

LDS Test and Measurement Limited

**Directors' report and financial
statements**

Registered number 1539186

31 December 2009

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Officers and professional advisors

Directors

A Rasmussen

L Ronn

J Webster

L Grasty

Secretary

J Brown

Registered office

Jarman Way

Royston, Hertfordshire

SG8 5BQ

Bankers

Barclays Bank Plc

23 High Street

Royston, Bedfordshire

SG8 9AB

Bank of America N A

5 Canada Square

London, E14 5AQ

Auditors

KPMG Audit Plc,

37 Hills Road

Cambridge, CB2 1XL

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the company is the manufacture and sale of vibration test equipment

The subsidiary undertakings held by the company are listed in note 11 to the financial statements

Business review

Turnover has decreased by 21% compared to 2008 as a result of the downturn in the economy and changes to our group organisation following the acquisition by Spectris Plc. The Directors expect the general level of activity to recover during 2010. However, it is expected that the integration with Spectris' business model will mean LDS Test and Measurement Limited will only be selling to Bruel & Kjaer Denmark and UK going forward, with any remaining legacy orders expected to be shipped during 2010.

Research and development

The company continued to invest in research and development in 2009 £433,000 (2008 £526,000). This has resulted in a number of products being launched recently which are expected to make significant contributions to the growth of the business. The directors regard investment in this area as a prerequisite for success in the medium to long term future.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The company does not enter into the use of financial derivatives.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company does not hedge transactions in foreign currencies but maintains bank accounts in foreign currencies in order to match cash inflow in those currencies.

Credit risk

The company's principal financial assets are bank balances and cash and trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The credit risk is managed by reviewing credit worthiness of potential and existing customers using reputable credit agencies, maintaining credit insurance and the use of Letters of Credit.

The company has no significant concentration of credit risk with exposure spread over a large number of counterparties and customers. Loss of key customers is also a key risk to the business. The company manages the risk by developing and maintaining strong relationships with these customers.

Liquidity risk

The company does not have any external debt finance outside the Spectris group of companies. The inter-company debt finance is not interest-bearing.

Directors' report *(continued)*

Financial risk management objectives and policies *(continued)*

Foreign exchange risk

Foreign exchange risk on cash is managed by conversion of all foreign currency balances to Sterling at the end of each month, for transfer into the cash pool

Price risk

The company is exposed to commodity price risk. The company actively negotiates with suppliers to reduce the impact of this risk.

Results and dividends

The profit for the year after taxation was £1,221,000 (2008 £5,084,000). The directors do not recommend the payment of a dividend (2008 £nil).

Directors / Company Secretary

The directors / Company secretary who held office during the year were as follows:

A Rasmussen

L Ronn

J Webster

D Read (resigned 1 March 2009)

L Grasty (appointed 1 March 2009)

M Shanahan (appointed 1 March 2009, resigned 1 October 2009 as both Director and Company Secretary)

J Brown (appointed Company Secretary 1 October 2009)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board

