

**W J Furse & Co Limited**

**Directors' report and financial  
statements**

Registered number 03118288  
31 December 2009

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**Company information**

**Directors**

WD Smith, Jr  
FJP Van Belle  
W Weaver

**Secretary**

Cargil Management Services Ltd

**Registered Office**

C/o Cargil Management Services Ltd  
27/28 East Castle Street  
London  
W1W 8DH

Registered in England and Wales No 03118288

**Bankers**

Bank of America  
Bank of Scotland  
KBC Bank NV

**Auditors**

KPMG LLP  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

**Solicitors**

Simmons and Simmons  
Citypoint  
1 Ropemaker Street  
London  
EC2Y 9SS

## **Directors' report**

The directors submit their report and the audited financial statements for the year ended 31 December 2009

### **Business review and principal activities**

The Company is a wholly owned subsidiary of Thomas & Betts Corporation

The Company's principal activities are the manufacture and sale of earthing and lighting protection systems, electronic surge protection equipment, and industrial fastenings to the commercial and industrial building industry throughout the Middle East and United Kingdom via a fellow subsidiary based in Europe. There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not, at the date of this report, aware of any likely major changes in the Company's activities in the next year.

The Company invests in research and development activities appropriate to the nature and size of its operations with the aim of supporting the future development of the Company, in the medium to long-term future. This research and development activity has resulted in a number of updates to existing products.

As shown in the Company's profit and loss account on page 7, the Company's turnover has decreased by 10% from the prior year and profit after tax has decreased from £717,000 to £533,000. The key factor for these decreases has been the world economic climate.

The balance sheet on page 8 of the financial statements shows the Company's financial position at the year-end. The significant changes from 2008 was

- The inter-company debtor has increased by a similar amount to the profit before tax.

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

Thomas & Betts Corporation manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the electrical division of Thomas & Betts Corporation, which includes the company, is discussed in Thomas & Betts Corporation's Annual Report which does not form part of this Report. Copies of the Thomas & Betts Corporation Annual Report can be obtained from the address given in note 21.

### **Principal risks and uncertainties**

Competitive pressure in the Middle East and United Kingdom is a continuing risk for the Company, which could result in it losing sales to its key competitors. To manage this risk, the Company strives to provide added-value products and services to its customers, prompt response times in the supply of products and services and in the handling of customer queries, and through the maintenance of strong relationships with customers.

The Company's business may be affected by fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where practicable, such risks.

The success of the company is directly linked to positive economic conditions in the countries where we sell our products. Turmoil in the financial markets during 2009 has adversely affected world economic activity. The current economic environment has had an adverse affect on demand in our primary markets and a continued decline in economic activity could adversely affect demand, thereby having a material adverse impact on our operating results and financial condition. Additionally, these conditions could also impair the ability of those whom we do business with to satisfy their obligations to us. Finally, a continued decline in economic activity could result in adverse changes to our current projected future operating results that are used to assess asset valuations. Such revisions could lead to potentially significant financial impairment charges for these assets in future periods.

## **Directors' report** *(continued)*

### **Principal risks and uncertainties** *(continued)*

The Company has a defined benefit pension plan, which is currently in deficit. The funding level of this pension plan is subject to adverse change resulting from movements in the actuarial assumptions underlying the calculation of plan liabilities, including decreasing discount rates and increasing longevity of plan members, as well as declines in the market value of plan investments. The pension plan is closed to new members and contributions are being made under the terms of a payment schedule agreed with the plan Trustee. Significant adverse changes in the actuarial assumptions underlying the plan valuation and the Company's contributions made into the plan could materially impact the Company's trading results.

The Company is financed by inter company funding from Thomas & Betts Europe.

The Group risks to which Thomas & Betts Corporation is exposed are discussed in Thomas & Betts Corporation's Annual Report which does not form part of this Report.

### **Environment**

W J Furse & Co Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. The Company operates in accordance with Thomas & Betts Corporation policies, as noted in Thomas & Betts Corporation's Annual Report, which does not form part of this Report. Initiatives aimed at minimising the Company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

### **Research and development**

Research and development costs during the year amounted to £350,000 (2008 £269,000).

