



Invensys Pension Scheme
Trustee's Annual Report &
Financial Statements 2009

Contents

3	Chairman's review	25	Statement of Trustee's responsibilities
8	Trustee Board	26	Independent auditors' report
9	Board and Committee members	27	Independent auditors' statement about contributions
10	Scheme advisers and investment managers	28	Summary of contributions
10	United Kingdom Pensions Consultative Committee	29	Actuary's certificate
11	Member analysis	30	Fund account
12	The year in summary	31	Net assets statement
13	Trustee's report	32	Notes to the financial statements
17	Investment report	43	Members' information
20	Funding position	44	Glossary
21	Recovery plan		
23	Scheme governance		
24	Compliance statement		

Trustee Charter

The Trustee will:

- **Act in accordance with the Scheme's governing documents and the law.**
- **Act in the best interests of the members at all times, taking into account the position of each class of member.**
- **Act prudently, honestly, with integrity and in good faith having taken appropriate professional advice.**
- **Seek to safeguard members' benefits by managing Scheme funds effectively.**
- **Communicate to all members regularly and in a clear and concise way.**
- **Deliver a high level of service to all members.**

The Trustee's first
responsibility
is to **members.**

The Trustee aims to
provide a **reliable**
investment performance,
reassurance and
careful management
of its **resources**

The Trustee aims to secure members' future benefits by reducing risk and delivering consistent and reliable investment performance.

Reliable investment performance

Chairman's review



KATHLEEN O'DONOVAN
CHAIRMAN OF THE TRUSTEE OF
THE INVENSYS PENSION SCHEME

This year's Report and Financial Statements to 31 March 2009 reflect the extremely difficult investment conditions that have prevailed for the majority of the year.

The world has experienced much turbulence over the last 12 months: volatile financial markets hitting lows not seen since 1996, government intervention in national economies the like of which has not been made since the Second World War, the Bank of England reducing interest rates to the lowest ever seen in its 318 year history, regulators recommending that financial companies stress test for conditions of the Great Depression and serious frauds emerging.

Given the seriousness of the events, the Scheme has inevitably been affected. The defensive position of our investment portfolio, which reflects the increasing maturity of the Scheme with only 1% of our members actively working for an Invensys company, means that we managed to weather the worst of the storm in absolute terms (we were able to maintain an 86% funding level, compared to 93% as at March 2008) and also relative to the UK pensions industry. The investment strategy has proved to be sound for our Scheme, and

“we managed to weather the worst of the storm in absolute terms ...”

over the long term we hope to see our current investment performance improve to targeted levels.

We completed the Scheme's triennial valuation, dated as at 31 March 2008, during our accounting year. Working with the Scheme Actuary, we are required to value the assets and our liabilities. We are also required to agree the assumptions we use with Invensys plc (“the Company”). The Company's view is important because as Scheme sponsor they are required to make up any deficit that may arise on the valuation through the agreed Recovery Plan.

The valuation resulted in a deficit of £285m, representing 7% of liabilities.

In light of these results, the Company has agreed to a Recovery Plan, contributing deficit payments of £37m to £47m per annum over the next nine years. This is consistent with the Recovery Plan agreed in 2006.

In respect of the remaining active defined benefit members (1,127), the Company will make regular contributions of 19.8% of payroll, in addition to the 13% contributed by the members.

The Company has also agreed to continue to make special contributions of 8% of the net proceeds of any business sold (above £1million), subject to any Pensions Act requirements.

The next full actuarial valuation will be performed as at 31 March 2011.

The Scheme Sponsor

The Company and its financial position are critical to the Scheme as they are the ultimate guarantors of the liabilities.

We have a higher corporate sponsor risk than most other UK defined benefit pension schemes because of the relative size of our liabilities (£4.2billion) to Invensys market capitalisation (circa £2billion).

Reassurance for members

The Trustee aims to operate in a safe and responsible manner, making the provision of members' future benefits a priority at all times. The Trustee is committed to continuous improvements in the Scheme's governance procedures; reviewing the employers' financial covenant; and vigilance regarding the funding arrangements.

Chairman's review

continued

As Trustee of the Scheme, we communicate with and review the Company as part of our responsibilities. Over the past few years, the Company returned to the FTSE100 in 2007 and has been able to maintain itself in the index since. Its credit rating improved to BB+ in 2008 and is expected to improve further. They successfully negotiated committed financing facilities in 2008 for the next 5 years, entered the economic downturn with a net cash position and generated a positive Free Cash Flow of £296m at their 2009 year end.

Investments

The investment strategy for the Defined Benefit Section is now well established. It targets 80% of the fund to be invested in a Matching Fund of bond-type assets giving a secure investment that is intended to broadly match the profile of the Scheme's liabilities. The remaining 20% is to be invested in higher return assets in order to meet the requirements of the members and to eliminate the deficit.

The Higher Performance Fund was re-allocated during the Summer of 2007, by diversifying into differing forms of investment instruments, and this allocation has been maintained. The previous allocation of the Higher Performance Fund was primarily equities (both UK and global) spread over four asset managers. We now have eight asset managers invested in five major types of investment, namely: broad based bonds, dynamic asset allocation, global equities, fund of hedge funds and an equity derivative overlay strategy. This diversification aims to reduce the risks to the Scheme by spreading exposure over more asset classes.

Our strategy is to reduce risk, increase security and, where possible, target additional return to help reduce the Scheme deficit.


Over the course of the year the assets held by the Scheme have decreased in value by 3.9% against a benchmark of plus 4.7%. In absolute terms, this result is a disappointment but when set against a backdrop of some quite extraordinary market dislocations, it was probably the best we could expect. To put into context, over the same period UK equities have fallen by 34%, international equities have fallen by 47.8%, UK commercial property has fallen by 26% and UK AA Corporate Bonds by 5.5%

A recent study identified that UK pension schemes had on average 49% of their assets invested in equities during 2008 – indicating that the average investment return amongst these schemes is likely to have been more negative than ours.

Asset / Liability Profile

Overall the Scheme's assets were estimated to cover 86% of the liabilities at 31 March 2009 compared to 93% at the start of the last Scheme year. Again, these are extraordinary times and the month of March itself was the worst of 2009 so far. Our liability coverage improved in both April and May 2009. The important thing to realise is that our liability profile, i.e. the need to pay pension benefits, extends out to 2050 and beyond, therefore it is the return over the long term that is critical.

“diversification aims to reduce the risks to the Scheme by spreading exposure over more asset classes”.



The Trustee aims to provide members with the best possible service levels by managing its resources to keep them informed about the Scheme and to meet individual member requirements.

Managing our resources

Chairman's review

continued

Communication and Governance

We aim to continuously improve our communication with our members. The feedback from our recent newsletter has been excellent and we will continue to search out ways to provide members with helpful and relevant information about the Scheme in a simple and understandable manner.

We place great importance on the governance of your Scheme and continually review our procedures and policies to ensure proper and efficient management of Scheme affairs.

The Board have had another eventful year, I must praise the Board members' involvement, effort and enthusiasm in tackling an increasing number of technical issues in order to meet the responsibility of providing a safe and secure Scheme for all members now and in the future.



KATHLEEN O'DONOVAN
CHAIRMAN OF THE TRUSTEE OF
THE INVENSYS PENSION SCHEME

“An external audit of the internal control at our administration office in Newcastle confirmed that the Scheme is well administered and service standards are being exceeded”.

Trustee Board



Kathleen O'Donovan

Kathleen has been a member of the Board since 1991 and appointed Chairman in February 2003. As Chief Financial Officer of BTR and Invensys between 1991 and 2002 she has been deeply involved in the Scheme for many years. Previously a partner with Ernst & Young, Kathleen now holds a number of plc non-executive directorships, including Prudential plc.



Steve McDonnell

Steve is Head of Group Tax for Invensys plc. He was appointed to this role in October 2005 after joining the Company in January 2005. Prior to that he was in similar roles with Tibbett & Britten Group plc, Thorn Lighting and Laporte plc. Steve is a Chartered Accountant and a member of the Chartered Institute of Taxation.



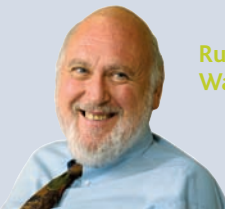
Eleanor Whitfield

Eleanor has been with the executive team of the Invensys Rail Group since 1999 where she is VP Legal and Group General Counsel. Eleanor qualified as a solicitor in 1989 and has since been involved in a variety of international corporate and commercial projects with experience both in private practice and with National Power plc. Eleanor was appointed to the Board in March 2007.