L Grasty
Director



Jarman Way
Royston
Hertfordshire
SG8 5BQ

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

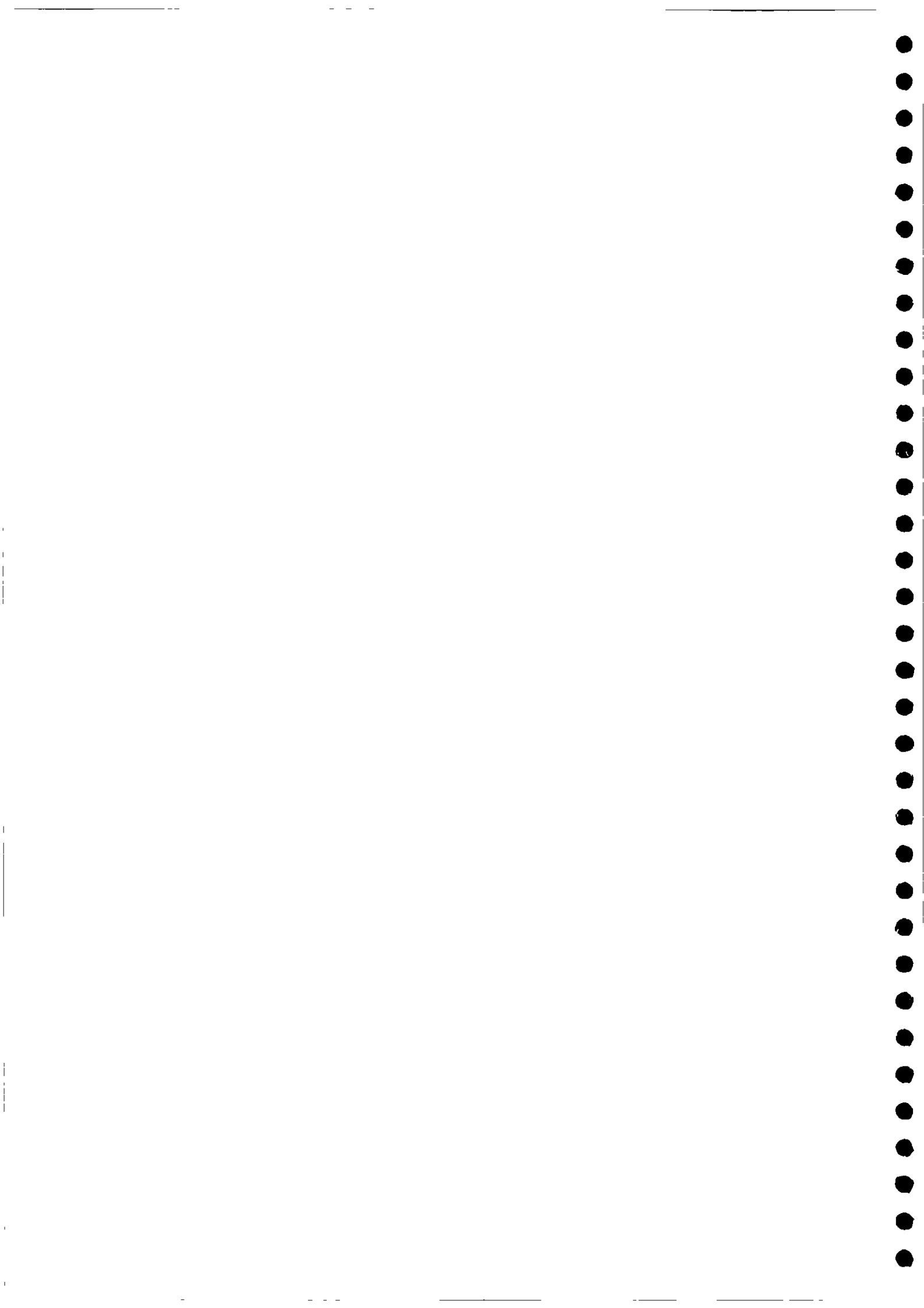
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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, 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.





KPMG Audit Plc

37 Hills Road
Cambridge
CB2 1XL
United Kingdom

Independent auditors' report to the members of LDS Test and Measurement Limited

We have audited the financial statements of LDS Test and Measurement Limited for the year ended 31 December 2009 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors

As explained more fully in the Directors' Responsibilities set out on page 5, 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 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 Boards (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditors' report to the members of LDS Test and Measurement Limited (*continued*)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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 of the information and explanations we require for our audit

