

Company Registration No. 2899116

Thorn Security Group Limited

Report and Financial Statements

30 September 2008

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Thorn Security Group Limited

Report and financial statements 2008

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Thorn Security Group Limited

Report and financial statements 2008

Officers and professional advisers

Directors

D L Kaye
D E Roberts
A B Alphonsus

Secretary

A B Alphonsus

Registered Office

Security House
The Summit
Hanworth Road
Sunbury on Thames
Middlesex
TW16 5DB

Bankers

Barclays Bank PLC
Corporate Banking Centre
28 George Street
Luton
LU1 2AE

Lawyers

Eversheds
Senator House
85 Queen Victoria Street
London
EC4V 4JL

Auditors

Deloitte LLP
Chartered Accountants
London

Thorn Security Group Limited

Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2008.

Principal activities

The company's immediate parent undertaking is Tyco Holdings (UK) Limited (note 15).

The principal activity of the company is that of an investment holding company for a group of companies (details of which are shown in note 6 to the accounts).

The company did not trade during the year and the directors do not envisage this will change in the foreseeable future. For this reason the company's directors believe that further key performance indicators of the company are not necessary for an understanding of the performance or position of the business.

Review of business

The retained loss for the year amounted to £3,885,000 (2007: loss £14,796,000) which has been transferred from reserves. Interest receivable from fellow group companies of £677,000 (2007: £580,000) and interest payable of £175,000 (2007: £163,000) to group undertakings accounts, together with a write down of investments of £4,797,000 accounts for the majority of the loss of the company (see note 2).

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year end is, in net assets, consistent with the previous year.

The directors do not recommend the payment of a dividend in respect of the shares for the year (2007: £nil).

Principal risks and uncertainties

The directors do not consider that company has any major risks and uncertainties.

Financial risk management

The directors considered the risks attached to the Company's financial instruments which principally comprise loans to and from other group companies. The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not considered significant for the assessment of assets, liabilities and the financial statements.

The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had no hedged transactions during the year.

Employees

Details of the number of employees and the related costs can be found in note 3 to the financial statements.

Directors

The directors of the company who served during the year were as follows:

D L Kaye
A B Alphonsus
D E Roberts

Thorn Security Group Limited

Directors' report (continued)

Directors' interests in the shares of the company

Under Statutory Instrument No. 802 made under the authority of Section 324(3) of the Companies Act 1985, the directors' interests in the share capital of the ultimate parent undertaking need not be disclosed.

Directors' statement on information given to auditors

In accordance with the provisions of S234ZA of the Companies Act 1985, each of the directors at the date of approval 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
- he/she 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.

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



A B Alphonsus
Company Secretary

14 APRIL 2009

Thorn Security Group 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 judgements 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; 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 Thorn Security Group Limited

We have audited the financial statements of Thorn Security Group Limited for the year ended 30 September 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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 Annual Report and 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 for the above period 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.

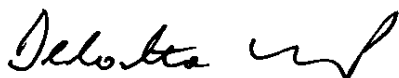
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Independent auditors' report to the members of Thorn Security Group Limited (continued)

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 2008 and of its loss 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
Chartered Accountants and Registered Auditors
London, United Kingdom

14 April 2009

Thorn Security Group Limited

Profit and loss account Year ended 30 September 2008

	Notes	2008 £'000	2007 £'000
Exceptional item: investments written off	6	(4,797)	(15,449)
Operating loss	2	(4,797)	(15,449)
Interest receivable	4	677	580
Exchange gain	4	435	271
Interest payable	4	(175)	(163)
Loss on ordinary activities before taxation		(3,860)	(14,761)
Taxation	5	(25)	(35)
Loss on ordinary activities after taxation and retained profit for the financial year transferred to reserves	13, 14	(3,885)	(14,796)

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

All items noted above relate to continuing operations.

Thorn Security Group Limited

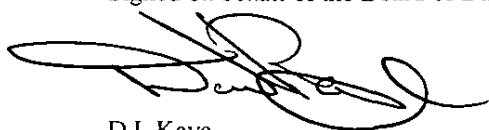
Balance sheet

Year ended 30 September 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Investments	6	42,961	47,758
Current assets			
Debtors due within one year	7	11,974	4,765
Debtors due more than one year	8	27,570	33,463
		<u>39,544</u>	<u>38,228</u>
Creditors: amounts falling due within one year	9	<u>(2,779)</u>	<u>-</u>
Net current assets		36,765	38,228
Creditors: amounts falling due after more than one year	10	<u>(56,201)</u>	<u>(58,576)</u>
Total assets less current liabilities		<u>23,525</u>	<u>27,410</u>
Capital and reserves			
Called up share capital	12	11,096	11,096
Share premium account	13	7,772	7,772
Profit and loss account	13	4,657	8,542
Total shareholder's funds	14	<u>23,525</u>	<u>27,410</u>

These financial statements were approved by the Board of Directors on 14 APRIL 2009.