Geoff Gayfer

Geoff manages safety related software development with Westinghouse Rail Systems, working mainly on large metro projects. He started his career as an electronic engineer in the telecommunications industry. He joined the Group in October 2002 and has been a member of the UKPCC since 2006. When a vacancy for a post on the Trustee Board arose he was proposed by the UKPCC as a Member Nominated Trustee to the Scheme in March 2008.



Russell Walker

Russell has been an engineer with Westinghouse Rail Systems since 1973 and has worked in various engineering roles throughout the business. He has been a member of the Westben Pension Scheme, later part of the BTR and subsequently the Invensys schemes, throughout that time. In 1995 he was nominated to be a member of the South West regional PCC, and the national UKPCC in 1999. He has attended various pensions investment and financial training courses over this period, and holds the PMI Trustee Certificate.



Ian Fyfe

Ian is a Chartered Accountant and a Chartered Management Accountant. He spent 21 years in various financial and management roles in the Angus and Dunlop Groups. He then switched to pensions and managed the Dunlop Group Pension Scheme from 1982 until its merger with other BTR schemes in 1988. He then became General Manager of the BTR Group Pension Scheme until his retirement in 1996. Since then he has served as a Director of the Trustee Company, and is Deputy Chairman.



Martin Barker

Martin retired from Westinghouse Brake and Signal Holdings in 2001 after 35 years' service. His involvement in pensions commenced in 1972 when he became Pensions Manager with responsibility for the Westinghouse pension schemes. He became a Trustee in 1973 and remained in control of the schemes until they were merged with the BTR Group Pension Scheme in 1993. He has also been involved over a number of years in various Group Consultative Committees, and chairing a number of them. He is an Associate of The Pensions Management Institute.



Tony Ferris

Tony is a Chartered Accountant who retired in 1999. He was Finance Director of Westinghouse Brake and Signal Holdings, served as Finance Director of Hawker Siddeley's Rail Division until 1991 and then as Group Controller of the BTR Rail Group. He was a Trustee of the Westinghouse pension schemes until they were merged with the BTR Group Pension Scheme in 1993 and was also Chairman of the South West Region's Pensions Consultative Committee.

The Board is made up of nine Directors, four Company Nominated Directors (a vacancy existed as at 31 March 2009) and five Member Nominated Directors ('MNDs'). Of the five MNDs three are Pensioner members and the remaining two are Active members. The Company nominates its representatives and is responsible for appointing the Chairman from the total Board. The MNDs are selected following a nomination process by their respective groups as detailed on page 15.

Board and Committee members

The Board members at 31 March 2009 were:

Appointed by Invensys plc

K A O'Donovan, Chairman,
(appointed 19 February 2003 as Chairman,
as a Director 30 June 1991)

S C McDonnell
Head of Group Tax, Invensys plc
(appointed 9 March 2006)

E K Whitfield
VP Legal – Invensys Rail
(appointed 8 March 2007)

Nominated by the UKPCC

R G Walker
Engineer, Westinghouse Rail Systems Ltd
(appointed 28 November 2002)

G R Gayfer
Westinghouse Rail Systems Ltd
(appointed 6 March 2008)

Pensioner Directors

I R Fyfe, Deputy Chairman
formerly General Manager, BTR Pensions
(appointed 22 May 1996)

M J Barker
Pensioner Representative on the UKPCC
(appointed 4 February 2004)

A G Ferris
formerly Group Controller of BTR Rail Group
(appointed 14 June 2007)

Committee membership

Investment Committee

K A O'Donovan (Chairman)
A G Ferris
I R Fyfe

Governance & Audit Committee

M J Barker (Chairman)
S C McDonnell
R G Walker
E K Whitfield

Company Liaison Standing Committee

K A O'Donovan (Chairman)
A G Ferris
I R Fyfe

Changes to Board in Scheme year

Another Director who served during the Scheme year was:

A G Gajadharsingh,
VP Strategy & Planning, Invensys plc (appointed
21 May 2003; resigned 4 December 2008)

The Board wishes to place on record its thanks to him for his services to the Scheme.

Scheme advisers and Investment managers

The Trustee receives advice from a number of sources. The appointed Scheme advisers and Investment managers are listed below.

Scheme actuary
S M Leake, Punter Southall Limited
Tempus Court, Onslow Street
Guildford GU1 4SS

Scheme auditor
Ernst & Young LLP
Citygate, St James' Boulevard
Newcastle upon Tyne NE1 4JD

Legal advisers
Norton Rose LLP
3 More London Riverside
London SE1 2AQ

Dickinson Dees LLP
St Ann's Wharf, 112 Quayside
Newcastle upon Tyne NE1 3DX

Investment adviser
P-Solve ASSET SOLUTIONS
126 Jermyn Street
London SW1Y 4UJ

Investment managers
Barclays Global Investors Limited
Murray House, 1 Royal Mint Court
London EC3N 4HH

BlackRock Investment Management (UK) Ltd
33 King William Street
London EC4R 9AS

AXA Investment Managers UK Limited
7 Newgate Street
London EC1A 7NX

M&G
Laurence Pountney Hill
London EC4R 0HH

Alliance Bernstein
50 Berkeley Street
London W1J 8HA

Pioneer Investments
123 Buckingham Palace Road
London SW1W 9SL

Stone Harbor Investment Partners
86 Jermyn Street
London SW1Y 6JD

Fortis Investments
82 Bishopsgate
London EC2N 4BN

Invesco Asset Management
43-45 Portman Square
London W1H 6LY

Société Générale Asset Management
9th Floor, Exchange House
Primrose Street
London EC2A 2EF

PSigma Investments Limited
126 Jermyn Street
London SW1Y 4AJ

Legal & General Investment Management
One Coleman Street
London EC2R 5AA

Custodians
BNY Mellon Asset Servicing B.V.
Global Security Services B.V.
Bank of New York Mellon Financial Centre
160 Queen Victoria Street
London EC4V 4LA

PFPC Inc
Alternative Investments Group,
103 Bellevue Parkway, 1st Floor
Wilmington
Delaware 19809, USA

Bankers
LloydsTSB Bank plc
10 Gresham Street
London EC2V 7AE

United Kingdom Pensions Consultative Committee

The UKPCC
at 31 March 2009

Martin Barker, Chairman

Members' Representatives

Robert Donarski	Eurotherm Ltd
Steve Foggin	Invensys Pension Trustee Ltd
Geoff Gayfer	Westinghouse Brake & Signal Holdings Ltd
Lynda Manning	IMServ (Europe) Ltd
Nitin Patel	Invensys plc
James Rae	Eurotherm Ltd
Ken Ross	Westinghouse Brake & Signal Holdings Ltd
Mike Sweet	Invensys Controls UK Ltd
Colin Townsend	Invensys Systems (UK) Ltd
Russell Walker	Westinghouse Brake & Signal Holdings Ltd

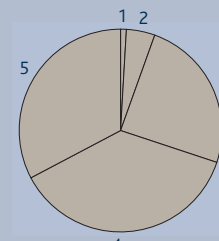
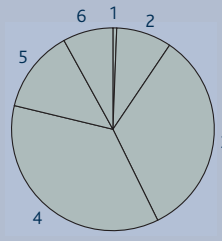
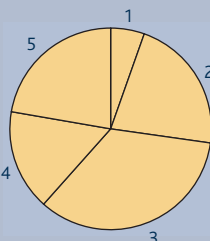
Company Representatives

Cheryl Baker	Invensys Systems (UK) Ltd
Louise Jarrett	Westinghouse Brake & Signal Holdings Ltd
Nigel Johnson	Invensys plc
Dani King	Invensys Controls UK Ltd
Sue Lucas	Eurotherm Ltd

