

Company Registration Number 01334448

RADIODETECTION LIMITED

Report and Financial Statements

31 December 2011



RADIODETECTION LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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RADIODETECTION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K L Lilly
R Holmes
P J O'Leary
M A Reilly

SECRETARY

K L Lilly

REGISTERED OFFICE

Western Drive
Bristol
BS14 0AZ

SOLICITORS

Eversheds
Bridgewater Place
Water Lane
Leeds
LS11 5DR

BANKERS

Bank of America NA
5 Canada Square
London
E14 5AQ

AUDITOR

Deloitte LLP
Bristol

RADIODETECTION LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITY

Radiodetection Limited is engaged in the design, manufacture and sale of products for the location and maintenance of buried pipes and cables

REVIEW OF THE BUSINESS

During 2011, the company experienced further growth in sales as a result of various initiatives. The company continued to grow and develop within the UK, US, European and other overseas markets. Cost reductions and efficiency improvements continued to strengthen the business and grow profitability.

The directors anticipate that the company will continue to perform satisfactorily in a difficult global economic environment.

GOING CONCERN

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

The company's forecasts, which allow for reasonably possible changes in trading performance, show that the company will continue to be cash generative across the forecast period, which is more than one year from the date of approval of these financial statements. As a consequence the directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's activities expose it to financial risks including foreign exchange risk, interest rate risk and cash flow risk. To reduce these risks the company manages cash through a group cash pooling arrangement and operates foreign currency bank accounts.

Loss of key customers is also a key risk to the business and the company manages this risk by developing and maintaining strong relationships with these customers.

RESEARCH AND DEVELOPMENT

The company is committed to ongoing investment in engineering, research and development to produce high quality products using the latest technology. The amount spent on research and development during the year was £1,176,000 (2010: £1,211,000).

RESULTS AND DIVIDENDS

The profit after tax for the year was £8,795,000 (2010: £6,788,000). The directors do not recommend the payment of a dividend (2010: £nil).

RADIODETECTION LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS

The directors who served during the year and subsequently were as follows

R Holmes
P J O'Leary
M A Reilly
K L Lilly

AUDITOR

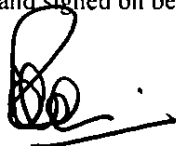
In the case of each of the persons who are directors of the company at the date when this report is approved

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

A resolution to reappoint 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



R Holmes
Director

RADIODETECTION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 AUDITOR'S REPORT TO THE MEMBERS OF RADIODETECTION LIMITED

We have audited the financial statements of Radiodetection Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Nigel Thomas

Nigel Thomas (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

23 April 2012

RADIODETECTION LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2011**

	Note	2011 £'000	2010 £'000
TURNOVER - continuing operations	2	34,667	30,342
Cost of sales		<u>(16,799)</u>	<u>(15,509)</u>
GROSS PROFIT		17,868	14,833
Distribution costs		(2,183)	(2,030)
Administrative expenses		<u>(6,185)</u>	<u>(5,005)</u>
OPERATING PROFIT - continuing operations		9,500	7,798
Interest receivable and similar income	3	<u>29</u>	<u>37</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	9,529	7,835
Tax on profit on ordinary activities	7	<u>(734)</u>	<u>(1,047)</u>
PROFIT FOR THE FINANCIAL YEAR	17	<u>8,795</u>	<u>6,788</u>

There are no recognised gains and losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly no separate statement of total recognised gains and losses has been presented.

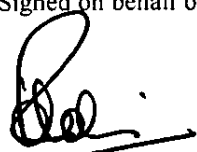
RADIODETECTION LIMITED

BALANCE SHEET **At 31 December 2011**

	Note	2011 £'000	2010 £'000
FIXED ASSETS			
Intangible assets	9	127	41
Tangible assets	10	2,354	2,492
Investments	11	810	810
		<u>3,291</u>	<u>3,343</u>
CURRENT ASSETS			
Stocks	12	3,122	2,983
Debtors	13	47,237	37,516
Cash at bank and in hand		71	106
		<u>50,430</u>	<u>40,605</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(9,053)	(8,064)
NET CURRENT ASSETS		<u>41,377</u>	<u>32,541</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		44,668	35,884
PROVISIONS FOR LIABILITIES	15	(37)	(48)
NET ASSETS		<u>44,631</u>	<u>35,836</u>
CAPITAL AND RESERVES			
Called up share capital	16	262	262
Share premium account	17	20,961	20,961
Profit and loss account	17	23,408	14,613
SHAREHOLDERS' FUNDS	18	<u>44,631</u>	<u>35,836</u>

The financial statements of Radiodetection Limited, registered number 01334448, were approved by the Board of Directors and authorised for issue on 11 April 2012

Signed on behalf of the Board of Directors



R Holmes
Director

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have all been applied consistently throughout the year and the preceding year.