### **Political and charitable contributions**

The company made no charitable contributions during the year (2008 £1,888). There were no political contributions in the year (2008 £nil).

### **Dividends**

The company paid no dividends during the year ended 31 December 2009 (2008 £3,795,019).

### **Directors and directors' interests**

The directors who served during the year were as follows:

WD Smith, Jr (US)  
KW Fluke (US) - Resigned 5 October 2009  
FJP Van Belle (Belgium)  
W Weaver (US) - Appointed 5 October 2009

**Directors' report** *(continued)*

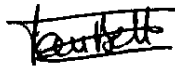
**Disclosure of information to auditors**

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, and each director has taken all the steps that he ought to have taken as a director to make himself 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 LLP will therefore continue in office

By order of the board



**FJP Van Belle**  
*Director*

**Registered Office:**  
C/O Cargil Management Services Ltd  
27/28 East Castle Street  
London  
W1W 8DH

*22 July 2010*

## **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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 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 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

## Independent auditor's report to the members of W J Furse & Co Limited

We have audited the financial statements of WJ Furse & Co Limited for the year ended 31 December 2009 set out on pages 7 to 25. 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 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 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 explained more fully in the Directors' Responsibilities Statement 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 Board's (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](http://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.

### 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.



**TM Widdas** (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
St Nicholas House  
Park Row  
Nottingham NG1 6FQ

Dated 27/9/10



**Profit and loss account**  
*for the year ended 31 December 2009*

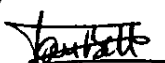
	<i>Notes</i>	<b>2009</b> <b>£000</b>	2008 £000
<b>Turnover</b>	2	7,776	8,605
Cost of sales		(3,211)	(3,459)
<b>Gross profit</b>		<u>4,565</u>	<u>5,146</u>
Distribution and selling costs		(2,167)	(2,328)
Administrative expenses		(1,429)	(1,545)
<b>Operating profit</b>		<u>969</u>	<u>1,273</u>
Income from other fixed asset investments	3	8	-
Other interest receivable and similar income	4	2	2
Other finance income	5	68	141
<b>Profit on ordinary activities before taxation</b>	6	<u>1,047</u>	<u>1,416</u>
Tax on profit on ordinary activities	7	(514)	(699)
<b>Profit for the financial year</b>		<u><u>533</u></u>	<u><u>717</u></u>

In both the current and preceding year, the company made no material acquisitions and had no discontinued operations

**Balance Sheet**  
*as at 31 December 2009*

	<i>Note</i>	<b>2009</b>	<b>2008</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Intangible assets	<i>10</i>	4,514	5,270
Tangible assets	<i>11</i>	1,474	1,532
		<hr/>	<hr/>
		5,988	6,802
<b>Current assets</b>			
Debtors	<i>12</i>	1,404	338
Cash at bank and in hand		192	165
		<hr/>	<hr/>
		1,596	503
<b>Creditors</b> amounts falling due within one year	<i>13</i>	(1,396)	(1,349)
		<hr/>	<hr/>
<b>Net current assets/(liabilities)</b>		200	(846)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		6,188	5,956
<b>Provisions for liabilities and charges</b>	<i>14</i>	(62)	(56)
		<hr/>	<hr/>
<b>Net assets excluding pension scheme</b>		6,126	5,900
<b>Net pension scheme liabilities</b>	<i>15</i>	(741)	(357)
		<hr/>	<hr/>
<b>Net assets including pension scheme</b>		5,385	5,543
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	<i>17</i>	1,692	1,692
Share premium account	<i>18</i>	1,120	1,120
Revaluation reserve	<i>18</i>	108	108
Capital redemption reserve	<i>18</i>	1,600	1,600
Capital contribution reserve	<i>18</i>	13	28
Profit and loss account	<i>18</i>	852	995
		<hr/>	<hr/>
<b>Shareholders' funds</b>	<i>19</i>	5,385	5,543
		<hr/>	<hr/>