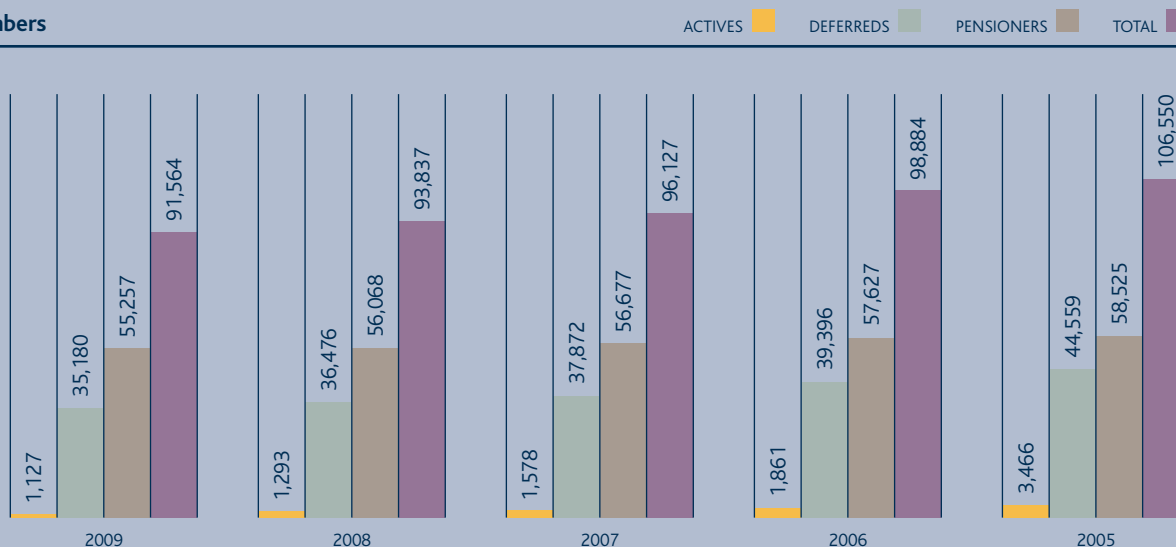
Member analysis

Age profile at 31 March 09

Actives		Deferred		Pensioners	
61	16 – 30 (1)	212	21 – 30 (1)	509	50 & under (1)
246	31 – 40 (2)	3,109	31 – 40 (2)	2,518	51 – 60 (2)
387	41 – 50 (3)	11,707	41 – 50 (3)	13,599	61 – 70 (3)
182	51 – 55 (4)	12,679	51 – 60 (4)	20,551	71 – 80 (4)
251	56 & over (5)	4,653	60 – 65 (5)	18,080	81 & over (5)
1,127		2,820	65 & over (6)	55,257	
		35,180			



Number of members

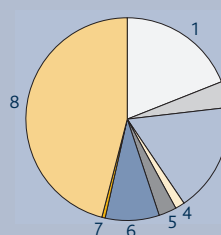


Changes in membership during the year

	Actives	Deferred	Pensioners
At 31.03.08	1,293	36,476	56,068
New entrants	–	96	2,190
Deaths	(1)	(71)	(3,001)
Retirements	(69)	(1,251)	–
Leavers	(96)	(70)	–
At 31.03.09	1,127	35,180	55,257
Of which, members of the Defined Contribution (DC) Section total	170	47	3

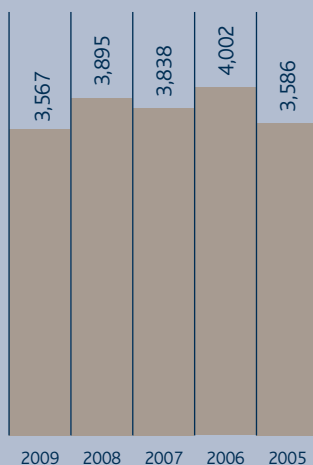
Active members by operating company as at 31 March 2009

214	Eurotherm Ltd (1)
47	IMServ (Europe) Ltd (2)
196	Invensys Controls UK Ltd (3)
17	Invensys Pension Trustee Ltd (4)
32	Invensys plc (5)
97	Invensys Systems (UK) Ltd (6)
6	Ranco Europe Ltd (7)
	Westinghouse Brake &
518	Signal Holdings Ltd (8)
1,127	

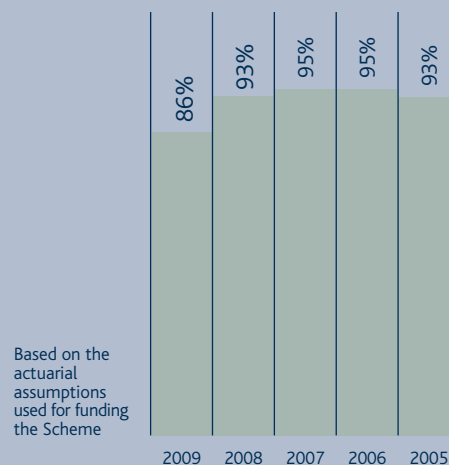


The year in summary

Value of pension fund (£m)

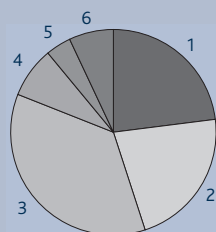


Scheme funding levels on an ongoing basis



Distribution of investments by type (%)

UK government fixed interest gilts (1)	23
UK government index-linked gilts (2)	22
Corporate bonds (3)	36
Equities (4)	8
Fund of hedge funds (5)	4
Cash and cash equivalent (6)	7



Investment returns (%)

	2009	2008	2007	2006	2005
Actual return	(3.9)	4.7	0.4	14.0	7.8
Benchmark return	4.9	10.3	1.0	14.2	7.4

Benchmark return is based on a series of performance indices against which investment return is measured

Distribution of investments by investment manager

£m	
867	AXA
1,013	Barclays Global Investors
960	M&G
151	BlackRock
60	AllianceBernstein
51	Pioneer Investments
24	Stone Harbor Investment Partners
167	Fortis Investments
119	Invesco Asset Management
63	Société Générale Asset Management
0	PSigma Investments Limited
19	Protected Rights & AVCs
3,494	Net Financial Assets
73	Net Current Assets
3,567	Net Assets of the Scheme

Trustee's report

The Invensys Pension Scheme ("the Scheme") is a registered occupational pension scheme that was established by a Trust Deed on 31 March 1988, consolidating the main BTR, Dunlop and Tilling defined benefit schemes then in operation. At that time the Scheme was named the BTR Group Pension Scheme. On 6 April 2000, the Scheme merged with the Siebe Pension Scheme and was renamed the Invensys Pension Scheme. The Scheme was closed to new members on 1 November 2004 but remains open to further accrual for existing members, and the Company now offers new employees membership of a contract based stakeholder pension scheme.

The Third Definitive Trust Deed and Rules were adopted on 28 March 2006. A Defined Contribution Section of the Scheme was introduced from 1 April 2007.

The sponsoring employer of the Scheme is Invensys plc ("the Company"), whose address is Portland House, Bressenden Place, London, SW1E 5BF.

Trustee arrangements

The Trustee of the Scheme is Invensys Pension Trustee Limited which is a corporate trustee whose Board of Directors act together as Trustee of the Scheme.

The Trustee is responsible for the payment of benefits, safeguarding the assets of the Scheme and monitoring whether they are sufficient to meet its liabilities as they fall due. In the process of carrying out these responsibilities, it ensures that proper accounting records and controls are maintained by the Invensys Pension Scheme's administration offices (Invensys Pensions), in accordance with Trust Law, and takes such steps as are reasonably open to it to prevent and detect fraud and other irregularities.

The Trustee is also responsible for the preparation of audited financial statements showing a true and fair view of the financial transactions of the Scheme during the Scheme year, and of the amount and disposition at the end of the year of the assets and liabilities, other than liabilities to pay future pensions and benefits after the end of the Scheme year.

The financial statements contain information specified in the Schedule to The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. The Trustee has met its responsibilities in ensuring that contributions are made to the Scheme in accordance with Scheme Rules and, where appropriate, recommendations of the Scheme Actuary.

During the year under review, the Board met four times.

Board structure

In accordance with the Articles of Association of the Trustee Company, the Board consists of a maximum of nine Directors. Four, including the Chairman, are appointed by the Company, two are nominated by the United Kingdom Pensions Consultative Committee (UKPCC) and three are Scheme pensioners. The appointing or nominating authority may also remove Directors from office, the Trustee may be changed by the Company.

All decisions of the Trustee taken during the year under review arose from a consensus of opinion. However under the Articles of Association of the Trustee, decisions may be taken by a majority vote.

Committee structure

The Board has established three Committees that meet regularly in order to ensure efficient management of the Scheme.

The Investment Committee comprises Directors whose role is to review the development and implementation of appropriate strategies for the investment of the Scheme's assets and to obtain advice and make recommendations to the Trustee in respect of its investment responsibilities.

Company representatives attend Investment Committee meetings and are consulted on changes to investment policy.

The Governance & Audit Committee consists of Directors whose objective is to review the Scheme's risk management through the use of effective decision making processes and the adoption of pensions industry "best practice" in order to recommend to the Board any action it should take in respect of the governance of the Scheme. The Committee also reviews the annual financial audit and report of the Scheme's auditors.

