

TYCO EUROPEAN STEEL STRIP LIMITED

Report and Financial Statements

30 September 2006

Company registration number: 533160

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TYCO EUROPEAN STEEL STRIP LIMITED

2006 REPORT & FINANCIAL STATEMENTS

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TYCO EUROPEAN STEEL STRIP LIMITED

OFFICERS & PROFESSIONAL ADVISERS

DIRECTOR

D Symonds

SECRETARY

G Latham (resigned 30 September 2007)
A Boldison (appointed 30 September 2007)

REGISTERED OFFICE

Victoria Road
Leeds
LS11 5UG

BANKERS

Barclays
Eagle Point
1 Capability Green
Luton
LU1 3US

HSBC plc
New Street Branch
PO Box 68
130 New Street
Birmingham
B2 4JM

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

TYCO EUROPEAN STEEL STRIP LIMITED

DIRECTORS REPORT

The director presents his report and the audited financial statements of the company for the year ended 30 September 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Under a Business Sale Agreement dated 12 November 2004, the trade and certain business assets of the company were sold to Caparo Precision Steel Strip Limited and accordingly the company ceased to trade from that date.

RESULTS AND DIVIDENDS

The company's loss for the year ended 30 September 2006 was £77,000 (2005 loss £88,000) No dividends have been paid or proposed (2005 £Nil).

DIRECTORS AND THEIR INTERESTS

The director who held office during the year is given below:

D R Symonds

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.

DONATIONS

During the year the company made no donations (2005 £nil) for charitable purposes in the UK.

EMPLOYEES

The company has continued its policy of employee involvement by making information available to employees through briefing sessions, announcements and bulletins. Training remains a key part of the company's human resource programme.

It is the company's policy to give employment opportunities to disabled persons wherever possible and to afford such employees equal opportunities for training, career development and promotion.

TYCO EUROPEAN STEEL STRIP LIMITED

DIRECTORS REPORT (continued)

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

Individual operating units within the company are responsible for establishing appropriate policies with regard to the payment of their suppliers. The units agree terms and conditions under which business transactions with suppliers are conducted. It is company policy that, provided a supplier is complying with the relevant terms and conditions, including the prompt and complete submission of all specified documentation, payment will be made in accordance with agreed terms. It is company policy to ensure that suppliers know the terms on which payment will take place when business is agreed.

AUDITORS

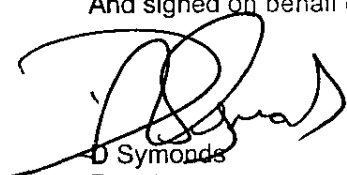
The director at the date of this report confirms that

- so far as the director is aware there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps they ought to have taken as a director to make themselves 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 for the reappointment of Deloitte & Touche LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

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

 9/9/08
D Symonds
Director

TYCO EUROPEAN STEEL STRIP LIMITED

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 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 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,
- 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.

TYCO EUROPEAN STEEL STRIP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TYCO EUROPEAN STEEL STRIP LIMITED

We have audited the financial statements of Tyco European Steel Strip Limited for the year ended 30 September 2006 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 17. 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also 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 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. However, the evidence available to us was limited because the company sold the trade and the majority of the assets and liabilities of the business during the prior period. In consequence, we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the result for the prior period. Had this information been available to us we might have formed a different opinion. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

TYCO EUROPEAN STEEL STRIP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TYCO EUROPEAN STEEL STRIP LIMITED (continued)

EMPHASIS OF MATTER – FINANCIAL STATEMENTS PREPARED ON A BASIS OTHER THAN THAT OF A GOING CONCERN.

In forming our opinion on the financial statements, we have considered the adequacy of the disclosures made in the accounting policies, which explains that the financial statements have been prepared on a basis other than that of a going concern

QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE

Except for any adjustment that might have been found to be necessary had we been able to obtain sufficient audit evidence concerning the result for the prior period, in our opinion

- the financial statement give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the individual company's affairs as at 30 September 2006 and of the company's loss for the period ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the directors' report is consistent with the financial statements.

Deloitte & Touche CP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

9 September 2008

TYCO EUROPEAN STEEL STRIP LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 September 2006

	Note	Year ended 2006 £'000	Year ended 2005 £'000
TURNOVER	2	-	5,305
Net operating costs	3	(21)	(5,074)
OPERATING (LOSS) / PROFIT		<u>(21)</u>	<u>231</u>
Loss on sale of discontinued operations	4	-	(320)
Net interest payable and similar items	5	(56)	1
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(77)</u>	<u>(88)</u>
Taxation on ordinary activities	9	-	-
RETAINED LOSS FOR THE YEAR	14	<u><u>(77)</u></u>	<u><u>(88)</u></u>

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. All of the company's operations during the period shown above relate to discontinued operations.