These financial statements were approved by the board of directors on *12 July 2010* and were signed on its behalf by

  
**FJP Van Belle**  
*Director*

Company registered number 3118288

**Statement of Total Recognised Gains and Losses**  
*for the year ended 31 December 2009*

	2009		2008
	£000	£000	£000      £000
<b>Profit for the financial year</b>		533	717
Actual return less expected return on pension scheme assets	1,186		(2,645)
Experience gain arising on pension scheme liabilities	179		349
(Loss)/gain due to changes in assumptions underlying the present value of scheme liabilities	(2,304)		1,644
	<hr/>		<hr/>
<b>Actuarial loss recognised on the pension scheme</b>	(939)		(652)
Movement on deferred tax relating to the pension scheme	263		183
	<hr/>		<hr/>
		(676)	(469)
		<hr/>	<hr/>
<b>Total recognised (losses)/gains relating to the financial year</b>		(143)	248
		<hr/> <hr/>	<hr/> <hr/>

## **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

#### ***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 land and buildings. The company has applied the transitional rules contained in FRS 15 'Tangible fixed assets' to retain previous valuations as the basis on which certain of these assets are held.

#### ***Tangible fixed assets and depreciation***

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition, less accumulated depreciation. Certain freehold land and buildings are held at valuation.

Depreciation has been calculated to write off the cost or valuation of tangible fixed assets on a straight-line basis over their estimated economic useful lives as follows:

Freehold buildings	10 to 30 years
Plant and machinery	5 to 10 years
Fixtures and fittings	3 to 7 years
Computer equipment	3 to 7 years
Office equipment	3 to 10 years

Freehold land is not depreciated.

#### ***Leases***

The costs of operating leases are charged to the profit and loss account on a straight-line basis over the life of the lease.

#### ***Goodwill and negative goodwill***

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on the acquisition of the trade and assets of the business is capitalised. Positive goodwill is amortised to nil on a straight-line basis over 20 years which is the expected useful economic life of the investment. Negative goodwill arising on the acquisition of the trade and assets of the business is included within fixed assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. 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 arising on translation are included in the profit and loss account together with any gains or losses arising in the normal course of business.

**Notes** *(continued)*

**1 Accounting policies** *(continued)*

***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

***Research and development***

Expenditure on research is written off in the year in which it is incurred. Development costs are written off over the period of a commercially recognisable project.

***Pension scheme***

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

***Cash flow statement***

Under Financial Reporting Standard Number 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking, and the cash flow appears in the financial statements of the ultimate parent undertaking.

***Related party transactions***

As the company is a wholly owned subsidiary of the Thomas & Betts Corporation, the company has taken advantage of the exemption contained within FRS 8 and therefore has not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of the Thomas & Betts Corporation, within which this company is included, can be obtained from the address given in Note 21.

***Turnover***

Turnover represents sales of goods and services, commissions, and mark-up on expenses at invoiced value exclusive of value added tax and discounts.

**Notes (continued)**

**1 Accounting policies (continued)**

**Share based payments**

The share option programme allows employees to acquire shares of the ultimate parent undertaking. The fair value of options granted after 7 November 2002 is recognised as an employee expense with a corresponding increase in capital contribution. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where variations are due only to share prices not achieving the threshold for vesting.

**Dividends on shares presented within equity**

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.

**2 Turnover**

	2009 £000	2008 £000
<i>The analysis of turnover by geographical area attributable to the Company's principal activity is as follows</i>		
Europe	7,776	8,605

**3 Income from other fixed asset investments**

	2009 £000	2008 £000
Income from fixed asset investments (excluding group undertakings)	8	-
	8	-

**4 Other interest receivable and similar income**

	2009 £000	2008 £000
Bank interest	-	2
Other interest	2	-
	2	2

**5 Other finance income**

	2009 £000	2008 £000
Expected return on pension scheme assets	596	712
Interest on pension scheme liabilities	(528)	(571)
	68	141