There is also a Company Liaison Standing Committee which works directly with the Company on issues relating to Company policy and status, as well as negotiating Scheme funding issues.

These Committees make regular reports and proposals to the Board, which authorises actions taken. During the year the Investment Committee met on six occasions, and the Governance & Audit Committee five times. The Company Liaison Standing Committee met on a number of occasions.

The year in brief

On 31 March 2009, the value of the Fund was £3,567m (2008: £3,895m). The investment return on the assets was (3.9%) compared to a Scheme specific performance benchmark that measured 4.9%. This compares to a return in 2008 of 4.7% against the Scheme specific benchmark of 10.3%. Investment managers are set a target return which is above the Scheme specific benchmark. Further details are provided in the Investment Report on pages 17 to 19.

Actuarial and funding position

The Scheme Actuary, who is independent of the Scheme and the Company, assesses the funding position of the Scheme, i.e. the balance between assets and liabilities. This valuation is normally done formally and in detail every three years, with annual updates presented to the Trustee in other years.

The last full triennial valuation was completed as at 31 March 2008. In accordance with the Pensions Act 2004 the Trustee set the assumptions for the Scheme Actuary to calculate the Technical Provisions meaning the amount required by the Scheme to provide for the Scheme's liabilities on an ongoing basis. These Technical Provisions were then agreed by the Company. The key assumptions that the Trustee determined and which were agreed by the Company for the 2008 valuation were as follows:

- A discount rate set to be the yield available on long dated fixed interest government securities plus 1.0% p.a.
- An inflation assumption of 3.5% p.a., together with an assumption of 3.65% p.a. for pension increases of LPI with a minimum of 3% p.a.
- A mortality assumption in line with the PA92 tables with a 122% loading for males and 135% loading for females. An allowance for future improvements in longevity is projected in line with each member's year of birth and the medium cohort effect, subject to a 1% p.a. floor for male members and a 1.25% p.a. floor for female members.

The agreed assumptions gave rise to the value for Technical Provisions at 31 March 2008 of £285m greater than the corresponding market value of assets at that date, and the Scheme therefore had a deficit of this amount, as at that date.

The Trustee has set out a Statement of Funding Principles stating its policy on meeting the Statutory Funding Objective of having sufficient assets to meet the Scheme's Technical Provisions. As a result, the Trustee agreed a Recovery Plan with the Company, setting out the funding to meet the Technical Provisions, and

thereby eliminate the deficit.

This Recovery Plan committed the Company to maintaining a series of special contribution payments as laid out on page 21.

The National Fraud Initiative

The Trustee, along with other organisations, takes part in the Audit Commission's National Fraud Initiative. This initiative is to review the data the Scheme holds against registered deaths. This is to identify cases where pensions are still being paid despite the pensioner's death. This data matching exercise meets the requirements of the data protection law and the Audit Commission will process the data for this purpose only.

The Trustee has a duty to provide benefits only in accordance with the provisions of the Scheme Rules. These reviews are completed and are dealt with sensitively to ensure any genuine misunderstandings by relatives of the deceased pensioners are satisfactorily resolved. However, any case which appears to be an incidence of potential fraud will be referred to the authorities for further investigation.

If after reviewing the information and data supplied about individual cases it appears to Invensys Pensions that a pension may have been fraudulently claimed or information provided to Invensys Pensions has been given in a fraudulent manner, then it is the policy of the Trustee that all relevant papers should be passed to the Police to consider whether there is a case for prosecution. Invensys Pensions will give every possible support to the Police in establishing and, if necessary, prosecuting any fraud that has occurred.

Administration

The Trustee can be contacted through Invensys Pensions at the address on page 43. Details of the advisers and investment managers who worked with the Trustee during the year are also listed on page 10.

The Chief Executive Officer of the Invensys Pension Scheme is Mr R Claessens and the Pensions Manager is Mr M D Leggett, who are employed by the Trustee and can be contacted at Invensys Pensions.

Consultation

Active members The Company has, for many years, maintained a successful communication process whereby it consults with Active Scheme members on a number of pension issues. Each participating employer in the Scheme has allocated to it one or more Members' Representatives who join with the Company Representatives to form the UKPCC (see table on page 10) which meets at regular intervals. At each meeting Scheme managers update members on current Scheme issues including

funding and investment performance. A very important role of the UKPCC is to nominate two of its Members' Representatives to become Directors of the Trustee.

Nomination of Directors

The Active members' route to the Board is through participation in the UKPCC, a forum set up by the Company at the inception of the Scheme. Active members of participating companies are invited to nominate themselves to sit on the UKPCC. Nominations must be proposed and seconded by Active members in the same company, and an election held as appropriate. The UKPCC then nominates two of its members to sit on the Board, under the revised process final selection being made by the Governance & Audit Committee of the Board, for final approval by the Board.

When a vacancy arises for a Pensioner Director any retired member of the Scheme in receipt of a pension from the Trustee may put themselves forward and their candidature must be supported by nominations from two other Pensioner members who are in receipt of an Invensys Scheme pension. A selection process will then be carried out by the Governance & Audit Committee and final approval given by the Board.

Trustee training, knowledge and understanding

A Trustee training programme is in place which takes account of the particular needs of each Board member and the Committees on which they serve. Newly appointed Directors undertake a comprehensive induction programme. The Board's Training Policy then requires each Director to undertake a number of days training each year based on their experience and requirements.

The members of the Investment Committee receive detailed training on investment strategy and related matters. The Chairman received additional development from her external board positions, covering the company sponsor covenant, accounting requirements, the annuity market, asset management, economic factors and retirement/longevity trends.

At each quarterly Board meeting a training session is undertaken by all Directors on a topic relevant to the following meeting.

The Board also use external training courses and seminars. Directors are encouraged to undertake the "Trustee Toolkit" training provided by the Pensions Regulator as well as the PMI Trustee Certificate of Essential Knowledge.

Trustee Director	Total Training Days 01/04/08 – 31/03/09
K A O'Donovan	3.25 day
A G Gajadharsingh	0.50 day
S C McDonnell	1.00 day
E K Whitfield	1.75 days
R G Walker	2.50 days
G R Gayfer	4.75 days
I R Fyfe	3.00 days
M J Barker	3.00 days
A G Ferris	2.75 days

Trustee attendance

During the year ended 31 March 2009 the Board held four regular meetings on a quarterly basis. At all meetings there was a minimum of seven of the nine Directors present and over the whole year the Board achieved a 95% attendance record.

Trustee Directors attendance for year to 31.03.09	Investment Committee	Governance & Audit Committee	Board Meetings	Total attended 01.04.08- 31.03.09
Number of meetings held	6	5	4	
KA O'Donovan	6/6	–	4/4	10
AG Gajadharsingh	–	–	2/3	2
SC McDonnell	1/1	4/5	4/4	9
EK Whitfield	1/1	5/5	3/4	9
GR Gayfer	1/1	1/1	4/4	6
RG Walker	1/1	5/5	4/4	10
IR Fyfe	5/6	1/1	4/4	10
MJ Barker	1/1	5/5	4/4	10
AG Ferris	6/6	1/1	4/4	11

The above table indicates the number of meetings attended by each Board member compared to the number of meetings that the member was eligible to attend.

Remuneration policy

The Board's policy on remuneration for Directors is that payment should be received for undertaking the role and responsibility as a Director of the Trustee company either directly from the Company or as a payment from the Scheme.

During the year ended 31 March 2009 the following payments were made:

Chairman – receives an annual salary of £65,146.
Pensioner Directors – receive a per diem rate.
Company Nominated Directors – are remunerated by the Company.
Member Nominated Directors – are remunerated by the Company.

Communication

The Board ensures that all members are communicated with on a regular basis. During the year the Scheme issued two newsletters and an Annual Review of the Scheme. The Scheme has a website www.invensyspensions.co.uk and members can contact the Scheme by e-mail as well as telephone and written enquiries.

Myners Principles

The Scheme has recognised and acted upon the principles contained in the Myners report and the subsequent report by HM Treasury in December 2004.

Socially responsible investment

Since July 2000, all pension funds have to express a view in their Statement of Investment Principles on how – if at all – they consider social, environmental and ethical matters in their investment strategies.

This area is sometimes referred to as "ethical investing". It requires the Scheme to reveal how it assesses investments in, for example, tobacco or arms companies; cosmetic and drug manufacturers that use animal testing; companies that pollute the environment; and those that have operations in countries with a poor human rights record.