Signed on behalf of the Board of Directors



D L Kaye

Director

Thorn Security Group Limited

Notes to the accounts

Year ended 30 September 2008

1. Accounting policies

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2. The financial position of the company and its financial risk management are described in Directors' Report on page 2. The company has considerable net assets made up of intercompany debtors which are guaranteed by the parent company, Tyco International Ltd. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, 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 annual report and accounts.

Accounting convention

The financial statements have been prepared under the historical cost convention, and have been prepared in accordance with applicable United Kingdom accounting standards. A summary of the more important accounting policies of the company is set out below. These have been applied consistently throughout the current and preceding year.

Group financial statements, cash flow statement and related party transactions

The company is a wholly owned subsidiary of a company registered in England and Wales, Tyco Holdings (UK) Limited (see note 15) and as such is not required to produce consolidated financial statements under Section 228 of the Companies Act 1985. For the same reasons, the company is also exempt under the terms of Financial Reporting Standard No 1 (revised 1996) from publishing a cash flow statement.

The company is also a wholly owned subsidiary of Tyco International Ltd. (see note 15) and is exempt under the terms of Financial Reporting Standard No. 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.

Investments

Fixed asset investments are stated at cost less any provision required for any permanent diminution in value.

Foreign currency translation

Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at the date of the transaction or at the balance sheet date. All exchange differences are dealt with in the profit and loss account.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation 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.

Deferred taxation is provided on all timing differences that have not reversed before the balance sheet date at the rate of tax expected to apply when those timing differences reverse. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax is measured on a non discounted basis.

Thorn Security Group Limited

Notes to the accounts

Year ended 30 September 2008

2. Operating loss

	2008 £'000	2007 £'000
This is stated after charging:		
Investments written off	(4,797)	(15,449)

The auditors' remuneration of £5,513 (2007: £5,250) is borne by a fellow subsidiary company, ADT Fire & Security Plc.

3. Directors' emoluments and employee information

The directors are remunerated by a fellow subsidiary company in respect of services provided to a number of group companies as directors. It is not possible to separately identify the emoluments attributable to services provided to each company. Accordingly, the financial statements include no emoluments in respect of any directors (2007: £nil).

No director exercised share options in the ultimate parent undertaking in the year (2007: none).

The company had no employees except the directors in the current or prior year.

4. Interest receivable/(payable) and exchange gains

	2008 £'000	2007 £'000
Foreign exchange gain		
Exchange gain	435	271
Interest receivable/ (payable)		
Interest payable to other group undertakings (note 9)	(175)	(163)
Interest receivable from group undertakings (note 8)	677	580

Thorn Security Group Limited

Notes to the accounts Year ended 30 September 2008

5. Taxation

	2008 £'000	2007 £'000
Current tax:		
UK corporation tax at 29% (2007:30%)	-	-
Total current tax – overseas tax	(25)	(22)
Deferred tax:		
The origination of and reversal of timing differences	-	9
Tax rate change	-	(33)
Prior year adjustment	-	11
Total deferred tax (note 11) -	-	(13)
Total taxation charge on profit on ordinary activities	(25)	(35)

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 taxation is as follows:

Factors affecting the tax charge for the current period

	2008 £'000	2007 £'000
Loss on ordinary activities before tax	(3,860)	(14,761)
Tax at 29% (2007: 30%) thereon:	(1,119)	(4,428)
Effects of:		
Unpaid overseas interest	-	49
Expenses not deductible for tax purposes	1,396	4,640
Utilisation of brought forward losses	-	(40)
Group relief	(252)	(221)
Overseas tax	25	22
Double tax relief	(25)	-
Total current tax charge for the year	25	22

Thorn Security Group Limited

Notes to the accounts Year ended 30 September 2008

6. Fixed asset investments

	£'000
Cost	
At 1 October 2007 and at 30 September 2008	102,585
Provision for diminution in value	
At 1 October 2007	(54,827)
Write off made during the year	(4,797)
Provision at 30 September 2008	(59,624)
Net book value	
At 30 September 2008	<u>42,961</u>
At 30 September 2007	<u>47,758</u>

The following information relates to those subsidiary undertakings whose results or financial position, in the opinion of the directors, principally affected the figures of the company if consolidated financial statements were prepared.