CHW6 Strange Meakin

Charles le Strange Meakin (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

Date *8th September 2010.*

Profit and Loss Account
for the year ended 31 December 2009

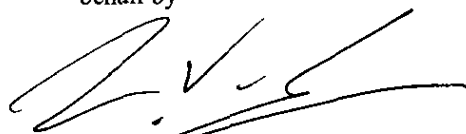
	<i>Note</i>	2009 £000	2008 £000
Turnover	2	19,136	24,295
Cost of sales		(13,723)	(18,297)
Gross profit		5,413	5,998
Other operating expenses	3	(4,325)	(3,253)
Operating profit		1,088	2,745
Finance income	4	226	3,675
Exceptional Items	14	183	(1,503)
Profit on ordinary activities before taxation	5	1,497	4,917
Tax (charge)/credit on profit on ordinary activities	8	(276)	167
Profit for the financial year	18	1,221	5,084

- 1 The profit and loss account has been prepared on the basis that all operations are continuing operations
- 2 There are no recognised gains and losses other than those passing through the profit and loss account

Balance Sheet
at 31 December 2009
Company registration no. 1539186

	<i>Note</i>	2009 £000	£000	2008 £000	£000
Fixed assets					
Tangible assets	10		2,431		2,699
Investments	11		-		486
			<hr/>		<hr/>
			2,431		3,185
Current assets					
Stocks	12	3,891		3,189	
Debtors due within one year	13	22,834		21,991	
Cash at bank and in hand		-		629	
		<hr/>		<hr/>	
		26,725		25,809	
Creditors: amounts falling due within one year	15	(5,112)		(6,369)	
		<hr/>		<hr/>	
Net current assets			21,613		19,441
Total assets less current liabilities			<hr/>		<hr/>
			24,044		22,626
Provision for liabilities	16		(510)		(313)
			<hr/>		<hr/>
Net assets			23,534		22,313
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	17		351		351
Other reserves	18		5,272		5,272
Profit and loss account	18		17,911		16,690
			<hr/>		<hr/>
Shareholders' funds	19		23,534		22,313
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 27th August 2010 and were signed on its behalf by



L Grasty
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain fixed asset investments

Consolidated financial statements have not been prepared by the company as permitted by Section 400 of the Companies Act 2006 Consolidated results for the company and its subsidiary undertaking are included in the group financial statements of the ultimate holding company Spectris plc which will be available to the public

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on pages 2 to 3

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries

The directors, having assessed the responses of the directors of the company's parent Spectris Plc to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Spectris group to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Spectris Plc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic cost net of depreciation and any provision for impairment Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life as follows

Plant and machinery	-	3 to 10 years
Computer hardware and software	-	3 to 5 years

Due to the acquisition of the company by Spectris Plc in December 2008, the depreciation of computer hardware and software was aligned with group policy and reduced to 3 to 5 years from 3 to 7 years

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off

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 price less further costs expected to be incurred to completion and disposal Provision is made for obsolete slow-moving or defective items where appropriate

Notes (continued)

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

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 on product sales is recognised when risk passes to the customer according to the terms of the contract between the company and the customer. Revenue on services is recognised as the services are delivered.

Research and development expenditure

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings.

A net deferred tax asset is regarded as recoverable and therefore recognised only when on the basis of all evidence, it can be regarded as more likely than not 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.

Pension costs

Previously the company provided pension arrangements to a number of full-time employees as part of the SPX UK Pension Plan. It also made contributions to employees' money purchase schemes.

The SPX UK Pension Plan was a defined benefit multi-employer scheme the assets and liabilities of which are held independently from the group. The company was unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounted for the scheme as it were a defined contribution scheme.

Upon acquisition of the company by Spectris Plc, all LDS employees participating in the SPX UK Pension Plan were transferred into the LDS Defined Contribution Scheme under the conditions that for a period of at least one year following completion of the acquisition by Spectris plc, the employer contributions provided under the defined contribution scheme shall be no lower as a percentage of pensionable salary than was paid in respect of those employees continuing service accrual under the SPX UK Pension Plan immediately prior to completion.

For contributions to defined contribution schemes the amount charged to the profit and loss account is the contribution payable in the year and the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Notes (continued)

Share based payments

The company previously remunerated certain of its employees using equity instruments in its ultimate parent company, the SPX Corporation. These were accounted for as equity-settled in the consolidated accounts of SPX however in accordance with UITF 44, in the company accounts these share based payments were treated as cash-settled as the company was required to settle this liability.

