Registered No 03402476

Kautex Textron CVS Limited

Report and Financial Statements

31 December 2008

Registered No: 03402476

Directors
S K Evans
H Neizert
P Irving

Secretary
P A Preston

Auditors
Ernst & Young LLP
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Bankers
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23 Bedford Row
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Directors' report

The directors present their report and financial statements for the year ended 31 December 2008.

Results and dividends

The profit for the year after taxation and dividends amounted to £ 9,182,980 (2007: £8,666,608). Dividends in the year amounted to £ nil (2007: £nil). The directors do not recommend any final dividend (2007: £nil).

Principal activities and review of the business

The company's principal activity during the year continued to be the manufacture and distribution of washer systems for the automotive industry.

The company's key performance indicators during the year were as follows:

	2008	*2007*
	£000	*£000*
Turnover	36,782	32,296
Operating profit	5,986	5,218
Profit after tax	9,183	8,667
Shareholders' funds	92,473	83,224

Turnover in 2008 has increased by 13.9% however it is expected to decline in 2009 due to the global slow down in the automotive industry.

Operating profit has increased by 14.7% on 2007. The underlying performance in 2008 shows an increase in total profits due to increase in turnover, but a reduction in profit percentage due to price erosion of existing business, reduced margins on replacement business and cost increases from operations.

Profit after tax has increased in line with operating profit.

Continued emphasis is being placed on continuous cost reduction programs and development of new products.

Shareholders funds have increased in line with profit after tax.

Principal risks and uncertainties

The directors continually review and evaluate the risks that the company is facing. The principal risks and uncertainties facing the company are broadly grouped as – competitive, legislative and financial risk.

Competitive risks

Largely owing to the nature of the market in the UK, the company has faced very strong competition in recent years. The company puts strong emphasis on its excellent service levels, quality of its product and competitive pricing to its customer base to maintain its position within the market.

Legislative risks

Risk within the UK industry is controlled by specific recognised bodies who provide good practice and standards to follow.

Directors' report

Principal risks and uncertainties (continued)

Financial risks

The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Use of derivatives

The company uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency.

Future developments

Management aim to maintain the company policies which have resulted in the company's growth and new product development.

Directors

The directors of the company during the year to 31 December 2008 were as follows:

J H Bracken	resigned 16th February 2009
G T Linden	resigned 16th February 2009
D J Frost	resigned 19th January 2009
S K Evans	
H Neizert	appointed 17th February 2009
P Irving	appointed 17th February 2009

Directors' liabilities

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings, the company newsletter and the Textron 'Our Voice' survey. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Post balance sheet event

On October 9, 2009 Kautex Textron CVS Ltd distributed a total of £86,999,999.99 to its sole owner Textron International Holding SL (TIHSL). The distribution consisted of two parts, a reduction in the share capital and share premium of £53,546,328.99 and an ordinary dividend of £33,453,671.

Directors' report

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquires of fellow directors and of the company's auditors, each of these directors confirm that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are not aware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with S 487(2) of the Companies Act 2006, the auditors, Ernst & Young LLP, will be deemed to have been re-appointed at the end of the period of 28 days beginning with the day on which copies of this Report and Financial Statements are sent to members unless a resolution is passed under S.488 of the Companies Act 2006 to the effect that they should not be re-appointed.

On behalf of the Board

S K Evans
Director 26/10/09

2009

Statement of directors' responsibilities in respect of the financial statements

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 those 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 that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Kautex Textron CVS Limited

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22. 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 United Kingdom law and 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 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 judgments 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 Kautex Textron CVS 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 31 December 2008 and of its profit 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.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Bristol

28 October 2009

Profit and loss account

for the year ended 31 December 2008

	Notes	2008 £	2007 £
Turnover	2	36,781,524	32,296,237
Cost of sales		(28,317,046)	(25,367,194)
Gross profit		8,464,478	6,929,043
Distribution costs		(1,134,815)	(803,719)
Administrative expenses		(1,343,568)	(907,602)
Operating profit	3	5,986,095	5,217,722
Interest receivable and similar income	6	3,196,885	3,448,886
Profit on ordinary activities before taxation		9,182,980	8,666,608
Tax on profit on ordinary activities	7	-	-
Profit on ordinary activities after taxation	13	9,182,980	8,666,608

Statement of total recognised gains and losses

for the year ended 31 December 2008

There are no recognised gains and losses other than the profit shown above in 2008 and 2007.