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

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

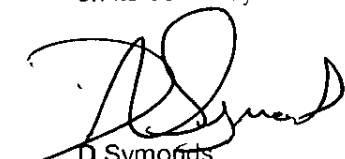
TYCO EUROPEAN STEEL STRIP LIMITED

BALANCE SHEET

Year ended 30 September 2006

	Note	2006 £'000	2005 £'000
FIXED ASSETS			
Investments	10	617	617
		<u>617</u>	<u>617</u>
CURRENT ASSETS			
Debtors - due within one year	11	-	75
Cash at bank		-	817
		<u>-</u>	<u>892</u>
CREDITORS. Amounts falling due within one year	12	(37)	(27)
NET CURRENT ASSETS		<u>(37)</u>	<u>865</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>580</u>	<u>1,482</u>
CREDITORS. Amounts falling due after more than one year	12	(15,885)	(16,710)
NET LIABILITIES		<u>(15,305)</u>	<u>(15,228)</u>
CAPITAL AND RESERVES			
Called up share capital	13	10	10
Profit and loss account	14	(15,315)	(15,238)
SHAREHOLDERS DEFICIT	15	<u>(15,305)</u>	<u>(15,228)</u>

The financial statements were approved by the board of directors on 9 September 2006 and signed on its behalf by


D Symoridis
Director

The accompanying notes are an integral part of this balance sheet

TYCO EUROPEAN STEEL STRIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2006

1 ACCOUNTING POLICIES

A summary of the more important accounting policies are set out below and have been applied consistently in the both the current and prior year

BASIS OF PREPARATION

In the prior year the company sold its trade, certain assets and liabilities and ceased trading. As required by FRS 18 "Accounting Policies" the directors have prepared the financial statements on the basis that the company is no longer a going concern. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom.

CONSOLIDATED FINANCIAL STATEMENTS

The company is exempt from preparing group financial statements by virtue of Section 228 of the Companies Act 1985, which states that group financial statements do not have to be prepared for a company which is a wholly owned subsidiary of another body corporate incorporated in Great Britain.

CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Tyco International Ltd and is included in the consolidated financial statements of Tyco International Ltd, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1. The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Tyco International Ltd group or investees of the Tyco International Ltd group.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

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.

INVESTMENTS

Fixed asset investments are stated at the lower of cost and net realisable value.

TURNOVER

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax and trade discounts). All turnover originates in the United Kingdom. Turnover is recognised on despatch of goods.

TYCO EUROPEAN STEEL STRIP LIMITED

1 ACCOUNTING POLICIES (continued)

DEFERRED TAXATION

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in different periods from those in which they are included in the financial statements.

Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

PENSIONS

Employees are eligible to join the Tyco UK Group Pension Scheme which is a defined contribution scheme. The company contributes to the scheme in accordance with rates agreed by the Trust Deed and contributions are charged to the profit and loss account as incurred. Employees' benefits remain accrued in the Glynwed International Pension Scheme, a defined benefit scheme operated by the former parent. Company contributions are made into this scheme and are based upon independent actuarial advice. Any such contributions are charged to the profit and loss account to meet the cost of pensions over the employees' remaining working lives with the company. Further details concerning the company's pension arrangements can be found in note 16.

TYCO EUROPEAN STEEL STRIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2006

2 TURNOVER

Turnover and loss before taxation are derived wholly from the company's principal activity

	Year ended 2006 £'000	Year ended 2005 £'000
Turnover by customer location		
United Kingdom	-	2,399
Europe (excluding UK)	-	1,310
North and South America	-	1,219
Rest of World	-	377
	<u>-</u>	<u>5,305</u>

3 NET OPERATING EXPENSES

	Year ended 2006 £'000	Year ended 2005 £'000
Change in stocks of finished goods and work in	-	380
Raw materials and consumables	-	2,491
Other external charges	-	471
Staff costs (note 7)	-	1,273
Depreciation	-	64
Other operating charges	23	443
Other operating income	(2)	(48)
	<u>21</u>	<u>5,074</u>

Net operating costs include the following

	Year ended 2006 £'000	Year ended 2005 £'000
Foreign exchange loss	-	22
Foreign exchange gain	(2)	-
	<u>(2)</u>	<u>22</u>

The audit fee of £5,000 (2005 £5,000) is borne by the immediate parent undertaking

TYCO EUROPEAN STEEL STRIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2006

4 EXCEPTIONAL COSTS

	Year ended 2006 £'000	Year ended 2005 £'000
Loss on sale of assets	-	320
	<u>-</u>	<u>320</u>

The loss on sale of assets in the prior year arises as a result of the sale of certain business assets as described in the Director's report

5 NET INTEREST PAYABLE AND SIMILAR ITEMS

	Year ended 2006 £'000	Year ended 2005 £'000
Bank interest receivable	3	1
Total interest receivable	<u>3</u>	<u>1</u>
Group interest and similar charges payable	(59)	-
Total interest payable	<u>(59)</u>	<u>-</u>
Net interest payable and similar items	<u>(56)</u>	<u>1</u>

