Company Registration No. 03710607

TYCO THERMAL CONTROLS (UK) LIMITED

Report and Financial Statements

30 September 2007

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TYCO THERMAL CONTROLS (UK) LIMITED

2007 REPORT AND FINANCIAL STATEMENTS

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TYCO THERMAL CONTROLS (UK) LIMITED

2007 REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Kansen
S Lemmens
C Vermeulen
A Hampton

SECRETARY

A Hampton

REGISTERED OFFICE

Victoria Road
Leeds
LS11 5UG

BANKERS

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

AUDITORS

Deloitte 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 2007.

PRINCIPAL ACTIVITY

Tyco Thermal Controls UK limited is a wholly owned subsidiary of Tyco Holdings UK Ltd, whose ultimate parent undertaking is Tyco International Limited.

The principal activities of the company are the manufacture, sales and marketing of a wide range of mineral insulated heating and wiring cables and related products to the Construction, Industrial and Aerospace markets throughout the world. The company is also involved in project design, material supply and project execution for major Oil and Petrochemical developments both in the UK and the rest of the world.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company enjoyed another year of strong sales in both its domestic and export markets. UK sales remained at previous years levels at £16m. Whilst export sales to mainland Europe were lower than the previous year this was offset by strong sales into the Middle East on a number of large projects.

Despite increased costs and continued pressure on pricing in a very competitive market gross profit margin % was maintained and indeed grew in certain markets.

Operating profit grew to £4m again reflecting the Company's strong control of costs and the continued improvement of the business performance as seen in previous years following a period of major restructuring.

Net assets increased by £3.4m with a £2.3m increase in debtors being the main contributor to the increase.

The directors do not recommend the payment of a dividend (2006: nil).

The profit for the year of £3,374,000 (2006: profit of £2,654,000) will be added to reserves.

The Tyco International Ltd group manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the thermal control division of Tyco International Limited, which includes the company, is discussed in the group's Annual Report which does not form part of this Report.

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 exists other than service agreements with the company or other subsidiaries of the ultimate parent company in which the directors have an interest.

DIRECTORS' REPORT (continued)

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

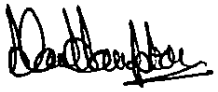
(1) so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and

(2) each of the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

A resolution to re-appoint Deloitte LLP as the company's auditor 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

26 January 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. 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

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Leeds
28 January 2009

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2007

	Note	2007 £'000	20036 £'000
TURNOVER	2	23,676	23,295
Other net operating cost	4	(19,722)	(20,322)
OPERATING PROFIT	5	3,954	2,973
Interest receivable		243	105
Interest payable and similar charges	6	(325)	(283)
PROFITON ORDINARY ACTIVITIES BEFORE TAXATION		3,872	2,795
Tax on profit ordinary activities before taxation	7	(498)	(141)
PROFIT FOR THE YEAR		3,374	2,654

All of the above activities relate to continuing operations.

There are no recognised gains or losses in either year other than the profit for the year.

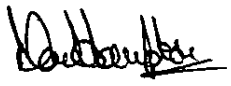
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

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

BALANCE SHEET
As at 30 September 2007

	Note	2007 £'000	2006 £'000
FIXED ASSETS			
Tangible assets	8	409	442
CURRENT ASSETS			
Stock	9	667	826
Debtors: falling due within one year	10	15,485	12,716
Debtors: falling due after more than one year	10	386	884
Cash at bank and in hand		828	675
		17,366	15,101
CREDITORS: Amounts falling due within one year	11	(10,650)	(11,792)
NET CURRENT ASSETS		6,716	3,309
NET ASSETS		7,125	3,751
CAPITAL AND RESERVES			
Called up share capital	13	9,924	9,924
Profit and loss account	14	(2,799)	(6,173)
SHAREHOLDERS' FUNDS	15	7,125	3,751

The financial statements were approved by the board of directors on 26 January 2009 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 2007

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the current and preceding year

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 include all appropriate production overheads in bringing 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 recognized 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 recognized in the financial statements.

NOTES TO THE ACCOUNTS
Year ended 30 September 2007

1. ACCOUNTING POLICIES (continued)

Taxation

A net deferred tax asset is regarded as recoverable and therefore recognized 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

Since 9 March 2001, the company has operated a Defined Contribution Benefit Scheme. Pension contributions for this scheme are charged to profit and loss account as incurred.

2. TURNOVER

The split of turnover by geographical market is as follows:

	2007 £'000	2006 £'000
United Kingdom	16,186	16,272
Europe	2,437	3,032
North and South America	874	743
Middle East	2,970	1,253
Asia and Australia	1,128	1,972
Africa	81	23
	23,676	23,295

NOTES TO THE ACCOUNTS
Year ended 30 September 2007

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The emoluments of the directors were as follows:

	2007 £'000	2006 £'000
Aggregate emoluments and benefits	68,545	55,597
Pension contributions	-	-

The emoluments of some of the directors are paid by another group undertaking.

