Company Registration No. 03710607

# TYCO THERMAL CONTROLS (UK) LIMITED

## Report and Financial Statements

## 30 September 2005




Deloitte & Touche LLP
Leeds

# TYCO THERMAL CONTROLS (UK) LIMITED

## 2005 REPORT AND FINANCIAL STATEMENTS

## CONTENTS


| | Page |
|---|---|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Statement of directors' responsibilities | 3 |
| Independent auditors' report | 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes to the financial statements | 7 |

# TYCO THERMAL CONTROLS (UK) LIMITED

## 2005 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
1 Capability Green
Luton
LU1 3US

### AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

# 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 2005

## 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 primilary 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 (2004 nil)

The profit for the year of £1,165,000 (2004 profit of £337,000) 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

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

22/6/07

## 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 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20 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 2005 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

22 June 2006

## PROFIT AND LOSS ACCOUNT
## Year ended 30 September 2005

| | Note | 2005 £'000 | 2004 £'000 |
|---|---|---|---|
| **TURNOVER** | 2 | 23,032 | 17,961 |
| Exceptional Costs | 4 | (881) | (1,053) |
| Other net operating cost | 5 | (20,241) | (17,769) |
| Total net operating cost | | (21,122) | (18,822) |
| **OPERATING PROFIT/(LOSS)** | 6 | 1,910 | (861) |
| Interest receivable | | 62 | 14 |
| Interest payable and similar charges | 7 | (339) | (309) |
| **PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION** | | 1,633 | (1,156) |
| Tax on loss ordinary activities before taxation | 8 | (468) | 1,493 |
| **PROFIT FOR THE YEAR** | | 1,165 | 337 |

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

## BALANCE SHEET
## As at 30 September 2005

| | Note | 2005 £'000 | 2004 £'000 |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Tangible assets | 9 | 253 | 648 |
| **CURRENT ASSETS** | | | |
| Stock | 10 | 655 | 2,662 |
| Debtors falling due within one year | 11 | 11,706 | 6,528 |
| Debtors falling due after more than one year | 11 | 1,025 | 1,493 |
| Cash at bank and in hand | | 533 | 835 |
| | | 13,919 | 11,518 |
| **CREDITORS: Amounts falling due within one year** | 12 | (13,075) | (12,234) |
| **NET CURRENT ASSETS/(LIABILITIES)** | | 844 | (716) |
| **NET ASSETS/(LIABILITIES)** | | 1,097 | (68) |
| **CAPITAL AND RESERVES** | | | |
| Called up share capital | 14 | 9,924 | 9,924 |
| Profit and loss account | 15 | (8,827) | (9,992) |
| **EQUITY SHAREHOLDERS' FUNDS/(DEFICIT)** | 16 | 1,097 | (68) |

The financial statements were approved by the board of directors on 22/6/07. and signed on its behalf by

A Hampton

Director

The accompanying notes are an integral part of this balance sheet

# NOTES TO THE ACCOUNTS
## Year ended 30 September 2005

### 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

**Cash flow statements**

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1

**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%

**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 were 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

## NOTES TO THE ACCOUNTS
## Year ended 30 September 2005

### 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)

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value

**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 Administrered 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

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| United Kingdom | 14 488 | 12,510 |
| Europe | 3,660 | 3,299 |
| North and South America | 493 | 258 |
| Middle East | 951 | 608 |
| Asia and Australia | 3,401 | 1,261 |
| Africa | 39 | 25 |
| | 23,032 | 17,961 |

## NOTES TO THE ACCOUNTS
## Year ended 30 September 2005

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The emoluments of the directors were as follows

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| Aggregate emoluments and benefits | - | - |
| Pension contributions | - | - |

None of the directors received any remuneration from the company during the year (2004 Nil) The emoluments of the directors are paid by another group undertaking

| | 2005 No | 2004 No. |
|---|---|---|
| **Average number of persons employed** | | |
| Production | 25 | 47 |
| Selling and distribution and administration | 60 | 66 |
| | 85 | 113 |

| **Staff costs during the year (including directors)** | 2005 £'000 | 2004 £'000 |
|---|---|---|
| Wages and salaries | 2,789 | 3,116 |
| Social security costs | 286 | 325 |
| Redundancy | 20 | 31 |
| Other pension costs | 72 | 109 |
| | 3,167 | 3,583 |

### 4. EXCEPTIONAL COSTS

The exceptional costs relates to costs incurred as a result of restructuring operations, as the final phase of a significant reorganisation

### 5 NET OPERATING COST

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| Change in stocks of finished goods and work in progress | 2,007 | 444 |
| Raw materials and consumables | 13,819 | 12,411 |
| Other external charges | 293 | 350 |
| Staff costs | 3,167 | 3,583 |
| Depreciation and other amounts written off tangible fixed assets | 112 | 199 |
| Other operating charges | 843 | 782 |
| | 20,241 | 17,769 |