**Notes (continued)**

**6 Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging/(crediting) the following

	2009 £000	2008 £000
Auditors' remuneration		
- audit of these financial statements	11	8
- taxation	15	14
- pension schemes	3	2
Depreciation of tangible fixed assets	231	243
Operating lease rentals – land and buildings	5	5
Operating lease rentals – plant and machinery	51	49
Research and development expenditure	350	269
Amortisation of goodwill	756	756
Exchange loss	1	4
Rent receivable on properties	(60)	(60)
Share based payments	(15)	28
	<hr/>	<hr/>

**7 Taxation**

	2009 £000	2008 £000
<i>UK Corporation tax</i>		
Corporation tax on profit for the year at 28% (2008 28.5%)	394	653
	<hr/>	<hr/>
Total current tax charge	394	653
	<hr/>	<hr/>
Deferred taxation – origination and reversal of timing differences (note 14)	6	(26)
Deferred taxation – on pension liability movement (note 14)	114	72
	<hr/>	<hr/>
Total deferred tax charge	120	46
	<hr/>	<hr/>
Tax on profit on ordinary activities	514	699
	<hr/>	<hr/>

## Notes (continued)

### 7 Taxation (continued)

#### *Factors affecting the tax charge for the current year*

The current tax charge for the year is higher (2008 higher) than the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

	2009 £000	2008 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,047	1,416
	<hr/>	<hr/>
Current tax at 28% (2008 28.5%)	293	403
<i>Effect of</i>		
Expenses not deductible for tax purposes	93	150
Capital allowances for the tax year in excess of depreciation	6	12
Other timing differences	2	88
	<hr/>	<hr/>
Total current tax charge	394	653
	<hr/>	<hr/>

### 8 Directors' remuneration

None of the directors received any remuneration from the company during the year (2008 £nil)

### 9 Staff numbers and costs

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

	2009 Number	2008 Number
Management, sales and administration staff	65	66
Production and stores operatives	89	96
Research and development	7	7
	<hr/>	<hr/>
	161	169
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows

	2009 £000	2008 £000
Wages and salaries	3,317	3,579
Social security costs	310	327
Other pension costs		
Defined benefit – Current service cost	129	214
Defined contribution	24	23
	<hr/>	<hr/>
	3,780	4,143
	<hr/>	<hr/>



**Notes (Continued)**

**10 Intangible fixed assets**

<b>Goodwill</b>	<b>£000</b>
<i>Cost</i>	
At 1 January 2009 and 31 December 2009	15,131
<i>Accumulated amortisation</i>	
At 1 January 2009	9,861
Charge for the year	756
At 31 December 2009	10,617
<i>Written down value</i>	
At 31 December 2009	4,514
At 31 December 2008	5,270

**11 Tangible fixed assets**

	<b>Freehold land and buildings</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings, computer and office equipment</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<i>Cost or valuation</i>				
At 1 January 2009	1,442	3,311	423	5,176
Additions	3	76	97	176
Disposals	-	(10)	(16)	(26)
At 31 December 2009	1,445	3,377	504	5,326
<i>Accumulated depreciation</i>				
At 1 January 2009	403	2,889	352	3,644
Charged in the year	36	140	55	231
Disposals	-	(10)	(13)	(23)
At 31 December 2009	439	3,019	394	3,852
<i>Net book value</i>				
At 31 December 2009	1,006	358	110	1,474
At 31 December 2008	1,039	422	71	1,532

**Notes (continued)**

**11 Tangible fixed assets (continued)**

The following information relates to assets carried at revalued amounts which have been retained under the transitional provisions set out in FRS 15 'Tangible fixed assets'

	2009 £000	2008 £000
<b>Land and buildings</b>		
At 31 March 1997 open market value	1,350	1,350
Aggregate depreciation thereon	(374)	(346)
	<hr/>	<hr/>
Net book value	976	1,004
	<hr/>	<hr/>
Historical cost of revalued assets	1,242	1,242
Aggregate depreciation based on historical cost	(340)	(315)
	<hr/>	<hr/>
Historical cost net book value	902	927
	<hr/>	<hr/>

