCO THERMAL CONTROLS (UK) LIMITED

2004 REPORT AND FINANCIAL STATEMENTS

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TYCO THERMAL CONTROLS (UK) LIMITED

2004 REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Kansen
S Lemmens
C Vermeulen
A Hampton

SECRETARY

G Latham

REGISTERED OFFICE

Victoria Road
Leeds
LS11 5UG

BANKERS

Barclays Bank PLC
PO Box 729
I Capability Green
Luton
LU1 3US

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

TYCO THERMAL CONTROLS (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements for the year ended 30 September 2004

PRINCIPAL ACTIVITY

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 THE BUSINESS AND FUTURE DEVELOPMENTS

The directors do not recommend the payment of a dividend (2003 nil)

The profit for the year of £337,000 (2003 loss of £1,034,000) will be added to reserves

The directors consider the performance of the company as a whole, for the period under review to be satisfactory, and consider the prospects of the business to be reasonable

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were

J Kansen
S Lemmens
C Vermeulen
A Hampton

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

AUDITORS

Pricewaterhouse Cooper LLP resigned as auditors. Deloitte & Touche LLP were appointed to fill the casual vacancy arising. A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



A Hampton
Director

19 April 2007

TYCO THERMAL CONTROLS (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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,
- state whether applicable accounting standards have been followed, 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 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 TYCO THERMAL CONTROLS (UK) LIMITED

We have audited the financial statements of Tyco Thermal Controls (UK) Limited for the year ended 30 September 2004 which comprise the profit and loss account, the balance sheet, cash flow statement and the related notes 1 to 22. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 of the state of the company's affairs as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

19 April 2007.

TYCO THERMAL CONTROLS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 September 2004

	Note	2004 £'000	2004 £'000	2003 £'000	2003 £'000
TURNOVER	2		17,961		11,057
Exceptional Costs	4	(1,053)		-	
Other net operating cost	5	(17,769)		(11,824)	
Total net operating cost			(18,822)		(11,824)
OPERATING LOSS	6		(861)		(767)
Interest receivable			14		20
Interest payable and similar charges	7		(309)		(287)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(1,156)		(1,034)
Tax on loss ordinary activities before taxation	8		1,493		-
PROFIT/(LOSS) FOR THE YEAR			337		(1,034)

All of the above activities relate to continuing operations

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

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

The accompanying notes are an integral part of profit and loss account.

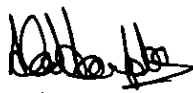
TYCO THERMAL CONTROLS (UK) LIMITED

BALANCE SHEET

As at 30 September 2004

	Note	2004 £'000	2003 £'000
FIXED ASSETS			
Tangible assets	9	<u>648</u>	<u>603</u>
CURRENT ASSETS			
Stock	10	2,662	2,064
Debtors	11	8,021	3,662
Cash at bank and in hand		<u>835</u>	<u>986</u>
		11,518	6,712
CREDITORS: Amounts falling due within one year	12	<u>(12,234)</u>	<u>(7,720)</u>
NET CURRENT LIABILITIES		<u>(716)</u>	<u>(1,008)</u>
NET LIABILITIES		<u>(68)</u>	<u>(405)</u>
CAPITAL AND RESERVES			
Called up share capital	14	9,924	9,924
Profit and loss account		<u>(9,992)</u>	<u>(10,329)</u>
EQUITY SHAREHOLDERS' DEFICIT	16	<u>(68)</u>	<u>(405)</u>

The financial statements were approved by the board of directors on *19 April 2007* and signed on its behalf by


A Hampton
Director

The accompanying notes are an integral part of this balance sheet

TYCO THERMAL CONTROLS (UK) LIMITED

CASH FLOW STATEMENT Year ended 30 September 2004

	Note	2004 £'000	2003 £'000
Net cash inflow/(outflow) from operating activities	17	388	(152)
Returns on investments and servicing of finance	18	(295)	(267)
Capital expenditure and financial investment	18	(244)	(498)
Net cash outflow before financing		(151)	(917)
Financing			
Issue of ordinary share capital		-	3,951
Loans repaid		-	(3,951)
Net cash from financing		-	-
Decrease in cash for the year		(151)	(917)

The accompanying notes are an integral part of this cash flow statement.