For cash settled share based payment transactions, the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is initially measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The liability is revalued at each balance sheet date and settlement date with any changes to fair value being recognised in the profit and loss account.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or 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.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

2 Analysis of turnover

As the company is engaged in one class of business no analysis of turnover has been provided.

The directors consider that the disclosure of an analysis of turnover between geographical markets would be seriously prejudicial to the interests of the group.

3 Other operating expenses

	2009 £000	2008 £000
Selling costs	745	956
Research and development expenses	443	526
Administrative expenses	3,137	1,771
	<hr/>	<hr/>
	4,325	3,253
	<hr/>	<hr/>

Notes (continued)

4 Finance income

	2009 £000	2008 £000
Investment income		
Interest receivable and similar income	226	490
Dividend received	-	3,185
	<u>226</u>	<u>3,675</u>

5 Profit on ordinary activities before taxation

	2009 £000	2008 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation and other amounts written off tangible fixed assets	422	393
Research and development	433	526
Operating lease rentals	553	383
Exchange loss/(gain)	460	(1 997)
FRS20 share based payments expense	-	252
Auditors remuneration – former auditors		
- other audit services	-	56
- tax services	-	26
Auditors remuneration – current auditors		
- audit of these financial statements	49	50
	<u>49</u>	<u>50</u>

6 Staff costs

The average monthly number of employees (including executive directors) was as follows

	Number of employees	
	2009	2008
Production	93	90
Sales	8	13
Administration	16	24
	<u>117</u>	<u>127</u>

Notes (continued)

6 Staff costs (continued)

The aggregate remuneration comprised

	2009 £000	2008 £000
Wages and salaries	3,881	5,004
Social security costs	419	507
Other pension costs	173	492
	<u>4,473</u>	<u>6,003</u>

7 Directors' remuneration

The remuneration of the directors was as follows

	2009 £000	2008 £000
Emoluments	321	7
Company contributions to money purchase pension schemes	13	1
	<u>334</u>	<u>8</u>

The remuneration of the highest paid director was as follows

	2009 £000	2008 £000
Emoluments	121	7
Company contributions to money purchase pension schemes	7	1
	<u>128</u>	<u>8</u>

The number of directors who were members of pension schemes was as follows

	2009 £000	2008 £000
Company contributions to money purchase pension schemes	1	1

Prior to the 12th December 2008 the costs of all directors were borne by another group company

Notes (continued)

8 Taxation

Analysis of charge in period

	2009 £000	2008 £000
<i>Current tax</i>		
Current UK corporation tax	335	-
Adjustments in respect of prior years	-	1
	<hr/>	<hr/>
Total current tax	335	1
<i>Deferred tax (see note 13)</i>		
Origination/reversal of timing differences	(215)	(192)
Adjustments in respect of prior periods	156	24
	<hr/>	<hr/>
Tax charge/(credit) on profit on ordinary activities	276	(167)
	<hr/>	<hr/>

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

	2009 £000	2008 £000
Profit on ordinary activities before tax	1,497	4,917
	<hr/>	<hr/>
	£000	£000
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2008 28.5%)	419	1,401
<i>Effects of</i>		
Non taxable income	(181)	(908)
Expenses not deductible for tax purposes	187	177
Group relief claimed for nil consideration	-	(865)
Capital allowances in deficit of depreciation	64	117
Short-term timing differences	(154)	78
Adjustment to tax charge in respect of previous periods	-	1
	<hr/>	<hr/>
Current tax	335	1
	<hr/>	<hr/>

Notes (continued)

9 Share based payments

The company previously remunerated certain of its employees using share based payments. Equity instruments in the former ultimate parent company were granted at no exercise price to the recipient. These were accounted for as equity-settled in the consolidated accounts of SPX however in accordance with UITF 44, in the company accounts these share based payments were treated as cash-settled as the company was required to settle this liability. Following the sale of the company to Spectris Plc, options due to vest in 2009 were exercised on 12 December 2008 under a discretionary accelerated vesting as part of the sale agreement. All other options due to vest beyond 2009 were forfeited.