The gross book value of freehold land and buildings includes £512,000 (2008 £512,000) of non-depreciable assets

The revaluation of the company's buildings was undertaken on an open market value basis at 31 March 1997 by Robert Clarke, an independent firm of chartered surveyors, in accordance with the RICS Statements of Asset Valuation Practice and Guidance Notes

Other tangible fixed assets, including additions subsequent to the revaluation of land and buildings, are included at cost

	2009 £000	2008 £000
<b>12 Debtors</b>		
Amounts owed by group undertakings	1,309	310
Corporation tax	67	-
Prepayments and accrued income	28	28
	<hr/>	<hr/>
	1,404	338
	<hr/>	<hr/>
<b>13 Creditors: amounts falling due within one year</b>		
	2009 £000	2008 £000
Trade creditors	140	129
Amounts owed to group undertakings	726	473
Other taxation and social security	225	234
Accruals and deferred income	305	449
Corporation tax	-	64
	<hr/>	<hr/>
	1,396	1,349
	<hr/>	<hr/>

**Notes (continued)**

**14 Provisions – deferred tax**

	<b>£000</b>	
Liability at 1 January 2009		(56)
Profit and loss account credit for the year		(6)
		<hr/>
<b>Liability at 31 December 2009</b>		<b>(62)</b>
		<hr/>
Total effect of timing differences		
	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Excess depreciation over capital allowances	(64)	(64)
Short term timing differences	2	8
	<hr/>	<hr/>
<b>Deferred tax liability</b>	<b>(62)</b>	<b>(56)</b>
	<hr/>	<hr/>
<b>Deferred tax relating to pension scheme liability</b>		
	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
At 1 January	(139)	(28)
Profit and loss account charge	114	72
Statement of total recognised gains and losses charge	(262)	(183)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>(287)</b>	<b>(139)</b>
	<hr/>	<hr/>

**15 Pension scheme**

The company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £23,918 (2008 £22,911). At 31 December 2009 there were outstanding contributions of £3,502 (2008 £2,987).

The company also operates a defined benefit pension scheme, the W J Furse Pension Plan. The scheme funds are administered by trustees and are independent of the company's finances.

The most recent actuarial valuation was carried out on 31 December 2007. The results of that valuation show the Plan's assets at £10,000,000 representing 88% of the value of the benefits that had accrued to in-service and deferred pensioner members.

A new schedule of contributions dated 15 December 2008 was agreed between the Trustees and the company with the result that company contributions increased from 18.1% to 24.3% of pensionable salaries plus additional contributions of £275,000 per annum. The scheme is closed to new entrants and the service cost (as a percentage of pensionable salary) is expected to increase in the future.

The actuarial valuation used for FRS 17 has been based on the actuarial valuation at 31 December 2007 updated to 31 December 2009 by an independent qualified actuary. As required by FRS 17, the defined benefit liabilities have been measured using the projected unit method.

**Notes** *(continued)*

**15 Pension scheme** *(continued)*

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown

	2009 £000	2008 £000
Present value of funded defined benefit obligations	(11,127)	(8,586)
Fair value of plan assets	10,099	8,090
	<hr/>	<hr/>
Present value of unfunded defined benefit obligations	(1,028)	(496)
	<hr/>	<hr/>
Deficit in the scheme – Pension scheme liability	(1,028)	(496)
Related Deferred tax asset	287	139
	<hr/>	<hr/>
Net pension liability	(741)	(357)
	<hr/>	<hr/>
 Movements in present value of defined benefit obligation		
	2009 £000	2008 £000
At 1 January	(8,586)	(10,066)
Current service cost	(129)	(214)
Interest cost	(528)	(571)
Actuarial gains	179	349
Contributions by members	(39)	(38)
Benefits paid	280	310
Changes in assumptions underlying the present value of scheme liabilities	(2,304)	1,644
	<hr/>	<hr/>
At 31 December	(11,127)	(8,586)
	<hr/>	<hr/>
 Movements in fair value of plan assets		
	2009 £000	2008 £000
At 1 January	8,090	9,966
Expected return on plan assets	596	712
Actuarial gains/(losses)	1,186	(2,645)
Contributions paid by employer	468	329
Contributions paid by employees	39	38
Benefits paid	(280)	(310)
	<hr/>	<hr/>
At 31 December	10,099	8,090
	<hr/>	<hr/>