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost accounting rules.

Consolidated financial statements have not been prepared by the company as permitted by section 401 of the Companies Act 2006. Consolidated results for the company and its subsidiary undertakings are included in the group financial statements of the ultimate holding company, SPX Corporation, a company incorporated in the United States of America, which are publicly available.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further information is provided in the Directors' Report.

Cash flow statement

The company has not produced a cash flow statement and has taken advantage of the exemptions under Financial Reporting Standard 1 (revised) since its ultimate holding company, SPX Corporation, produces a consolidated cash flow statement that is publicly available.

Intangible fixed assets

Intangible fixed assets represent costs of software development which meet the criteria for recognition as intangible assets under SSAP 13. They are amortised over their useful economic life of three years, subject to any provision for impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Long leasehold land and buildings	2.5% per annum
Motor vehicles	20% to 33% per annum
Plant and machinery	14% to 33% per annum
Production tooling	25% per annum

Assets in the course of construction are not depreciated until they are brought into use at which point they are transferred into the relevant fixed asset class above.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

1. ACCOUNTING POLICIES (continued)

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis

Investments

Fixed assets investments are shown at cost less provision for impairment

Warranty costs

Provision is made for the costs estimated to arise over the warranty period of repairs to, or replacement of, goods sold under warranty prior to the balance sheet date

Pension costs

For the defined contribution scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

The company also participates in a defined benefit scheme. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the group. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme

Research and development expenditure

Expenditure on research and development of a revenue nature is written off against profits in the year in which it is incurred. Items of plant and machinery purchased in the course of research and development are capitalised, and depreciated over their estimated useful lives

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling prices, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively 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

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

1 ACCOUNTING POLICIES (continued)

Taxation (continued)

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

The company is part of a group of companies who are eligible to claim current year tax losses from other group companies. The company's current year tax charge does not recognise the benefit of tax losses claimed under group relief until the claim has been submitted and agreed with the UK tax authorities. Changes arising to the company's tax charge as a result of the benefit of tax losses are reflected in the accounts as prior year adjustments in accounts for subsequent years

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue is recognised on despatch of goods, in accordance with the company's standard terms of business

Share-based payment

The company remunerates certain of its employees using equity instruments in its ultimate parent company. The fair value of the employee services received in exchange for the grant is recognised as an expense over the vesting period. Further details are given in note 8

2. ANALYSIS OF TURNOVER

The geographical analysis of turnover by destination, all of which originates in the United Kingdom, is as follows

	2011	2010
	£'000	£'000
United Kingdom	10,127	7,806
Rest of Europe	7,598	6,876
USA	7,473	6,621
Other overseas countries	9,469	9,039
	<u>34,667</u>	<u>30,342</u>

The directors are of the opinion that the company's activities comprise one class of business

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

3	INTEREST RECEIVABLE AND SIMILAR INCOME	2011	2010
		£'000	£'000
	On amounts owed by group undertakings	<u>29</u>	<u>37</u>
 4.	 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	 2011	 2010
	Profit on ordinary activities before taxation is stated after charging	£'000	£'000
	Depreciation - owned assets	275	279
	Amortisation of intangible fixed assets	41	149
	Research and development expenditure	1,176	1,211
	Hire of plant and machinery - rentals payable under operating leases	90	94
	Hire of other assets - operating leases	84	87
	Auditor's remuneration		
	- audit services	56	58
	- taxation compliance services	10	16
	- other taxation advisory services	<u>1</u>	<u>-</u>

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

5. DIRECTORS' REMUNERATION

	2011	2010
	£'000	£'000
One director was remunerated by the company, as follows		
Salaries and other emoluments	459	191
Pension contributions	19	18
	<u>478</u>	<u>209</u>

The remuneration of the other directors was borne by other group companies for both years. It is not practicable to allocate such remuneration between services to this company and other group companies.

There were no directors who were members of defined benefit or target benefit pension schemes in 2011 (2010: none). Shares were received and receivable by one director under long-term incentive schemes as described further in note 8 (2010: one director).

6. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the year was as follows:

	2011	2010
	No.	No.
Production	65	65
Sales	39	39
Administration	25	26
Engineering	29	28
	<u>158</u>	<u>158</u>

	£'000	£'000
The aggregate payroll costs of these persons were as follows		
Wages and salaries	4,785	4,404
Social security costs	537	486
Other pension costs	1,122	974
Share-based payments	228	215
	<u>6,672</u>	<u>6,079</u>

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2011**

7	TAX ON PROFIT ON ORDINARY ACTIVITIES	2011 £'000	2010 £'000
	Current tax		
	UK corporation tax on profits for the year	2,455	2,161
	Adjustment in respect of prior years	(1,886)	(1,137)
		<u>569</u>	<u>1,024</u>
	Deferred tax		
	Origination and reversal of timing differences	165	15
	Adjustment in respect of prior years	-	8
		<u>165</u>	<u>23</u>
	Tax charge for the year	<u><u>734</u></u>	<u><u>1,047</u></u>

The difference 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

	£'000	£'000
Profit on ordinary activities before tax	<u>9,529</u>	<u>7,835</u>
	£'000	£'000
Tax on profit on ordinary activities at standard UK corporation tax rate of 26.5% (2010: 28%)	2,525	2,194
Effects of		
Expenses not deductible for tax purposes	129	73
Movements in short-term timing differences	(112)	(37)
Accelerated capital allowances	(22)	(35)
Schedule 23 deductions	(65)	(34)
Current tax charge for year	<u><u>2,455</u></u>	<u><u>2,161</u></u>

In the current year a deferred tax asset of £443,000 (2010: £608,000) relating to accelerated capital allowances, trading losses and timing differences has been recognised (see note 13)

The company is not aware of any factors which might materially affect the future tax charge, apart from the proposed, phased reduction in corporation tax rates to 24% by 2015 which has not yet been fully enacted

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

8 SHARE-BASED PAYMENTS

The company operates a share-based payment scheme for certain of its employees. Equity instruments in SPX Corporation are granted at no exercise price to the recipient. The options granted vest in three equal instalments at one, two and three years after the date of grant. Options are forfeited if the employee leaves the group before the options vest.

Number of share options	2011	2010
Outstanding at beginning of the period	12,133	12,932
Granted during the period	5,250	4,800
Exercised during the period	(4,867)	(5,599)
Expired or forfeited during the period	(2,664)	-
Outstanding at end of the period	9,852	12,133

The weighted average share price for the period was £45 (2010 £40). The options outstanding at 31 December 2011 had a weighted average remaining contractual life of one year. In 2011, options were granted on 1 March. The fair value of the employee services received is measured by reference to the market value for those services at the date of vesting. The charge to the profit and loss account in respect of share-based payments for the year was £228,000 (2010 £215,000).

9 INTANGIBLE FIXED ASSETS

	Software capitalisation £'000
Cost	
At 1 January 2011	447
Additions	127
At 31 December 2011	574
Amortisation	
At 1 January 2011	406
Charge for the year	41
At 31 December 2011	447
Net book value	
At 31 December 2011	127
At 31 December 2010	41

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

10 TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £'000	Motor vehicles £'000	Plant and machinery £'000	Production tooling £'000	Assets in the course of construction £'000	Total £'000
Cost						
At 1 January 2011	2,485	124	3,903	2,374	36	8,922
Additions	-	-	122	20	3	145
Disposals	-	(33)	(5)	-	(8)	(46)
Transfers	-	-	31	-	(31)	-
At 31 December 2011	2,485	91	4,051	2,394	-	9,021
Depreciation						
At 1 January 2011	487	101	3,569	2,273	-	6,430
Charge for the year	64	13	115	83	-	275
Disposals	-	(33)	(5)	-	-	(38)
At 31 December 2011	551	81	3,679	2,356	-	6,667
Net book value						
At 31 December 2011	1,934	10	372	38	-	2,354
At 31 December 2010	1,998	23	334	101	36	2,492

11. FIXED ASSET INVESTMENTS

The company has the following subsidiaries at 31 December 2011

Company	Country of incorporation (or registration) and operation	Holding	Proportion
Radiodetection BV	Holland	Ordinary shares	100%
Radiodetection SARL	France	Ordinary shares	100%
Radiodetection (Canada) Limited	Canada	Ordinary shares	100%
Radiodetection (Hong Kong) Ltd	China	Ordinary shares	100%
Radiodetection Australia Holdings (PTY) Ltd	Australia	Ordinary shares	100%
Mactek (PTY) Ltd	Australia	Ordinary shares	100%
Radiodetection JV SDN BHD	Malaysia	Ordinary shares	100%

Radiodetection (Hong Kong) Ltd and Radiodetection JV SDN BHD are dormant. The remaining companies sell equipment manufactured by Radiodetection Limited.