6 EMPLOYEE INFORMATION

The average monthly number of persons employed by the company during the year, excluding the director was

	2006 Number	2005 Number
Production	-	58
Selling and distribution	-	2
Administration	-	4
	<u>-</u>	<u>64</u>

TYCO EUROPEAN STEEL STRIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2006

7 EMPLOYEE COSTS

	2006 £'000	2005 £'000
Wages and salaries	-	1,071
Social security costs	-	136
Other pension costs	-	66
Total staff costs	<u>-</u>	<u>1,273</u>

8 DIRECTORS' REMUNERATION

No director received remuneration for services to the company during the year. The director received remuneration from other group companies during the year and it is not possible to ascertain what proportion of these emoluments relate to this company.

9 TAXATION ON LOSS ON ORDINARY ACTIVITIES

No tax charge arose for the year or prior year.

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%). The differences are explained below.

	2006 £'000	2005 £'000
Loss on ordinary activities before tax	(77)	(88)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005: 30%)	(23)	(27)
Effect of		
Expenses not deductible for tax purposes	-	112
Accelerated capital allowances	6	(181)
Group relief surrendered not paid	17	96
Current tax (charge) / credit for period	<u>-</u>	<u>-</u>

There were no unprovided deferred assets or liabilities at 30 September 2006 (2005: nil unprovided).

TYCO EUROPEAN STEEL STRIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2006

10 INVESTMENTS

	2006 £'000	2005 £'000
Cost at 1 October 2005 and 30 September 2006	617	617

Details of the subsidiary undertaking, registered in England and Wales and dormant, is set out below

Name	% Holding	Activity
OCYT2 Limited	100	Dormant

11 DEBTORS

	2006 £'000	2005 £'000
Amounts falling due within one year:		
Other debtors	-	75
	<u>-</u>	<u>75</u>

12 CREDITORS

	2006 £'000	2005 £'000
Amounts falling due within one year:		
Other creditors	10	-
Amounts owed to group undertakings	27	27
	<u>37</u>	<u>27</u>
Amounts falling due within more than one year:		
Amounts owed to group undertakings	15,885	16,710
	<u>15,885</u>	<u>16,710</u>

All loans have no specified repayment terms, except that they are not repayable in less than one year, and do not bear interest

TYCO EUROPEAN STEEL STRIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2006

13 CALLED UP SHARE CAPITAL

	2006 £ £'000	2005 £ £'000
Authorised 10,000 Ordinary shares of £1 each	<u>10</u>	<u>10</u>
Allotted and fully paid 10,000 Ordinary shares of £1 each	<u>10</u>	<u>10</u>

14 RESERVES

	Profit and Loss £'000
At 1 October 2005	(15,238)
Profit for the year	(77)
At 30 September 2006	<u><u>(15,315)</u></u>

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2006 £'000	2005 £'000
Loss for the year	(77)	(88)
Opening equity shareholders' deficit	(15,228)	(15,140)
Closing equity shareholders' deficit	<u><u>(15,305)</u></u>	<u><u>(15,228)</u></u>

16 PENSIONS

Following the change of ownership of the company in 1999 some employees were entitled to continue their membership of the Glynwed International Group defined benefit pension scheme ("the Glynwed scheme") which provides members with pensions on retirement, based on final pensionable salary and taking into account years of service. The assets of the scheme are managed by independent investment managers and are held separately from those of the group.

From 1 October 1999, employees became entitled to join the Tyco UK Group Pension Scheme ("the Tyco scheme"), which is a defined contribution scheme. The assets of the scheme are managed by independent investment managers and are held separately from those of the group. There will be no further payroll contributions into the Glynwed scheme.

TYCO EUROPEAN STEEL STRIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2006

16 PENSIONS (continued)

Employees who have elected to join the Tyco scheme have retained their accrued benefits in the Glynwed scheme. The company is unable to identify its share of the underlying assets in the Glynwed scheme and therefore is accounted for as a multi-employer scheme as defined by Financial Reporting Standard 17 "Retirement Benefits". Full particulars of the scheme, including funding levels and actuarial assumptions, are disclosed in the financial statements of the immediate parent undertaking, Tyco Flow Control (UK) Ltd.

The pension charge for the year was nil (2005 £65,703)

17 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Tyco Flow Control (UK) Limited, a company registered in England and Wales, which is the smallest group of undertakings for which consolidated financial statements are prepared. Copies of these consolidated financial statements can be obtained from the Registrar of Companies, Crown Way, Cardiff CF4 3UZ.

The ultimate parent company and largest group for which consolidated financial statements are prepared is Tyco International Limited, a company incorporated in Bermuda. Copies of the consolidated financial statements may be obtained from the Company Secretary, Tyco International Limited, Second Floor, 90 Pitts Bay Road, Pembroke, HM08, Bermuda.