**Notes (continued)**

**15 Pension scheme (continued)**

Expense recognised in the profit and loss account

	2009 £000	2008 £000
Current service cost	129	214
Interest on defined benefit pension plan obligation	528	571
Expected return on defined benefit pension plan assets	(596)	(712)
	<hr/>	<hr/>
Total	61	73
	<hr/>	<hr/>

The expense is recognised in the following line items in the profit and loss account

	2009 £000	2008 £000
Cost of sales	3	8
Distribution costs	34	103
Administrative expenses	92	103
Other finance income	(68)	(141)
	<hr/>	<hr/>
Total	61	73
	<hr/>	<hr/>

The total amount recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is £939,000 loss (2008 £652,000 loss)

Cumulative actuarial losses reported in the statement of total recognised gains and losses for accounting periods ending on or after 22 June 2002 and subsequently included by prior year adjustment under paragraph 96 of FRS 17, are £4,826,000 (2008 £3,887,000)

The fair value of the plan assets and the return on those assets were as follows

	2009 £000	2008 £000
Equities	6,730	5,242
Bonds	3,346	2,820
Other Assets	23	28
	<hr/>	<hr/>
Total	10,099	8,090
	<hr/>	<hr/>
Actual return on plan assets	21.4%	(20.0%)
	<hr/>	<hr/>

The pension scheme assets include no assets owned by the company (2008 £nil) and do not include any property occupied by the company (2008 £nil)

**Notes (continued)**

**15 Pension scheme (continued)**

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows

	2009 %	2008 %
Discount rate	5.65	6.2
Expected rate of return on pension assets		
Equities	8.1	8.4
Bonds	5.1	5.0
Other Assets	4.6	4.1

*Expected return on plan assets at beginning of the period*

Equities	8.4	8.2
Bonds	5.0	5.0
Other Assets	4.1	4.4
Future salary increases	4.6	4.1
Rate of increase of pensions in payment (Pre 06)	3.6	3.1
Rate of increase of pensions in payment (Post 06)	2.5	2.5
Rate of increase of pensions in deferment	3.6	3.1
Inflation assumption	3.6	3.1

In valuing the liabilities of the pension fund at 31 December 2007 mortality assumptions have been made as indicated below

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows

Current pensioner aged 65: 22 years (male), 24.4 years (female)

Future retiree upon reaching 65: 22 years (male), 24.4 years (female)

**History of plans**

The history of the plans for the current and prior periods is as follows

Balance sheet

	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000
Present value of scheme liabilities	(11,127)	(8,586)	(10,066)	(9,093)	(8,855)
Fair value of scheme assets	10,099	8,090	9,966	9,130	8,171
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(Deficit)/surplus	(1,028)	(496)	(100)	37	(684)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Notes (continued)**

**15 Pension scheme (continued)**

Experience adjustments

	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000
<b>Difference between the expected and actual return on scheme assets:</b>					
Amount	1,187	(2,645)	(19)	145	660
Percentage of scheme assets	11.8%	(32.7%)	(0.2%)	1.6%	8.1%
<b>Experience gains and losses on scheme liabilities:</b>					
Amount	(179)	349	(185)	(106)	(183)
Percentage of scheme liabilities	(1.6%)	4.1%	(1.8%)	(1.2%)	(2.1%)
<b>Total amount recognised in statement of total recognised gains and losses:</b>					
Amount	(938)	(652)	(469)	465	(1,420)
Percentage of the present value of scheme liabilities	(8.4%)	(7.6%)	(4.7%)	5.1%	(16.0%)