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2011**

11. FIXED ASSET INVESTMENTS (continued)

The company's investment in subsidiary undertakings is as follows

£'000

Cost at 31 December 2010 and at 31 December 2011

810

In the opinion of the directors, the value of investments in subsidiary undertakings is not less than the holding value

12. STOCKS

2011
£'000

2010
£'000

Raw materials and consumables

1,741

1,431

Work in progress

151

279

Finished goods and goods for resale

1,230

1,273

3,122

2,983

The directors are of the opinion that there is no significant difference between the replacement cost of stock and the value disclosed above

13. DEBTORS

2011
£'000

2010
£'000

Trade debtors

3,083

2,512

Amounts owed by group undertakings

43,407

33,995

Other debtors

88

185

Prepayments and accrued income

216

216

Deferred tax asset

443

608

47,237

37,516

The deferred tax asset comprises the following components

£'000

£'000

Accelerated capital allowances

264

307

Other short-term timing differences

179

301

443

608

The movement on deferred tax is as follows

£'000

£'000

At beginning of the year

608

631

Charged to the profit and loss account

(165)

(23)

At end of the year

443

608

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 £'000	2010 £'000
Trade creditors	3,666	3,592
Amounts owed to group undertakings	963	804
Other taxation and social security	243	204
Corporation tax	2,730	2,161
Accruals and deferred income	1,451	1,303
	<u>9,053</u>	<u>8,064</u>

15. PROVISIONS FOR LIABILITIES	Warranty provision £'000
At 1 January 2011	48
Utilised during the year	(42)
Charged to the profit and loss account	31
At 31 December 2011	<u>37</u>

The warranty provision is established to recognise known and expected claims against delivered products within the contractual warranty period for such sales. The expenditure is expected to be incurred within 12 months of the balance sheet date.

16. SHARE CAPITAL	2011 £'000	2010 £'000
Allotted, called up and fully paid		
262,002 Ordinary shares of £1 each	<u>262</u>	<u>262</u>

17. RESERVES	Share premium account £'000	Profit and loss account £'000
At 1 January 2011	20,961	14,613
Profit for the financial year	-	8,795
At 31 December 2011	<u>20,961</u>	<u>23,408</u>

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2011 £'000	2010 £'000
Opening shareholders' funds	35,836	29,048
Profit for the financial year	8,795	6,788
Closing shareholders' funds	<u>44,631</u>	<u>35,836</u>

19. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows

	2011		2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
- within one year	22	14	4	13
- in two to five years	13	23	28	42
- after five years	8	-	8	-
	<u>43</u>	<u>37</u>	<u>40</u>	<u>55</u>

The company has given a guarantee to HM Revenue & Customs of £100,000 (2010 £100,000)

20. PENSION SCHEME

The company operates two pension schemes, one being a funded defined benefit scheme and the second a 'money purchase' scheme introduced for new employees from 1 January 1991

The defined benefit scheme provides benefits based on final pensionable pay. With effect from April 2005, along with six other occupational pension schemes belonging to the SPX Group of companies, the Radiodetection Limited Staff Benefits Plan merged into the Joseph Mason plc (1982) Pension and Life Assurance Scheme. The merged plan was subsequently renamed the SPX UK Pension Plan and is closed to new members. Because Radiodetection Limited is unable to identify its share of the merged plan's assets and liabilities on a consistent and reasonable basis, the company accounts for its contributions as if it were a defined contribution scheme as per the multi-employer scheme exemption under FRS 17. Consequently contributions to the scheme are charged to the profit and loss account as incurred.

During the year contributions to the merged plan by the company were at a rate of 21.6% (2010 21%) of pensionable salaries.

The results of the valuation as at 31 March 2010 have been updated for FRS 17 purposes to 31 December 2011, by a qualified independent actuary. As at 31 December 2011, the surplus in the merged scheme on the FRS17 assumptions was £10.9m (2010 surplus of £7.8m).

RADIODETECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

21 PENSION SCHEME (continued)

The aggregate market value of assets at the assessment date was £124.0m (2010 £116.6m). The major assumptions used for the actuarial valuation of the merged scheme were

	2011	2010
Rate of increase in salaries	1.00%	1.00%
Rate of increase in pensions in payment	2.5%	2.5%
Discount rate	4.9%	5.45%
Inflation assumption	3.15%	3.5%

21 RELATED PARTY TRANSACTIONS

As a subsidiary undertaking of SPX Corporation, the company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Transactions" from disclosing transactions with other members of the group.

22. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors regard SPX Corporation, a company incorporated in the United States of America, as the ultimate parent company and the ultimate controlling party.

SPX Corporation is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from 13515 Ballantyne Corporate Place, Charlotte, North Carolina 28277, USA.