Balance sheet

at 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	8	2,152,696	1,650,542
Current assets			
Stocks	9	2,337,514	1,426,727
Debtors: due within one year	10	92,392,799	82,781,144
Cash at bank and in hand		-	251,460
		94,730,313	84,459,331
Creditors: amounts falling due within one year	11	(4,410,403)	(2,886,198)
Net current assets		90,319,910	81,573,133
Net assets		92,472,606	83,223,675
Capital and reserves			
Called up share capital	12	21,413,461	21,413,461
Share premium account	13	32,673,740	32,673,740
Profit and loss account	13	38,385,405	29,136,474
Equity shareholders' funds	13	92,472,606	83,223,675

Approved by the Board

S K Evans 26/10/09
Director

2009

Notes to the financial statements

at 31 December 2008

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Share-based payment

Employees of the Company receive remuneration in the form of share-based payment transactions, whereby the employees render services in exchange for shares (equity-settled transactions). The shares issued are those of the Company's ultimate parent company, Textron Inc. Textron Inc has recharged a portion of its share-based payment charge, calculated in accordance with SFAS 123(R), to the Company in the period. The recharge is debited to equity to the fullest extent possible and thereafter, if applicable, treated as a dividend.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is based on the market value of the shares at the date of grant less required adjustments to reflect the fair value of the award as dividends are not paid or accrued until the shares vest.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the periods in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date, until the vesting date, reflects the extent to which the vesting period has expired and the number of awards that will ultimately vest. No expense is recorded for awards that do not ultimately vest.

The terms of the equity-settled award do not allow modifications.

The company has taken advantage of the transitional provisions of FRS 20 in respect of equity-settled awards and has applied FRS 20 only to those equity-settled awards granted after 7 November 2002 that had not vested before 1 January 2006.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value based on the prices prevailing at the date of acquisition of each asset, evenly over its expected useful life as follows:

Short leasehold	over 5 years
Plant, machinery and tooling	over 1 - 15 years
Fixtures and fittings	over 3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost includes all costs incurred in bringing each product to its present location and condition and is based on purchase cost as follows:

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements

at 31 December 2008

1. Accounting policies (continued)

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All differences are taken to the profit and loss account.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual tooling project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Warranties

Warranty costs are charged to the profit and loss account when incurred.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less, or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Cash flow statement

The company has taken advantage of the exemption allowed under FRS1 not to include a Cash Flow Statement on the basis that it is a wholly owned subsidiary whose parent company produces consolidated financial statements which include a consolidated cash flow statement that is publicly available.

Turnover

Turnover is recognised in line with the contract terms and conditions of its customers which recognises revenue when risk changes from seller to buyer, this is at the point of despatch.

Notes to the financial statements

at 31 December 2008

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to customers in the automotive industry.

An analysis by geographical market is given below:

	2008	*2007*
	£	*£*
United States	3,553,017	1,946,039
Canada	178,072	796,654
Western Europe	30,727,598	28,647,742
Eastern Europe	427,718	265,655
Africa	394,011	109,267
Northern Europe	15,150	418,789
Asia	1,485,958	112,091
	36,781,524	32,296,237

3. Operating profit

This is stated after charging/(crediting):

	2008	*2007*
	£	*£*
Auditors' remuneration - audit services	29,074	30,131
Depreciation of owned fixed assets	525,604	596,375
Government grants received (revenue grants)	-	(5,606)
Foreign exchange (gain)/loss	222,421	(180,649)
Operating lease charges - land and buildings	235,500	314,000

4. Directors' emoluments

	2008	*2007*
	£	*£*
Total aggregate emoluments	233,746	198,917

None of the directors were members of a defined benefit pension scheme. Consequently, no company contributions have been made to such a scheme.

Highest paid director

	2008	*2007*
	£	*£*
Aggregate emoluments	134,367	118,932
Company pension contributions to money purchase schemes	15,034	13,857

The highest paid director did not exercise any share options during the year and did not receive any shares under a long term incentive scheme.

Notes to the financial statements

at 31 December 2008

5. Staff costs

	2008	*2007*
	£	*£*
Wages and salaries	7,322,233	6,578,592
Social security costs	644,302	581,729
Pension costs	280,462	260,451
Expense of share-based payment (note 20)	75,064	32,384
	8,322,061	7,453,156

The average number of employees during the year was as follows:

	2008	*2007*
	No.	*No.*
Management and administration	101	84
Production	193	204
Sales and marketing	4	4
	298	292

6. Interest receivable and similar income

	2008	*2007*
	£	*£*
Group interest receivable	3,196,885	3,448,886
	3,196,885	3,448,886

7. Tax on profit on ordinary activities

a) Tax on profit on ordinary activities:

Tax on profit on ordinary activities is made up as follows:

	2008	*2007*
	£	*£*
Current tax:		
UK corporation tax at 28.5% (2007:30%)	-	-
Total current tax (note 7b)	-	-

The tax charge for the year is £ nil (2007: £nil) as a result of taxable losses surrendered from the other group companies for which no payment is required.