In considering these issues the Trustee has to remind itself that its primary objective and, indeed, legal obligation is to ensure that the Scheme's assets are invested so that benefits due to each member can be paid as they arise. By specifically excluding any of the potential investments mentioned above, the Scheme may miss out on some of the better performing assets in the economy, with obvious consequences for the value and growth of the Fund.

Having given due consideration to these matters, the Trustee has concluded that responsibility for day-to-day selection must rest with the Scheme's investment managers. In turn, the investment managers must take social, ethical and environmental issues into account where they feel they will make a difference to fund performance. They must report their actions to the Trustee who will monitor the decisions taken on a regular basis. All managers report their actions to the Trustee on a quarterly basis and the Trustee ensures these decisions are monitored and reported upon.

Voting policy

In addition, pension schemes are also required to state their policy on the use of the voting rights that are available to them as significant holders of company shares. This is referred to as "corporate governance".

Having considered this issue, the Trustee has again concluded that the day-to-day responsibility for this should be delegated to the Scheme's investment managers since they have contact with the companies concerned and can vote in order to get best performance from the shares held. All managers report their actions to the Trustee on a quarterly basis and the Trustee ensures these decisions are monitored and reported upon.

For and on behalf of Invensys Pension Trustee Limited



Signed: K A O'Donovan
Chairman
24 September 2009

The Scheme's investment strategy reflects the mature nature of the Scheme. At 31 March 2009, 99% of the Scheme's membership was in receipt of a pension in payment (60%) or held a deferred pension (39%). This high level of maturity indicates the Scheme should operate an investment policy to ensure that the returns on assets meet the future known liabilities of the Scheme. The reduced risk implicit in such a strategy means that generally a lower return is targeted than in less mature schemes.

Given the mature nature of the Scheme, the Trustee has invested in assets which have a profile that is closest to that of the liabilities, namely bonds or "bond-like" assets. This has been an ongoing policy of the Trustee over the last seven years, with a significant increase in these matching assets from 2006 and 2007. The Scheme currently holds 80% of its assets in bonds, of which 45% are UK government bonds.

The Scheme's investment objectives are to achieve investment returns that, together with the contributions paid by the Company and by members, ensure the assets of the Scheme are sufficient to meet the benefits due to each member and the expenses of the Scheme as they fall due over time.

Statement of Investment Principles

The Scheme's strategy and objectives, together with full details of the investment process are set out in the Statement of Investment Principles. This document is updated regularly and the latest version was agreed in April 2009. A copy is available to members from Invensys Pensions.

Economic background and market review

The year to 31 March 2009 has been historic in many ways, unfortunately for all the wrong reasons, and has brought unprecedented price volatility and decrease in value, across many asset classes. We have witnessed, powerless, the bankruptcy and government bail out of numerous financial institutions such as Bear Stearns, Lehman Brothers, Northern Rock, Royal Bank of Scotland and Kaupthing Bank, fraud cases too great to even start to imagine (Madoff, Stanford, Jerome Kerviel and Société Générale to name a few). Added to the lack of liquidity in the markets, a deteriorating economic environment, and an ever increasing risk aversion, these events have contributed to a fall in asset prices not seen since the Great Depression.

The last 12 months have proved a difficult time for a majority of UK pension schemes and their sponsors. Funding ratios have plummeted, increasing the cash requirements from the sponsor, which is an additional strain in its cash flow management, especially in these difficult times.

The Trustee is however very satisfied by the conservative investment strategy adopted from 2006/2007, which has allowed the Scheme to weather the storm better than most.

Investment strategy

The investment strategy is to achieve a return consistent with the Scheme's Statement of Funding Principles, in order to ensure the assets of the Defined Benefit Sections are sufficient to meet the benefits due to each member as they arise.

The Scheme moved in 2006/07 to a general investment strategy of 80% Bonds, 20% Higher Performance Assets. The Bonds are included in a Matching Fund run by three Bond Investment Managers. During 2007/08, the higher performing assets were diversified to reduce risk in the investment portfolio, diversification that has not been modified since.

In the past the need for higher return assets was met through the allocation of a percentage of the portfolio to equities. This allocation has been reduced steadily over the years and stood at around 20% in 2006. In 2007, this exposure to equities was reduced further by broadening the portfolio to higher returning assets of different types; this diversification allowed the Scheme to reduce the risks related to higher performing assets. These are now invested in four different classes: i) broad bonds, ii) dynamic asset allocation, iii) a fund of hedge funds as well as iv) equities. These are managed by eight investment managers, who are targeted against an absolute return above cash.

Since the major transitions that took place in 2007, there have been no significant changes to the allocation within the higher performing assets.

Investment manager mandates

The mandates agreed with the investment managers set out performance targets over rolling three year periods and are shown in the table on page 18.

The Scheme specific liability benchmark is calculated by the Investment Adviser, using prevailing bond yields, to reflect the change in value of the projected future cash flows of the Scheme provided by the Actuary (this is consistent with the Scheme's Statement of Funding Principles).

In 2008 the Dynamic Asset Allocation, Equity and Broad Bond portfolios were measured against an absolute return benchmark of London Interbank Offered Rate (LIBOR) plus 3-4%.

Investment managers are able to use financial derivative instruments to meet their targets within controls set out in documentation agreed by the Trustee.

Investment manager commentary and performance

The investments are managed, under the guidance of the Trustee and its Investment Adviser, by independent investment managers. The Scheme's investment managers are continuously reviewed over a 36-month rolling period. Long periods of review are essential, as it enables managers to be judged throughout the business cycle.

In difficult economic times however, the assets under management can underperform and lead temporarily to an increased deficit. Since August 2007 the substantial market downturn has caused a majority of assets to suffer significant falls in value. UK government bonds however, have actually performed well in these difficult times, compensating for the fall in value of the other assets.

An investment return for the year of (3.9%) did not meet the Scheme's objective of 4.9%. Over the last three years the assets have generated a return of 0.35% per annum against a Scheme target of 5.36%. Over the past five years, the annual performance has been 4.4% against a target of 6.7%.

Many asset managers in the market place have underperformed their absolute benchmarks. We continuously monitor that our managers' performance is no worse than others. The Investment Committee has reviewed the managers using appropriate relative composite indices and currently consider no material change needs to be made. This relative performance will be kept under review.

The market values held by each manager as at 31 March 2009 are shown in the table on page 12.

New bond managers were introduced from 30 September 2004, with substantially changed mandates and this date is regarded as the start date for reviewing bond manager performance.

Subsequent changes have been made to the bond manager mandates and to the structure of the Higher Performance funds. These changes give managers more flexibility in their use of financial instruments and are intended to help managers contribute to benchmark outperformance.

Custody arrangements

Trust Law and the Pensions Act 1995 impose a specific duty on the Trustee to safeguard the assets of the Scheme. Since 2001 the Trustee has appointed a global custodian to hold the Scheme's assets that make up the various portfolios managed by the investment managers. Its provider from 1 September 2006 has been BNY Mellon Asset Servicing B.V. In the case of the Fund of Hedge Funds, this work is undertaken by a separate custodian based in the United States (PFPC Inc).

The custodians are responsible for the safekeeping of assets and administration and ensuring that assets are only released with appropriate authorisation.

The administrative functions of the custodians include the settlement of transactions, the collection of income arising from the investments, recovery of any tax paid that is not due and the reporting of and accounting for the Scheme's investments. The Scheme uses some pooled and collective investment arrangements where the custody services are arranged through the fund provider.

Investment Manager	Holdings at 31 March 2009		Investment return %			
	£m	% of Total	12 months to 31 March 2009		3 years to 31 March 2009	
			Actual %	Target %	Actual %	Target %
Matching Fund						
AXA	867	24.3	(5.4)	4.4	0.3	4.8
BGI	1,013	28.4	6.89	4.4	5.2	4.8
M&G	960	26.9	0.46	4.4	2.8	4.8
Matching Fund	2,840	79.6	0.4	4.4	2.7	4.8
Higher Performance Fund						
Invesco	119	3.3	(27.8)	8.9	–	
PSigma/Société Générale	63	1.8	(28.1)	8.9	–	
BlackRock	151	4.2	(15.8)	9.4	(3.3)	10.0
Alliance Bernstein	60	1.7	(13.5)	7.8	–	
Pioneer	51	1.4	(25.6)	7.8	–	
Stone Harbor	24	0.7	(32.0)	7.8	–	
Fortis	167	4.7	(7.6)	8.9	–	
Higher Performance Fund	635	17.8	(19.6)	6.98	(7.47)	7.65
Protected Rights / AVCs	19	0.5	NA	NA	NA	NA
Net Financial Assets	3,494	97.9	(3.9)	4.9	0.4	5.4
Net Current Assets	73	2.1	NA	NA	NA	NA
Net Assets of the Scheme	3,567	100	(3.9)	4.9	0.4	5.4

The above table excludes returns for the AVC and Protected Rights pooled funds.