TYCO THERMAL CONTROLS (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 2004

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

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.

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, 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, computer equipment, fixture and fittings	10% to 33⅓%
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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 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 terms.

Stocks

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

Taxation

Current tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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.

TYCO THERMAL CONTROLS (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2004

1. ACCOUNTING POLICIES (continued)

Taxation

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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 or substantially enacted by the balance sheet date

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 trade discounts)

Pension scheme arrangements

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.

2. TURNOVER

The split of turnover by geographical market is as follows

	2004 £'000	2003 £'000
United Kingdom	12,510	6,592
Europe	3,299	2,568
North and South America	258	490
Middle East	608	750
Asia and Australia	1,261	632
Africa	25	25
	<u>17,961</u>	<u>11,057</u>

TYCO THERMAL CONTROLS (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2004

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The emoluments of the directors were as follows

	2004 £'000	2003 £'000
Aggregate emoluments and benefits	-	-
Pension contributions	-	-

None of the directors received any remuneration from the company during the year (2003 Nil) The emoluments of the directors are paid by another group undertaking

	2004 No.	2003 No.
Average number of persons employed		
Production	47	67
Selling and distribution and administration	66	31
	<u>113</u>	<u>98</u>

	2004 £'000	2003 £'000
Staff costs during the year (including directors)		
Wages and salaries	3,116	2,266
Social security costs	325	185
Redundancy	31	249
Other pension costs	109	104
	<u>3,583</u>	<u>2,804</u>

4. EXCEPTIONAL COSTS

The exceptional costs relates to redundancy costs incurred as a result of moving sites, as part of a significant reorganisation

5. NET OPERATING COST

	2004 £'000	2003 £'000
Change in stocks of finished goods and work in progress	444	79
Raw materials and consumables	12,411	6,850
Other external charges	350	212
Staff costs	3,583	2,804
Depreciation and other amounts written off tangible fixed assets	199	56
Other operating charges	782	1,823
	<u>17,769</u>	<u>11,824</u>

TYCO THERMAL CONTROLS (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 2004

6. OPERATING LOSS

Operating loss is stated after charging

	2004 £'000	2003 £'000
Deprecation of tangible assets	199	56
Operating lease	40	36
Auditors' remuneration	30	30
	<u> </u>	<u> </u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £'000	2003 £'000
On long term loan from group company	309	287
	<u> </u>	<u> </u>

8. TAXATION

	2004 £'000	2003 £'000
Current tax		
Total current tax	-	-
	<u> </u>	<u> </u>
Deferred tax		
Adjustment to estimated DT assets from prior years	(1,400)	-
Origination and reversal of timing differences	(93)	-
	<u> </u>	<u> </u>
Total deferred tax (note 13)	(1,493)	-
	<u> </u>	<u> </u>
Tax on loss on ordinary activities	(1,493)	-
	<u> </u>	<u> </u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	2004 £'000	2003 £'000
Loss on ordinary activities before taxation	(1,156)	(1,034)
	<u> </u>	<u> </u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 30% (2003 30%)	(347)	(310)
	<u> </u>	<u> </u>
Effects of		
Expenses not deductible for tax purposes	52	90
Accelerated capital allowances and other timing differences	47	25
Group relief surrendered not paid	248	195
	<u> </u>	<u> </u>
Current tax charge for period	-	-
	<u> </u>	<u> </u>

TYCO THERMAL CONTROLS (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2004

9. TANGIBLE FIXED ASSETS

	Plant and machinery, computer equipment, fixture & fittings £'000
Cost	
At 1 October 2003	770
Additions	244
30 September 2004	1,014
Depreciation	
At 1 October 2003	(167)
Charge for year	(199)
30 September 2004	(366)
Net book value	
At 30 September 2004	648
At 30 September 2003	603

10. STOCKS

	2004 £'000	2003 £'000
Raw materials and consumables	1,135	93
Work in progress	75	-
Finished goods	1,452	1,971
	2,662	2,064