Notes to the financial statements

at 31 December 2008

7. Tax on profit on ordinary activities (continued)

b) Factors affecting current tax charge:

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are reconciled below:

	2008	*2007*
	£	*£*
Profit on ordinary activities before tax	9,182,980	8,666,608
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	2,617,149	2,599,982
Expenses not deductible for tax purposes	24,440	13,034
Depreciation in advance of capital allowances	(249,922)	(216,997)
Employee share acquisition	(1,331)	(3,924)
Research and development net credit	(17,935)	(34,478)
Other	19,050	3,017
Group relief receivable	(2,391,451)	(2,360,634)
Total current tax (note 7a)	-	-

c) Unrecognised deferred tax asset:

The phasing out of capital allowances on industrial buildings with effect from 1 April 2008 was confirmed by the Finance Act 2008. The resultant consequences have been recognised in the unprovided deferred tax liability.

The major components of the deferred tax asset are as follows:

	2008	*2007*
	£	*£*
Accelerated capital allowances	882,898	686,395
Other timing differences	43,363	24,648
	926,261	711,043

The deferred tax asset has not been recognised in these financial statements (note 7d).

d) Factors that may affect future tax charges:

A deferred tax asset of £926,261(2007: £711,043) for accelerated capital allowances and short term timing differences has not been recognised on the basis that it cannot be regarded as more likely than not that there will be suitable taxable profits from which any future reversal of the underlying timing differences can be deducted.

A change to the standard rate of corporation tax, from 30% to 28%, with effect from 1 April 2008 was confirmed by the Finance Act 2007. The change was recognised in the 2007 statutory accounts.

Notes to the financial statements

at 31 December 2008

8. Tangible fixed assets

	Plant and machinery	*Fixtures and fittings*	*Assets under construction*	*Total*
	£	*£*	*£*	*£*
Cost:				
At 31 December 2007	3,628,753	247,347	343,804	4,219,904
Additions	-	-	1,027,768	1,027,768
Transfers	974,043	-	(974,052)	(9)
At 31 December 2008	4,602,796	247,347	397,519	5,247,662
Depreciation:				
At 31 December 2007	2,344,259	225,103	-	2,569,362
Provided during the year	517,075	8,529	-	525,604
At 31 December 2008	2,861,334	233,632	-	3,094,966
Net book value:				
At 31 December 2008	1,741,462	13,715	397,519	2,152,696
At 31 December 2007	1,284,494	22,244	343,804	1,650,542

9. Stocks

	2008	*2007*
	£	*£*
Raw materials and consumables	2,098,976	1,161,796
Finished goods and goods for resale	238,538	264,931
	2,337,514	1,426,727

The difference between purchase price or production cost of stocks and their replacement cost is not material.

10. Debtors

Debtors due within one year:

	2008	*2007*
	£	*£*
Trade debtors	5,147,381	4,028,186
Amounts owed by group undertakings	86,585,630	78,453,287
Other debtors	604,683	154,323
Prepayments and accrued income	55,105	145,348
	92,392,799	82,781,144

Notes to the financial statements

at 31 December 2008

11. Creditors: amounts falling due within one year

	2008	*2007*
	£	*£*
Trade creditors	1,627,128	1,390,580
Amounts owed to group undertakings	469,297	183,209
Bank overdraft (secured by Textron Inc)	389,001	-
Other taxes and social security costs	238,202	216,179
Accruals and deferred income	1,686,775	1,096,230
	4,410,403	2,886,198

12. Share capital

	2008	*2007*
	£	*£*
Authorised:		
60,000,000 ordinary shares of £1 each	60,000,000	60,000,000
Allotted, called up and fully paid:		
21,413,461 ordinary shares of £1 each	21,413,461	21,413,461

13. Reconciliation of shareholders' funds and movement in reserves

	Share capital	*Share premium account*	*Profit and loss account*	*Total*
	£	*£*	*£*	*£*
At 31 December 2007	21,413,461	32,673,740	29,136,474	83,223,675
Share-based payment	-	-	75,064	75,064
Share-based payment recharge	-	-	(9,113)	(9,113)
Profit for the year	-	-	9,182,980	9,182,980
At 31 December 2008	21,413,461	32,673,740	38,385,405	92,472,606

14. Pension commitments

The company participates in a defined contribution pension scheme, the Textron Limited Pension Scheme, for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no unpaid contributions outstanding at the year end (2007: £nil).