The Company expects to contribute approximately £446,000 to its defined benefit plans in the next financial year

**16 Share based payments**

The ultimate parent company, Thomas & Betts Corporation has an equity compensation plan for key employees

In May 2008, the shareholders of Thomas & Betts Corporation approved the Thomas & Betts 2008 Stock Incentive Plan, which expires in 2018, unless terminated earlier. Pursuant to the terms of the plan, the Corporation may grant to certain employees and non-employee directors of the Corporation and certain of its subsidiaries, incentive and nonqualified stock options, stock appreciation rights, restricted stock units, stock grants, and stock credits. The maximum number of shares of the Corporation's common stock available under the plan for all types of award is 4,500,000. The maximum number of shares of the Corporation's common stock available under the plan for restricted stock, restricted stock units, stock grants and stock credits is 825,000. Restricted stock represents non-vested shares, with compensation expense recognised over the requisite service period (vesting period). Option grants to purchase common stock for cash have a term not to exceed 10 years and a strike price not less than the fair market value on the grant date. For awards to employees under the plan, non-vested restricted stock awards cliff-vest in three years from the award date. Stock option grants to purchase common stock have graded-vesting of one-third increments beginning on the anniversary of the date of the grant. Non-vested restricted stock awards to non-employee directors cliff-vest in one year from the award date.

In May 2004, the shareholders of Thomas & Betts Corporation approved its Equity Compensation Plan. Under the Equity Compensation Plan, which expires in 2014, unless earlier terminated, the Corporation may grant to key employees options for up to 3 million shares of common stock. Option grants to purchase common stock for cash have a term not to exceed 10 years and are at a price not less than the fair market value on the grant date. Grants to purchase common stock vest in one-third increments beginning on the anniversary of the date of the grant.

Under a previous stock incentive plan, Thomas & Betts Corporation granted options between 7 November 2002 and 2004 to key employees. Options to purchase common stock vested in one-third increments beginning on the anniversary of the date of the grant. Option grants to purchase common stock for cash have a term not to exceed 10 years and are at a price not less than the fair value on the grant date.

**Notes (continued)**

**16 Share based payments (continued)**

The terms and conditions of grants are as follows, whereby all options are settled by physical delivery of shares

Grant date/ Employees entitled/ nature of scheme	Number of instruments	Vesting conditions	Contractual life of options
Equity-settled award to 2 employees granted by parent on 5 February 2003	3,950	One-third increments beginning on the anniversary date of the grant	4 February 2013
Equity-settled award to 2 employees granted by parent on 4 February 2004	3,475	One-third increments beginning on the anniversary date of the grant	3 February 2014
Equity-settled award to 3 employees granted by parent on 2 February 2005	2,850	One-third increments beginning on the anniversary date of the grant	1 February 2015
Equity-settled award to 4 employees granted by parent on 1 February 2006	2,600	One-third increments beginning on the anniversary date of the grant	31 January 2016
Equity-settled award to 2 employees granted by parent on 31 January 2007	1,571	One-third increments beginning on the anniversary date of the grant	30 January 2017
Equity-settled award to 2 employees granted by parent on 30 January 2008	2,924	One-third increments beginning on the anniversary date of the grant	29 January 2018
Equity-settled award to 2 employees granted by parent on 3 December 2008	5,902	One-third increments beginning on the anniversary date of the grant	2 December 2018
Equity-settled award to 1 employee granted by parent on 2 December 2009	2,750	One-third increments beginning on the anniversary date of the grant	1 December 2019

The number and weighted average exercise prices of share options in are as follows

	2009 Weighted average exercise price \$	2009 Number of options	2008 Weighted average exercise price \$	2008 Number of options
Outstanding at the beginning of the period	29.757	19,847	28.521	14,446
Granted during the period	37.430	2,750	27.244	8,826
Forfeited during the period	(28.133)	(13,456)	-	-
Exercised during the period	-	-	21.199	(3,425)
Lapsed during the period	-	-	-	-
Outstanding at the end of the period	33.316	9,141	29.757	19,847
Exercisable at the end of the period	34.962	3,411	27.508	9,108