<i>Number of share options</i>	2009	2008
Outstanding at beginning of year	-	11,780
Granted during the year	-	4,500
Forfeited during the year	-	(7,879)
Exercised during the year	-	(8,401)
	<hr/>	<hr/>
Outstanding at the end of the year	-	-
	<hr/>	<hr/>

10 Tangible fixed assets

	Plant and machinery £000	Computer hardware £000	Computer software £000	Assets in course of construction £000	Leasehold Buildings £000	Total Tangible Fixed Assets £000
Cost						
At beginning of year	1,705	134	800	-	1,554	4,193
Additions	101	-	-	30	23	154
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	1,806	134	800	30	1,577	4,347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
At beginning of year	1,065	43	336	-	50	1,494
Charge for year	118	28	172	-	104	422
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	1,183	71	508	-	154	1,916
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value						
At 31 December 2009	623	63	292	30	1,423	2,431
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	640	91	464	-	1,504	2,699
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

11 Fixed asset investments

Subsidiary undertakings

	Total £000
<i>Cost or valuation and net book value</i>	
At 31 December 2008	486
Disposal of LDS GmbH	(17)
Impairment of LDS Sarl	(466)
Disposal of LDS Inc	(3)
	<hr/>
At 31 December 2009	-
	<hr/>

The company has the following subsidiary undertakings

	Country of incorporation	Holding	Percentage
LDS Test and Measurement Sarl	France	Ordinary shares	100%

LDS Test and Measurement Inc (incorporated in the USA) and LDS Test and Measurement GmbH (incorporated in Germany) were sold during 2009 to Bruel & Kjaer Inc (29th May 2009 generating no profit or loss) and Bruel & Kjaer GmbH (29th August 2009 generating a profit of £648,000) respectively

During 2009 the decision was taken to sell the trade and assets of LDS Test and Measurement Sarl within the Spectris group and close down the LDS French operation. The resultant profits from sale less the costs of closure of the operation has reduced the net assets position of LDS Test and Measurement Sarl to nil and accordingly the carrying value of the investment in LDS Sarl of £465,000 held in the LDS Test and Measurement Limited books has been written down to nil.

12 Stocks

	2009 £000	2008 £000
Raw materials and consumables	1,879	1,843
Work in progress	1,285	1,018
Finished goods and goods for resale	727	328
	<hr/>	<hr/>
	3,891	3,189
	<hr/>	<hr/>

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

Notes (continued)

13 Debtors amounts falling due within one year

	2009 £000	2008 £000
Trade debtors	1,304	4,701
Amounts owed by group undertakings	20,545	16,411
Deferred tax asset (see below)	322	263
Other debtors	377	372
Prepayments and accrued income	286	244
	<u>22,834</u>	<u>21,991</u>

Included within amounts owed by group undertakings is £3,965,000 (2008 nil) that has been paid into the Spectris group cash pool

Deferred tax asset

	2009 £000	
At 1 January 2009	263	
Charge to profit and loss account	59	
	<u>322</u>	
At 31 December 2009	<u>322</u>	
The deferred tax asset is analysed as follows	2009 £000	2008 £000
Capital allowances less than depreciation	91	27
Short term timing differences	231	236
	<u>322</u>	<u>263</u>

14 Exceptional items

	2009 £000	2008 £000
Loss on sale of shares in SRE Electronics Limited	-	(1,248)
Write off of intercompany loan	-	(255)
Profit on disposal of LDS GmbH (see note 11)	648	-
Impairment of investment in LDS Sarl (see note 11)	(465)	-
	<u>183</u>	<u>(1,503)</u>
Total Exceptional Items	<u>183</u>	<u>(1,503)</u>

Notes *(continued)*

15 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Bank loan and overdraft	285	-
Payments received in advance	396	419
Trade creditors	2,315	3,017
Amounts owed to group undertakings	915	942
Other taxation and social security	102	136
Accruals and deferred income	1,099	1,855
	<u>5,112</u>	<u>6,369</u>

16 Provisions for liabilities

	Warranty provision £000
At beginning of year	313
Provision utilised during the year	-
Charged to the profit and loss for the year	197
	<u>510</u>
At end of year	

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.