The Trustee together with its Investment Adviser reviews the effectiveness of the custodial arrangements on a continual basis. The custodians are required to publish a report on its internal controls that has been audited by a third party auditor in accordance with agreed standards.

Largest investments

No individual equity investment constituted more than 5% of the Scheme's assets. An analysis of investments is shown in the Notes to the Scheme's Financial Statements on pages 32 to 42. The aggregate amount of sales and purchases of investments during the year is also shown in those Notes.

Additional Voluntary Contributions (AVCs)

The AVC scheme was closed to new accounts from April 2006. Existing contributors may continue to invest in their AVC accounts.

AVCs are invested separately from other Scheme assets to ensure there are individual funds for each member that are clearly identifiable. Members currently have the choice of investing in a number of funds provided by Prudential.

Members either invest with Prudential or, where they have joined the Scheme following amalgamation with other schemes, have been permitted to continue to invest with the AVC provider of their original scheme.

At the end of the year there were 129 active members with an AVC account. There were also 1,652 deferred members with AVC accounts. Details of the value of a member's AVC fund are provided annually on individual statements.

Funding position

The Scheme's funding position was agreed as at 31 March 2008 by the Trustee and the Company, with the Technical Provisions amounting to £4,168m, giving a Scheme deficit of £285m. The Scheme Actuary has reviewed this in an Actuarial Report as at 31 March 2009 which was issued to the Trustee at its meeting on 18 June 2009.

It describes the development of the Scheme's Technical Provisions and funding level over the year since the last valuation of the Scheme and should be considered in conjunction with the Report on the valuation as at 31 March 2008.

The 2009 Actuarial Report is not a formal valuation of the Scheme. However the Scheme Actuary confirmed that this report is consistent with the advice provided for the valuation.

Review of the funding level

The 2009 Actuarial Report showed the funding level of the Scheme at 31 March 2009 to be 86% compared to 93% at 31 March 2008.

In accordance with the agreed Recovery Plan during the year the Scheme received the following deficit reduction contributions from the Company.

30 September 2008	£10.0m
31 December 2008	£10.0m
31 March 2009	£18.0m

In total, contributions (other than AVCs and the DC Section) of £49m were received by the Scheme over the period 1 April 2008 to 31 March 2009, of which £38m were in respect of the deficit. In addition, there were benefit and expense payments of approximately £230m, and market movements during the period (net of other cashflows) have reduced the assets by £148m, resulting in Scheme assets of £3,567m as at 31 March 2009.

Recovery plan

Status

The Recovery Plan has been prepared by the Invensys Pension Trustee Limited ("the Trustee") on 4 December 2008, following agreement with Invensys plc ("the Founder"), and after obtaining the advice of Steve Leake, the Actuary to the Scheme.

The actuarial valuation of the Scheme as at 31 March 2008 revealed a funding shortfall (technical provisions minus value of assets) of £285m.

Steps to be taken to ensure that the statutory funding objective is met

1 Deficit Reduction Contributions (DRCs)

To eliminate this funding shortfall, the Trustee and the employers have agreed that additional contributions (Deficit Reduction Contributions, DRCs) are to be paid as shown below.

The following contributions have been paid by Invensys plc to date:

Paid by	Amount
30 September 2008	£10.0m
31 December 2008	£10.0m
31 March 2009	£18.0m

The following contributions are due to be paid by Invensys plc:

Due by	Amount
30 September 2009	£18.5m
31 March 2010	£18.5m
30 September 2010	£19.0m
31 March 2011	£19.0m
30 September 2011	£19.5m
31 March 2012	£19.5m
30 September 2012	£20.0m
31 March 2013	£20.0m
30 September 2013	£20.5m
31 March 2014	£20.5m
30 September 2014	£21.5m
31 March 2015	£21.5m
30 September 2015	£22.5m
31 March 2016	£22.5m
30 September 2016	£23.5m
31 March 2017	£23.5m

2 Contributions on the disposal of an Invensys Business

2.1. On the disposal of an Invensys Business (where Invensys Business is a trade, or company or companies carrying on a trade, that forms or form part or all of an Invensys Business Group) the Founder will contribute "Addition Disposal Contributions" (ADCs) to the Scheme. Each ADC shall be calculated as 8% of the disposal proceeds net of tax and disposal costs. However, where an Invensys Business is sold that includes the sale of a participating employer, the ADC shall be the higher of (a) 8% of proceeds net of tax and disposal costs or (b) the debt on the participating employer arising.

2.2. Where an Invensys Business is sold that does not include a participating employer, and the proceeds of sale are less than £1,000,000, no ADC shall be made to the Scheme.

2.3. In addition an ADC shall only become payable to the extent that the sum of all DRCs paid under clause 1 above, ADCs previously paid under clause 2.1 and the ADC in question does not exceed £285m. This clause 2.3 will not apply if the ADC is a debt on a participating employer.

2.4. In this clause 2 a disposal shall include a series of transactions involving the disposition of trades or companies forming an Invensys Business, where those dispositions are linked, whether or not they complete simultaneously. Invensys Business Group means one of the groups of businesses managed as Invensys Process Systems, Wonderware, Invensys Rail Systems, Invensys Controls and Eurotherm.

Recovery Period

The Trustee expects that the funding shortfall will be eliminated in 8 years and 4 months from the date of this Recovery Plan, i.e. by 31 March 2017. This is based on the following assumptions:

- The technical provisions calculated in accordance with the method and assumptions set out in the Statement of Funding Principles dated 4 December 2008.
- The return on existing assets and future contributions during the period as set out in the Statement of Funding Principles dated 4 December 2008 for the calculation of technical provisions.
- There are no future business sales in the period.

It is expected that half of the additional contributions above will be paid in 4 years and 4 months from the date of this statement, i.e. by 31 March 2013.

¹ The statutory funding objective is defined in section 222 of the Pensions Act 2004. Every scheme must have sufficient and appropriate assets to cover its technical provisions.

**This Recovery Plan was agreed by the Trustee
at its meeting on 4 December 2008.**

Signed on behalf of
Invensys Pension Trustee Limited

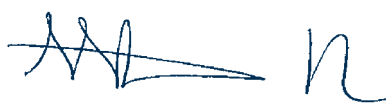


Director

4 December 2008

**This Recovery Plan has been agreed by
the employers:**

Signed on behalf of
Invensys plc and the other Employers



Director

4 December 2008

**This Recovery Plan has been agreed by the
Trustee of the Invensys Pension Scheme after
obtaining actuarial advice from:**

Signed



Steve Leake
Actuary to the Invensys Pension Scheme

4 December 2008

Scheme governance

The Trustee is committed to ensuring the Scheme's objectives are met by managing risk effectively using effective decision making processes and adopting pension industry "best practice" where this is appropriate for the Scheme.

The Trustee has a Governance & Audit Committee with the following key duties and responsibilities:

- 1 To identify risks to the Scheme.
- 2 To review the management of these risks and to propose improvements.
- 3 To document and audit Scheme decision making processes and practice.
- 4 To review the performance of the Trustee, its Committees, the Scheme's administrators and its advisers in meeting the Scheme's governance standards.
- 5 To obtain advice and to make recommendations to the Trustee in relation to Scheme governance.
- 6 To review and approve work undertaken by the Scheme's auditors.

Trustee policies

The Trustee has set out the Scheme's policies in relation to such items as Trustee training, the appointment and review of professional advisers, the delegation of authorities and action regarding fraud. The Trustee will continue its process of formalising its procedures during the coming year, and will control and audit the management of the Scheme in line with these policies.

The management of Scheme risk

The Trustee has overall responsibility for internal control and risk management. It is committed to identifying, evaluating and managing risk and to implementing and maintaining control procedures to reduce significant risks to an acceptable level.

This is undertaken by the use of a "Risk Register" that identifies and prioritises risk and then formulates mitigating action to reduce the overall Scheme risk. This Register is reviewed annually by the Governance & Audit Committee.

The objective of the Trustee's risk policy is to limit the exposure of the Scheme's assets for which it is responsible and for safeguarding them against financial, operational, compliance and other risks.

Audit function and processes

A financial audit is performed annually by the Scheme's auditors who report initially to the Governance & Audit Committee and where appropriate to the Board on any issues that arise from this audit.