The options outstanding at the year end have an exercise price in the range of \$16.895 to \$47.890 and a weighted average contractual life of 8.4 years

The estimate of the fair value of the services received is measured based on a Black-Scholes option pricing model



**Notes** *(continued)*

**16 Share based payments** *(continued)*

And (for grants or modifications of equity instruments occurring in either the current or comparative year)

	2009	2008 3/12/2008	2008 30/1/2008
Fair value at measurement date	<b>\$12.67</b>	\$6 91	\$12 52
Weighted average share price	<b>\$37.430</b>	\$18 840	\$18 840
Exercise price	<b>\$37 430</b>	\$18 840	\$18 840
Expected volatility (expressed as a percentage used in the modelling under Black-Scholes Option Pricing model)	<b>40%</b>	45%	30%
Option life (expressed as weighted average life used in the modelling under binomial lattice model)	<b>4 0 years</b>	4 0 years	4 0 years
Expected dividends	<b>0%</b>	0%	0%
Risk free interest rate (based on national government bonds)	<b>2.0%</b>	1 5%	3 0%

Expected volatility is based on a combination of historical volatility of the Corporation's common stock and implied volatility from traded options in the Corporation's common stock

Share options are granted under a service condition. Such conditions are not taken into account in the grant date fair value measurement of the services received. There are no market conditions associated with the share option grants.

The total (credit)/expense recognised for the period arising from share based payments are as follows

	2009 £000	2008 £000
Equity settled share based payments	<b>(15)</b>	28

**17 Called up share capital**

	2009 £000	2008 £000
<i>Authorised</i>		
169,172,600 ordinary shares of 1p each	<b>1,692</b>	1,692
<i>Allotted, issued and fully paid</i>		
169,172,600 ordinary shares of 1p each	<b>1,692</b>	1,692

**Notes (continued)**

**18 Reserves**

	Share premium account £000	Revaluation reserve £000	Capital redemption reserve £000	Capital contrib- ution £000	Profit and loss account £000
At 1 January 2009	1,120	108	1,600	28	995
Profit for the year	-	-	-	-	533
Capital contribution for the year in relation to share based payments	-	-	-	(15)	-
Other recognised gains and losses	-	-	-	-	(676)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2009</b>	<b>1,120</b>	<b>108</b>	<b>1,600</b>	<b>13</b>	<b>852</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**19 Reconciliation of movements in shareholders' funds**

	2009 £000	2008 £000
Opening shareholders' funds	5,543	13,573
Profit for the financial year	533	717
Dividends paid	-	(3,795)
Capital contribution for the financial year in relation to share based payments	(15)	28
Capital contribution returned	-	(4,511)
Other recognised gains and losses in the year	(676)	(469)
	<hr/>	<hr/>
Closing shareholders' funds	5,385	5,543
	<hr/>	<hr/>

**20 Capital and financial commitments**

The company has capital commitments at 31 December 2009 of £99,000 (2008 £96,000)

Annual commitments under non-cancellable operating leases are as follows

	2009		2008	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
<i>Operating leases which expire</i>				
Within one year	-	15	-	9
In the second to fifth years inclusive	-	29	-	7
Over five years	5	-	5	-
	<hr/>	<hr/>	<hr/>	<hr/>
	5	44	5	16
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes** *(continued)*

**21 Ultimate parent and controlling company**

The company is a subsidiary of Thomas & Betts Limited, a company which is incorporated in Great Britain and registered in England and Wales

The ultimate parent undertaking and the controlling party of the largest and smallest group into which the financial statements of this company are consolidated is Thomas & Betts Corporation, which is incorporated in the United States of America. Copies of the financial statements of Thomas & Betts Corporation can be obtained from Thomas & Betts Corporation, Corporate Headquarters, 8155 Thomas & Betts Boulevard, Memphis, Tennessee, USA 38125