## NOTES TO THE ACCOUNTS
## Year ended 30 September 2005

### 6. OPERATING PROFIT

Operating profit is stated after charging

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| Depreciation of tangible assets | 112 | 199 |
| Operating lease | 32 | 40 |
| Auditors' remuneration | 35 | 30 |

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| On long term loan from group company | 339 | 309 |

### 8. TAXATION

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| **Current tax** | | |
| Total current tax | - | - |
| **Deferred tax** | | |
| Adjustment to estimated DT assets from prior years | - | (1,400) |
| Origination and reversal of timing differences | 468 | (93) |
| Total deferred tax (note 13) | 468 | (1,493) |
| **Tax on loss on ordinary activities** | 468 | (1,493) |

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

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| Profit on ordinary activities before taxation | 1,633 | (1,156) |
| Tax on loss on ordinary activities at standard UK corporation tax rate of 30% (2004 30%) | 490 | (347) |
| Effects of | | |
| Expenses not deductible for tax purposes | 85 | 52 |
| Accelerated capital allowances and other timing differences | (460) | 47 |
| Group relief surrendered not paid | (115) | 248 |
| Current tax charge for period | - | - |

## NOTES TO THE ACCOUNTS
## Year ended 30 September 2005

### 9. TANGIBLE FIXED ASSETS

| | Plant and machinery, computer equipment, fixture & fittings £'000 |
|---|---|
| **Cost** | |
| At 1 October 2004 | 1,014 |
| Additions | 19 |
| Disposals | (546) |
| 30 September 2005 | 487 |
| **Depreciation** | |
| At 1 October 2004 | 366 |
| Charge for year | 112 |
| Disposals | (244) |
| 30 September 2005 | 234 |
| **Net book value** | |
| At 30 September 2005 | 253 |
| At 30 September 2004 | 648 |

### 10 STOCKS

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| Raw materials and consumables | 399 | 1,135 |
| Work in progress | 5 | 75 |
| Finished goods | 251 | 1,452 |
| | 655 | 2,662 |

### 11. DEBTORS

| **Amounts falling due within one year:** | 2005 £'000 | 2004 £'000 |
|---|---|---|
| Trade debtors | 5,657 | 4,744 |
| Amounts owed by fellow subsidiary undertakings | 5,856 | 1,687 |
| Prepayments and accrued income | 193 | 97 |
| | 11,706 | 6 528 |
| **Amounts falling due within one year:** | | |
| Deferred tax assets (note 13) | 1,025 | 1,493 |

## NOTES TO THE ACCOUNTS
## Year ended 30 September 2005

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| Trade creditors | 1,938 | 1,320 |
| Amounts owed to fellow subsidiary undertakings | 4,705 | 3,904 |
| Amounts owed to parent undertaking | 5,000 | 5,669 |
| Other taxation and social security | 242 | 129 |
| Other creditors and accruals | 1,190 | 1,212 |
| | 13,075 | 12,234 |

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 2004 | (1,493) |
| Charged to profit and loss account | 468 |
| **At 30 September 2005 (note 11)** | (1,025) |

Analysis of deferred tax balances

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| Deferred taxation assets provided in the financial statements comprises | | |
| Depreciation in excess of capital allowances | 432 | 314 |
| Losses | 593 | 1,179 |
| **Deferred tax assets** | 1,025 | 1,493 |

There are no unprovided deferred tax amounts in either the current or preceding year

## NOTES TO THE ACCOUNTS
## Year ended 30 September 2005

### 14 CALLED UP SHARE CAPITAL

| | 2005 £ | 2004 £ |
|---|---|---|
| **Authorised** | | |
| 25,000,000 ordinary shares of £1 each (2004 25,000,000) | 25,000 | 25,000 |
| **Allotted and fully paid** | | |
| 9,924,000 ordinary shares of £1 each (2004 9,924,000) | 9,924 | 9,924 |

### 15. RESERVES

| | Profit and loss account £'000 |
|---|---|
| At 1 October 2004 | (9,992) |
| Profit for the year | 1,165 |
| At 30 September 2005 | (8,827) |

### 16. RECONCILATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' DEFICIT

| | 2005 £'000 | 2004 £'000 |
|---|---|---|
| Opening equity shareholders' funds deficit | (68) | (405) |
| Profit for the year | 1,165 | 337 |
| Closing shareholders' deficit | 1,097 | (68) |

### 17. FINANCIAL COMMITMENTS

**Operating leases**

At 30 September 2005 the company had the following annual commitments under non-cancellable operating leases expiring as follows

| | 2005 | | 2004 | |
|---|---|---|---|---|
| | Land and buildings £'000 | Plant and machinery £'000 | Land and buildings £'000 | Plant and machinery £'000 |
| Within one year | - | 4 | - | 37 |
| Between two and five years | - | 9 | - | 6 |
| After five years | 80 | - | 180 | - |
| | 80 | 18 | 180 | 43 |

## NOTES TO THE ACCOUNTS
## Year ended 30 September 2005

### 18. 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 £72,000 (2004 £158,000)

### 19 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

### 20. 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