Compliance statement

The Scheme is a registered pension scheme and the Trustee knows of no reason why such status should be prejudiced or withdrawn.

Trust Deed and Rules

On 28 March 2006, the Trustee and the Company signed the Third Definitive Trust Deed and Rules of the Scheme. The new Trust Deed and Rules brought the Scheme up to date with current legislation and amalgamated a number of Deeds of Amendment that had occurred since the Second Definitive Deed and Rules were completed in 1995.

Copies of the new Trust Deed and Rules are available to members on request to Invensys Pensions. Please note that an appropriate copy charge will be made.

Contributions

The Trustee collects contributions from employers who participate in the Scheme. A number of employers operate from several distinct locations with their own independent payroll and differing payment patterns.

During the year no reports had to be made to the Pensions Regulator in respect of late payments of contributions.

A revised Schedule of Contributions was signed on 4 December 2008. A Summary of Contributions is shown on page 28.

Pension increases and transfer values

Under the Scheme Rules pensions in payment (except for the Guaranteed Minimum Pension (GMP) portion) are increased annually by reference to the percentage change in the Retail Prices Index (RPI) over a 12 month period measured to the end of December in each year. For members who joined the Scheme before 6 April 2000, the increase will generally be a minimum of 3% and a maximum of 5%. In the past increases have been augmented by a series of discretionary bonuses paid between 1988 and 2001 (subject to Scheme and HM Revenue & Customs limits). These bonuses have been:

Discretionary bonus awards

1988	10%	
1990	5-25%	depending on retirement date (average 16%)
1992	5%	
1995	4-50%	depending on retirement date (average 5.5%)
1998	4%	
2001	3%	

Over the period since 1988, pension increases and bonuses awarded together have comfortably exceeded inflation and the position of longer-retired pensioners has been additionally enhanced.

GMPs are increased in accordance with Pension Increase Orders by HM Government that are based on RPI movements between September and September. These increases apply solely to pensioners who have reached State pension age.

The percentage change in RPI for the year to 31 December 2008 was 0.9%, resulting in payment in pensions being generally increased by the guaranteed minimum of 3% on 1 April 2009. GMPs in payment and related to the period 6 April 1988 to 5 April 1997 were increased by 3.0% on the same date.

Statutory cash equivalent transfer values are calculated in accordance with the provisions of Part IV Chapter IV of the Pensions Scheme Act 1993 as amended by the Pensions Act 1995 and the Pensions Act 2004 with relevant Regulations and guidance issued by the Pensions Regulator on a basis determined by the Trustee after having taken advice from the Scheme Actuary.

Disputes and complaints procedure

Invensys Pensions operates an Internal Dispute Resolution Procedure in accordance with the provisions of the Pensions Act 1995. Before a formal complaint is considered members are advised to contact Invensys Pensions to see if the matter can be resolved informally.

During the course of the year under review no formal complaints were received by Invensys Pensions on behalf of the Trustee. Details of the procedure are available from Invensys Pensions.

In October 2008 the Pensions Regulator issued guidance on how trustees of pension schemes should deal with conflicts of interest. The Trustee has in place a conflicts policy which complies with the guidance issued by the Regulator, and the Trustee also complies with the new provisions on conflicts of interest contained in the Companies Act 2006, which came into force on 1 October 2008.

Statement of Trustee's responsibilities

The Scheme's Trustee is responsible for obtaining audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for making available certain other information about the Scheme in the form of an Annual Report.

The financial statements are the responsibility of the Trustee; pension scheme regulations require the Trustee to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each Scheme year which:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year, and
- contain the information specified in the Schedule to The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice 'Financial Reports of Pension Schemes' (revised May 2007).

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised, a schedule of contributions showing the rates of contributions payable to the scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the Members.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Independent auditors' report

Independent auditors' report to the Trustee of the Invensys Pension Scheme.

We have audited the financial statements of the Invensys Pension Scheme for the year ended 31 March 2009 which comprise the fund account, the net assets statement and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Trustee, as a body, in accordance with Regulation 3 (c) of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to it 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 Trustee as a body, for our audit work, for this report, or the opinions we have formed.

Respective responsibilities of Trustee and auditor

As described in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for obtaining an Annual Report, including audited financial statements prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 show a true and fair view and contain the information specified in the Schedule to The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. We also report to you if, in our opinion, we have not received all the information and explanations that we require for our audit, or the information specified by law is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. The other information comprises Chairman's Review, Trustee Board, Scheme Advisers, Trustee's Report, Investment Report, Funding Position, Recovery Plan, Scheme Governance, Compliance Statements, Actuarial Certificates, Members' Information and Glossary.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by or on behalf of the Trustee in the preparation of the financial statements and of whether the accounting policies are appropriate to the Scheme'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.

Opinion

In our opinion:

- the financial statements show a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial transactions of the Scheme during the Scheme year ended 31 March 2009, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year; and
- the financial statements contain the information specified in Regulation 3 of and the Schedule to The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.



Ernst & Young LLP
Registered Auditor
Newcastle upon Tyne
29 September 2009

Independent auditors' statement about contributions

Independent Auditors' Statement about Contributions, under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustee of the Invensys Pension Scheme.

We have examined the Summary of Contributions to the Invensys Pension Scheme in respect of the Scheme year ended 31 March 2009 to which this statement is attached.

This statement is made solely to the Trustee, as a body, in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Trustee those matters we are required to state in an auditors' statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body, for our work, for this statement, or the opinion we have formed.

Respective responsibilities of Trustee and auditor

As described in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised, a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Scheme's Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

Our responsibility is to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

Basis of statement about contributions

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to give reasonable assurance that contributions reported in the attached Summary of Contributions, have in all material respects been paid at least in accordance with the relevant requirements. For this purpose the work that we carried out included examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions. Our statement about contributions is required to refer to those breaches of the Schedule of Contributions which come to our attention in the course of our work.

In our opinion the contributions payable to the Scheme during the year ended 31 March 2009, as reported in the attached Summary of Contributions, have, in all material respects, been paid at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 6 December 2007 and 4 December 2008.

Ernst & Young LLP
Registered Auditor
Newcastle upon Tyne
29 September 2009

Summary of contributions

Invensys Pension Scheme. Summary of contributions payable during the year ended 31 March 2009.

During the year ended 31 March 2009 the contributions payable to the Scheme under the Schedule of Contributions were as follows:

	£000
Employer SMART contributions	9,404
Employer normal contributions	1,000
Employer deficit contributions	38,000
Employee normal contributions	741
Death benefit levy	58
<hr/> Total contributions under Schedule of Contributions	<hr/> 49,203 <hr/>
Other contributions	
Augmentation	633
Employee additional voluntary contributions	190
<hr/> Total contributions per Note 3 of the financial statements	<hr/> 50,026 <hr/>

The employer's deficit contributions relate to specific lump sum amounts to be paid in accordance with the Recovery Plan and additional funding arrangements proposed by the Company.

Under the Schedule of Contributions dated 31 March 2007, Employer contributions were paid from 1 April 2008 at 16.3% of member's Pensionable Pay. Following agreement with the Company, a new Schedule of Contributions was signed on 4 December 2008. The new Schedule of Contributions was effective from 1 January 2009 and provides for future Employer contributions at a rate of 19.8% of members' Pensionable Pay.

Signed on behalf of the Trustee



K A O'Donovan
Chairman
24 September 2009

Actuary's certificate of the calculation of Technical Provisions

Name of scheme: **Invensys Pension Scheme**

Calculation of Technical Provisions

I certify that, in my opinion, the calculation of the Scheme's Technical Provisions as at 31 March 2008 is made in accordance with regulations under Section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Scheme and set out in the Statement of Funding Principles dated 4 December 2008.

Signature



12 January 2009

Steve Leake

Fellow of the Institute of Actuaries

Punter Southall Limited
Tempus Court
Onslow Street
Guildford
Surrey GU1 4SS

Actuary's certificate of Schedule of Contributions

Name of scheme: **Invensys Pension Scheme**

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective could have been expected on 31 March 2008 to be met by the end of the period specified in the Recovery Plan dated 4 December 2008.

Adherence of Statement of Funding Principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 4 December 2008.