11. DEBTORS

	2004 £'000	2003 £'000
Amounts falling due within one year:		
Trade debtors	4,744	3,197
Amounts owed by fellow subsidiary undertakings	1,687	298
Prepayments and accrued income	97	111
Deferred tax assets (note 13)	1,493	-
Other debtors	-	56
	8,021	3,662

TYCO THERMAL CONTROLS (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 2004

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £'000	2003 £'000
Trade creditors	1,320	1,775
Amounts owed to fellow subsidiary undertakings	3,904	611
Amounts owed to parent undertaking	5,669	5,058
Other taxation and social security	129	66
Other creditors and accruals	1,212	210
	<u>12,234</u>	<u>7,720</u>

The amounts owed to parent undertakings are unsecured, have no fixed repayment date and carry interest rates of 3 months GBP LIBOR + 1.0%. The loan is revolving and renewed every 24 months

13. DEFERRED TAXATION ASSET

	£'000
At 1 October 2003	-
Charged to profit and loss account	(1,493)
At 30 September 2004 (note 11)	<u>(1,493)</u>
Analysis of deferred tax balances	

	2004 £'000	2003 £'000
Deferred taxation assets provided in the financial statements comprises:		
Depreciation in excess of capital allowances	314	-
Losses	1,179	-
Deferred tax assets	<u>1,493</u>	<u>-</u>

The potential deferred tax asset not provided in the accounts comprises

	2004 £'000	2003 £'000
Depreciation in excess of capital allowances	-	221
Pension provision	-	4
Losses	-	1,494
	<u>-</u>	<u>1,719</u>

TYCO THERMAL CONTROLS (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 2004

14. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised		
25,000,000 ordinary shares of £1 each (2003 25,000,000)	25,000	25,000
Allotted and fully paid		
9,924,000 ordinary shares of £1 each (2003 9,924,000)	9,924	9,924

15. RESERVES

	Profit and loss account £'000
At 1 October 2003	(10,329)
Profit for the year	337
At 30 September 2004	(9,992)

16. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' DEFICIT

	2004 £'000	2003 £'000
Opening equity shareholders' funds deficit	(405)	(3,332)
Profit/(loss) for the year	337	(1,034)
Increase in share capital	-	3,951
Closing shareholders' deficit	(68)	(405)

TYCO THERMAL CONTROLS (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 2004

17. RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2004 £'000	2003 £'000
Operating loss	(861)	(767)
Depreciation	199	56
(Increase)/decrease in stocks	(598)	158
Increase in debtors	(2,866)	(7)
Increase in creditors	4,514	408
Net cash inflow/(outflow) from operating activities	<u>388</u>	<u>(152)</u>

Reconciliation of net cash flow to movement in liquid funds

Net funds at 1 October	4,014	7,048
Net liquid funds inflow/(outflow)	<u>151</u>	<u>(3,034)</u>
Net funds at 30 September	<u>4,165</u>	<u>4,014</u>

Analysis of liquid funds

	At 1 October 2003 £'000	Cash flow £'000	At 30 September 2004 £'000
Cash at bank and in hand	986	(151)	835
Amounts owed to group undertakings	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
	<u>(4,014)</u>	<u>(151)</u>	<u>(4,165)</u>

18. ANALYSIS OF CASH FLOWS

	2004 £'000	2003 £'000
Returns on investments and servicing of finance		
Interest received	14	20
Interest paid	<u>(309)</u>	<u>(287)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(295)</u>	<u>(267)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(244)</u>	<u>(498)</u>
Net cash outflow from Capital expenditure and financial investment	<u>(244)</u>	<u>(498)</u>

TYCO THERMAL CONTROLS (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 2004

19. FINANCIAL COMMITMENTS

Operating leases

At 30 September 2004 the company had the following annual commitments under non-cancellable operating leases expiring as follows

	2004		2003	
	Land and buildings £'000	Plant and machinery £'000	Land and buildings £'000	Plant and machinery £'000
Within one year	-	37	-	37
Between two and five years	-	6	-	6
After five years	180	-	180	-
	<u>180</u>	<u>43</u>	<u>180</u>	<u>43</u>

20. 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 costs for the year were £158,000 (2003: £104,000).

21. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning related parties.

22. ULTIMATE PARENT COMPANY

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