	2007 No.	2006 No.
Average number of persons employed		
Production	7	6
Selling and distribution and administration	77	74
	84	80

Staff costs during the year (including directors)	2007 £'000	2006 £'000
Wages and salaries	3,257	3,269
Social security costs	250	320
Redundancy	64	-
Other pension costs	103	104
	3,674	3,693

4. NET OPERATING COST

	2007 £'000	2006 £'000
Change in stocks of finished goods and work in progress	159	(171)
Raw materials and consumables	15,267	15,759
Other external charges	202	212
Staff costs	3,674	3,693
Depreciation and other amounts written off tangible fixed assets	149	116
Other operating charges	271	713
	19,722	20,322

5. OPERATING PROFIT

Operating profit is stated after charging

	2007 £'000	2006 £'000
Deprecation of tangible assets	149	116
Operating lease	92	96
Auditors' remuneration	41	35

NOTES TO THE ACCOUNTS
Year ended 30 September 2007

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £'000	2006 £'000
On long term loan from group company	325	283

7. TAXATION

	2007 £'000	2006 £'000
Current tax		
Total current tax	-	-
Deferred tax		
Adjustment to estimated Deferred Tax assets from prior years	155	-
Origination and reversal of timing differences	343	141
Total deferred tax (note 12)	498	141
Tax on profit on ordinary activities	498	141

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

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation	3,872	2,795
Tax on loss on ordinary activities at standard UK corporation tax rate of 30% (2006: 30%)	1,162	839
Effects of:		
Expenses not deductible for tax purposes	-	(4)
Accelerated capital allowances and other timing differences	(368)	(373)
Group relief claimed not paid	(794)	(462)
Current tax charge for period	-	-

NOTES TO THE ACCOUNTS
Year ended 30 September 2007

8. TANGIBLE FIXED ASSETS

	Plant and machinery, computer equipment, fixtures & fittings £'000
Cost	
At 1 October 2006	792
Additions	116
Disposals	-
30 September 2007	908
Depreciation	
At 1 October 2006	350
Charge for year	149
Disposals	-
30 September 2007	499
Net book value	
At 30 September 2007	409
At 30 September 2006	442

9. STOCKS

	2007 £'000	2006 £'000
Raw materials and consumables	386	527
Work in progress	65	5
Finished goods	216	294
	667	826

There is no material difference between the balance sheet value of stocks and their replacement costs.

NOTES TO THE ACCOUNTS
Year ended 30 September 2007

10. DEBTORS

	2007 £'000	2006 £'000
Amounts falling due within one year:		
Trade debtors	4,766	6,115
Amounts owed by fellow subsidiary undertakings	10,521	5,987
Prepayments and accrued income	198	614
	15,485	12,716
Amounts falling due after more than one year:		
Deferred tax assets (note 12)	386	884

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Trade creditors	2,868	3,953
Amounts owed to fellow subsidiary undertakings	1,358	1,227
Amounts owed to parent undertaking	5,000	5,000
Other taxation and social security	219	320
Other creditors and accruals	1,205	1,292
	10,650	11,792

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.

12. DEFERRED TAXATION ASSET

	£'000
At 1 October 2006	(884)
Charged to profit and loss account	498
At 30 September 2007 (note 10)	(386)

Analysis of deferred tax balances:

	2007 £'000	2006 £'000
Deferred taxation assets provided in the financial statements comprises:		
Depreciation in excess of capital allowances	386	460
Losses	-	424
Deferred tax assets	386	884

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

NOTES TO THE ACCOUNTS
Year ended 30 September 2007

13. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised		
25,000,000 ordinary shares of £1 each (2006: 25,000,000)	25,000	25,000
Allotted and fully paid		
9,924,000 ordinary shares of £1 each (2006: 9,924,000)	9,924	9,924

14. RESERVES

	Profit and loss account £'000
At 1 October 2006	(6,173)
Profit for the year	3,374
At 30 September 2007	2,799

15. RECONCILATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £'000	2006 £'000
Opening shareholders' funds	3,751	1,097
Profit for the year	3,374	2,654
Closing shareholders' funds	7,125	3,751

16. FINANCIAL COMMITMENTS

Operating leases

At 30 September 2007 the company had the following annual commitments under non-cancellable operating leases expiring as follows:

	2007		2006	
	Land and buildings £'000	Plant and machinery £'000	Land and buildings £'000	Plant and machinery £'000
Within one year	-	4	-	6
Between two and five years	-	8	-	10
After five years	80	-	80	-
	80	12	80	16

NOTES TO THE ACCOUNTS
Year ended 30 September 2007

17. 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 £103,000 (2006: £104,000).

18. 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.

19. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Tyco Holdings UK Ltd, a company registered in England, 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.