Name of undertaking	Principal activity	Description of shares held	Proportion of nominal value of issued shares held %
Thorn Security Limited	Security systems	Ordinary	100
Thorn Security International Limited	Investment company	Ordinary	100
JEL Building Management Systems Limited	Dormant	Ordinary	100

All of the companies operated principally in the United Kingdom, their country of incorporation.

7. Debtors: amounts falling due within one year

	2008 £'000	2007 £'000
Amounts due from group undertakings	11,974	4,765
	<u>11,974</u>	<u>4,765</u>

Included within amounts owed by group undertakings are loan balances as follows:

Thorn Security Nederland BV: £3,305,761 (2007: £nil). Interest is receivable at the rate of 7% per annum.

Tyco Services Malaysia Sdn Bhd: £3,693,092 (2007: £nil). Interest is receivable at the rate of 7% per annum.

All other amounts owed by group undertakings are interest free and have no fixed date of repayment.

Thorn Security Group Limited

Notes to the accounts Year ended 30 September 2008

8. Debtors: amounts falling due after more than one year

	2008 £'000	2007 £'000
Amounts owed by group undertakings	27,111	33,004
Deferred tax asset (note 11)	459	459
	<u>27,570</u>	<u>33,463</u>

Included within amounts owed by group undertakings are loan balances as follows:

Thorn Security Nederland BV: £nil (2007: £2,728,566). Interest is receivable at the rate of 7% per annum.

Tyco Services Malaysia Sdn Bhd: £nil (2007: £3,164,409). Interest is receivable at the rate of 7% per annum.

All other amounts owed by group undertakings are interest free.

9. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Amounts owed to group undertakings	<u>2,779</u>	<u>-</u>

Included within amounts owed to subsidiary undertakings are loan balances as follows:

Thorn Security (Hong Kong) Limited: £2,779,313 (2007: £2,374,526). Interest is payable at the rate of 7% per annum.

10. Creditors: amounts falling due after more than one year

	2008 £'000	2007 £'000
Amounts owed to immediate parent company	53,280	53,280
Amounts owed to subsidiary undertakings	<u>2,921</u>	<u>5,296</u>
	<u>56,201</u>	<u>58,576</u>

All amounts owed to subsidiary companies and the immediate parent company are interest free.

Thorn Security Group Limited

Notes to the accounts Year ended 30 September 2008

11. Deferred tax

	Deferred tax asset	
	2008	2007
	£'000	£'000
Balance brought forward	459	472
Debit/(credit) to profit and loss account	-	(13)
At 30 September 2008	459	459
Deferred tax comprises:		
Losses	459	459
Deferred tax asset	459	459

A deferred tax asset of £459,000 (2007: £459,000) has been recognised in respect of losses carried forward as the directors are of the opinion that these losses will be utilised against the interest income on the inter company loans.

12. Called up share capital

	2008	2007
	£'000	£'000
Authorised		
11,195,600 'A' ordinary shares of £1 each	11,195	11,195
Allotted, called-up and fully paid		
11,096,674 'A' ordinary shares of £1 each	11,096	11,096

13. Share premium account and other reserves

	Share premium	Profit and loss account
	£'000	£'000
At 1 October 2007	7,772	8,542
Loss for the year	-	(3,885)
At 30 September 2008	7,772	4,657

Thorn Security Group Limited

Notes to the accounts

Year ended 30 September 2008

14. Reconciliation of movements in shareholder's funds

	2008 £'000	2007 £'000
Loss for the financial year	(3,885)	(14,796)
Net (decrease) to shareholders' funds	(3,885)	(14,796)
Opening shareholders' funds	27,410	42,206
Total shareholder's funds	23,525	27,410
Equity shareholder's funds		
Ordinary share capital	11,096	11,096
Ordinary share premium	7,772	7,772
Profit and loss account (note 13)	4,657	8,542
Total shareholder's funds	23,525	27,410

15. Ultimate and intermediate parent undertakings

The company's immediate parent undertaking is Tyco Holdings (UK) Limited.

The company's ultimate parent undertaking and controlling party is Tyco International Limited (a company incorporated in Switzerland). The undertaking that prepares consolidated financial statements for the smallest and largest group of which the company is a part is Tyco International Limited. Copies of the consolidated financial statements are available from the company's corporate office: The Freier Platz 10, 8200 Schaffhausen, Switzerland.