Notes (continued)

17 Called up share capital

	2009 £000	2008 £000
<i>Authorised</i>		
10,076,440 Ordinary shares of £0.05 each	504	504
159,274 deferred shares of £1 each	159	159
	<hr/> 663	<hr/> 663
<i>Allotted, called up and fully paid</i>		
4,992,060 Ordinary shares of £0.05 each	250	250
101,201 deferred shares of £1 each	101	101
	<hr/> 351	<hr/> 351

The deferred shares were issued at par on 1 March 1984 by converting existing £1 ordinary shares and re-designating them as deferred shares.

The deferred shares carry no voting rights or dividends but on winding up the holders shall be entitled out of the surplus of assets of the company to a return of capital paid up by them after a total of £40,000,000 has been distributed in such a winding up in respect of ordinary shares.

18 Reserves

	Other reserves £000	Profit and loss account £000
At beginning of year	5,272	16,690
Profit for the year	-	1,221
	<hr/> 5,272	<hr/> 17,911
At end of year	<hr/> 5,272	<hr/> 17,911

Notes (continued)

19 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Profit for the financial year	1,221	5,084
Reversal of revaluation reserve upon sale of revalued fixed asset investment	-	(333)
Opening shareholders' funds	22,313	17,562
	<hr/> 23,534 <hr/>	<hr/> 22,313 <hr/>

20 Pension arrangements

The company previously provided pension arrangements to a number of full-time employees through a defined benefit scheme. It also makes contributions to employees' money purchase schemes.

Upon acquisition of the company by Spectris Plc, all LDS employees participating in the SPX UK Pension Plan were transferred into the LDS Defined Contribution Scheme under the conditions that for a period of at least one year following completion of the acquisition by Spectris plc, the employer contributions provided under the defined contribution scheme shall be no lower as a percentage of pensionable salary than was paid in respect of those employees continuing service accrual under the SPX UK Pension Plan immediately prior to completion.

For contributions to defined contribution schemes the amount charged to the profit and loss account is the contribution payable in the year and the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

During 2009 the company contributed £nil (2008: £32,000) towards the administration expenses of the scheme and paid a deficit contribution of £nil (2008: £324,000) during the year.

Notes (continued)

21 Financial commitments

Capital commitments at the end of the financial year are as follows

	2009 £000	2008 £000
Contracted but not provided for	34	34

Annual commitments under non-cancellable operating leases are as follows

	2009 Land and buildings £000	Other £000	2008 Land and buildings £000	Other £000
Operating leases which expire				
Within one year	-	37	-	18
In the second to fifth years inclusive	-	48	-	130
Over five years	476	-	305	-
	<u>476</u>	<u>85</u>	<u>305</u>	<u>148</u>

22 Related party disclosures

As a subsidiary undertaking of Spectris plc, the company has taken advantage of the exemption in FRS 8 Related Party Disclosures from disclosing transactions with other members of the group headed by Spectris plc

23 Post balance sheet events

There have been no post balance sheet events in 2010 that would need disclosure

24 Ultimate parent company and parent undertaking of larger group of which the company is a member

The directors regard Spectris plc, a company incorporated in the United Kingdom, as the ultimate parent company and the ultimate controlling party

Spectris plc is the parent company of the largest and smallest group of which the company is a member and for which the group financial statements are drawn up. Copies of the financial statements are available from Station Road, Egham, Surrey, TW20 9NP