Notes to the financial statements

at 31 December 2008

15. Other financial commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2008	*2007*
	£	*£*
Operating leases which expire:		
Later than five years	235,500	78,500

16. Post balance sheet events

At 31 December 2008 the company has made provisions for an amount in respect of dilapidations on the currently leased land and buildings. During 2007 the landlord of the property has undertaken a review of the work expected to be required to make good any dilapidations. The company has engaged a surveyor to negotiate the items noted by the landlord and discussions are on going. The company has provided an amount based on the best estimates of the management in these financial statements.

In addition on October 9, 2009 Kautex Textron CVS Ltd distributed a total of £86,999,999.99 to its sole owner Textron International Holding SL (TIHSL). The distribution consisted of two parts, a reduction in the share capital and share premium of £53,546,328.99 and an ordinary dividend of £33,453,671.

17. Forward foreign currency contracts

The company entered into forward foreign currency contracts to hedge currency exposure on forecast currency requirements for the coming year in Euros, US Dollars and Japanese Yen. The company seeks to hedge against expected expenses and revenues. The hedges are not against a firm commitment and contracts have been entered into on the basis of the expected amounts of the cash flows arising. The forward currency commitments are as follows:

	2008	*2007*
	£	*£*
Forward foreign currency purchases	(3,860,222)	(311,580)
Forward foreign currency sales	17,282,505	15,970,109

18. Capital commitments

There were no capital commitments at 31 December 2008 or at 31 December 2007.

19. Contingent liabilities

	2008	*2007*
	£	*£*
HM Revenue and Customs Import duty guarantee	175,000	175,000

Notes to the financial statements

at 31 December 2008

20. Share-based payment

1999 Long term incentive plan

Eligible employees of the Company receive awards under the Restricted Stock section of the 1999 Long-Term Incentive Plan (the Plan). The Plan is operated by the Company's ultimate parent company, Textron Inc. An award of Restricted Stock vests one-third in each of the third, fourth and fifth years following the date of grant. The employee must still be employed by the Company at the date of vest for the shares to become vested. There are no performance conditions attached to the award.

The Company receives a charge (Share-based payment recharge) from Textron Inc for the provision of Restricted Stock Units.

Share based payment charge

The total charge for the year relating to employee share-based payment is as follows:

	2008	*2007*
	£	*£*
1999 Long-Term Incentive Plan for Textron Employees	75,064	32,384

Restricted stock

The following table illustrates the number of, and movements in, share options during the year.

	No.
Outstanding as at 1 January 2007	9,743
Granted	1,467
Forfeited	(1,007)
Vested	(1,200)
Outstanding as at 23 August 2007	9,003
Stock split 24 August 2007	9,003
Outstanding immediately following stock split	18,006
Granted	-
Forfeited	(2,560)
Vested	(600)
Outstanding as at 31 December 2007	14,846
Granted	2,398
Forfeited	0
Vested	(3,904)
Outstanding as at 31 December 2008	13,340

Notes to the financial statements

at 31 December 2008

20. Share based payment (continued)

As at 31 December the weighted average remaining time to vest is 1.54 years (2007: 1.89 years).

The weighted average fair value of shares granted during the year was $ 54.19 (2007: $45.85).

The weighted average share price during the year at the date of vest was $51.28 (2007:$65.22).

The weighted average share price during the year at the date of vest, post stock split, was $51.28 (2007: $65.22).

Restricted stock is transferred to the employee's ownership, at the date of vest, at no cost to the employee. Therefore the weighted average cost at the date of vest is nil.

21. Related party disclosures

The company has taken advantage of the exemption given in FRS8 'Related Parties' for subsidiary undertakings (where 90% or more of whose voting rights are controlled within the group) by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties.

22. Parent undertaking and controlling party

The company's immediate parent undertaking is Textron International Holding S.L. The ultimate parent undertaking and controlling party is Textron Inc, a company incorporated in the United States of America. This is the largest group of which the company is a member and for which group financial statements are prepared. Their financial statements are available from the registered office at 40 Westminster Street, Providence, RI 02903, USA.

The smallest group of which the company is a member and for which group financial statements are prepared is Textron International Holdings SL based in Spain. These financial statements are available from Textron Limited's registered office at 23 Bedford Row, London WC1R 4EB.