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature



12 January 2009

Steve Leake

Fellow of the Institute of Actuaries

Punter Southall Limited
Tempus Court
Onslow Street
Guildford
Surrey GU1 4SS

Fund account

for the year ended
31 March 2009

	NOTE	31 March 2009 £000	31 March 2008 £000
Contributions and benefits			
Contributions receivable	3	50,026	97,269
Members' transfers-in	4	-	11,223
		50,026	108,492
Benefits payable	5	(219,595)	(212,211)
Payments to and on account of leavers	6	(5,746)	(5,087)
Administrative expenses	7	(4,875)	(4,117)
		(230,216)	(221,415)
Net withdrawals from dealings with members		(180,190)	(112,923)
Returns on investments			
Investment income	8	117,151	128,824
Change in market value of investments		(258,032)	46,311
Investment management expenses	14	(6,858)	(6,168)
Net returns on investments		(147,739)	168,967
Net (decrease)/increase in the fund during the year		(327,929)	56,044
Net assets of the scheme at 1 April		3,894,526	3,838,482
Net assets at 31 March		3,566,597	3,894,526

Net assets statement

as at 31 March 2009

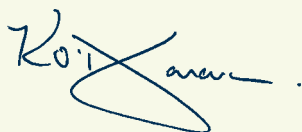
	NOTE	31 March 2009 £000	31 March 2008 £000
Investments			
Financial assets	9	4,195,292	3,867,774
Financial liabilities	10	(701,667)	(22,988)
Net Financial Assets	11	3,493,625	3,844,786
Fixed assets	13	66	48
Current assets	15	99,842	56,050
Current liabilities	16	(26,936)	(6,358)
Net Assets of the scheme at 31 March		3,566,597	3,894,526

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the statements by the Scheme Actuary on page 29 of the Annual Report and these statements should be read in conjunction therewith.

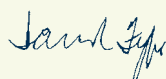
These financial statements were approved by the Trustee on 24 September 2009.

Signed on behalf of Invensys Pension Trustee Limited:-

KA O'Donovan



I R Fyfe



Directors
24 September 2009

Notes to the financial statements

1 Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and with the guidelines set out in the Statement of Recommended Practice (SORP), Financial Reports of Pension Schemes (revised May 2007), published by the Pensions Research Accountants Group.

The Trustee has adopted the revised SORP. As a result investments previously valued at mid prices are now valued at bid prices. This is a change in accounting policy but the difference in valuation is considered to be immaterial to the financial statements and therefore comparatives have not been restated.

As a result the comparative figures for investments are reported on a mid price basis and the adjustment in valuation from mid to bid is included in current year "Change in market value".

2 Accounting policies

a Contributions

Employer's and members' contributions are accounted for on an accruals basis at rates agreed between the trustees and the employer based on the recommendations of the Actuary and the Schedule of Contributions. Members' additional voluntary contributions are accounted for on an accruals basis.

Employer deficit funding contributions are accounted for on an accruals basis, in accordance with the Schedule of Contributions under which they are paid. In the absence of any formal agreement contained in the Schedule of Contributions, they are accounted for on a receipts basis.

Augmentation contributions are accounted for in accordance with the agreement under which they are payable. In the absence of any formal agreement they are accounted for on a receipts basis.

SMART (see Note 3), employers' and members' contributions are accounted for on an accruals basis at rates agreed between the Trustee and the employer based on the recommendations of the Actuary. Members' AVC are accounted for on an accruals basis.

b Investment income

Income from fixed interest securities, index-linked securities and cash is taken into account on an accruals basis, calculated on a daily basis.

Income from equity investments is included in the accounts on the date when the securities are quoted ex-dividend.

Income arising from the underlying investments of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in market value.

c Transfers

Provision is made in the financial statements in respect of transfers payable if consent was given by 31 March 2009.

d Benefits

Benefits payable are included in the financial statements on an accruals basis when the member notifies the Trustee as to the type or amount of benefit to be taken, or where there is no choice, on the date of retirement or leaving. Pension benefits paid in respect of which annuity income is received are included within benefits payable.

e Investment manager fees

Investment manager fees are accounted for on an accruals basis and are mostly charged as a percentage of the portfolio valuation.

f Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the Scheme year-end. Gains and losses on foreign currency investment and cash balances are shown in aggregate within the change in market value of investments to which they relate in the Fund Account.

Investment income denominated in foreign currencies is recorded by applying the spot exchange rate ruling at the date on which the income relating to the investment falls due.

g Investment assets

Listed investments are valued at closing prices on the recognised stock exchange as at the year-end, which are either the last quoted trade price or bid price depending on the market on which they are quoted.

Unlisted investments are stated at the Trustee's estimate of fair value based on advice of the investment manager or other appropriate professional adviser.

Pooled investment vehicles are valued at the closing bid price or, if single priced, at the closing single price.

Fixed interest securities are stated at a value, their clean prices, which exclude the value of interest accruing from the previous interest payment date to the valuation date.

h Derivatives

Derivatives are investment assets and investment liabilities that derive their value from the price or rate of some underlying item.

Derivatives with an initial purchase price are reported as purchases. Those that do not have an initial purchase price but require a deposit, such as an initial margin to be placed with the broker, are recorded at nil cost on purchase.

Derivative contracts are included in the net assets statement at fair value. Exchange traded derivatives with positive values are included in the Net Assets Statement as assets at bid price, and those with negative values as liabilities at offer price.

i Futures

Open futures contracts are recognised in the net asset statement at their fair value, which is the unrealised profit or loss at the current bid or offer market quoted price of the contract, as determined by the closing exchange price as at the year-end.

Amounts due from the broker represent the amounts outstanding in respect of the initial margin and any variation margin due to or from the broker.

Amounts included in change in market value represent realised gains and losses on closed futures contracts and the unrealised gains and losses on open futures contracts.

j Options

Traded options are valued at the fair value as determined by the exchange price for closing out the option as at the year-end. Options which are over the counter contracts are valued at fair value using a pricing model, where inputs are based on market data at the year-end.

Changes in the fair value of the options are reported within the change in market value.

k Swaps

Swaps are valued at fair value, using a pricing model which calculates the current value of future expected net cash flows arising from the swap, for which the time value of money is taken into account. Interest is accrued under the terms relating to individual contracts. The Scheme uses Swaps mainly to hedge interest rate and inflation risks. Net receipts or payments on swap contracts are reported within change in market value.

l Taxation

The Scheme is a registered scheme. The Scheme's income and chargeable gains are free of UK Income and Capital Gains tax (save for Advance Corporate Tax post-2 July 1997) and tax recoverable on the Scheme's income is treated as part of that income.

Notes to the financial statements

continued

3 Contributions receivable

	DC Conts Incl. in 2009	2009 £'000	2008 £'000
Employers			
Normal	30	1,000	1,234
SMART	383	9,404	10,618
Deficit funding*		38,000	83,900
Augmentation+		633	598
Members			
Normal	16	741	627
Additional voluntary contributions		190	234
Death benefit levy		58	58
		50,026	97,269

* Deficit funding contributions were paid in accordance with the Schedule of Contributions and are due to be paid until March 2017.

+ Augmentations relate to specific amounts paid by the Company to augment certain members' benefits.

The Schedule of Contributions requires contributions to be paid to the Trustee by the participating employers or the Company by the 19th of the month following deductions.

In order to assist the Invensys companies to meet their due dates the Trustee has implemented a collection process which limits the risk of future payments by the Invensys companies being received late.

SMART contributions refer to payments made by the employer on behalf of members under the salary sacrifice arrangement. This arrangement was introduced in April 2006.

4 Members' transfers-in

	2009 £'000	2008 £'000
Group transfers in from other schemes	-	77
Bulk transfers in	-	11,146
	-	11,223

The Trustee suspended the acceptance of individual transfers in during the 2001 Scheme year.

The bulk transfer in relates to the Invensys (Protected Rights) Pension Scheme and the Eurotherm Pension Scheme which were merged with the Invensys Pension Scheme on 31 March 2008.

5 Benefits payable

	2009 £'000	2008 £'000
Pensions	201,813	196,997
Commutations and lump sum retirement benefits	16,565	13,811
Lump sum death benefits	1,217	1,403
	219,595	212,211

6 Payments to and on account of leavers

	2009 £'000	2008 £'000
Refunds to members leaving service	-	11
Individual transfers to other schemes	4,822	3,994
AVC withdrawals	923	1,094
Payments for members joining State schemes	1	(12)
	5,746	5,087

7 Administrative expenses

	2009 £'000	2008 £'000
Administration and processing	1,834	1,768
Pension Protection Fund levy	1,591	1,024
Actuarial fees	749	632
Legal and other professional fees	569	591
Audit fee	75	65
Directors fees	57	37
	4,875	4,117

8 Investment income

	2009 £'000	2008 £'000
Income from fixed interest securities	85,114	72,544
Dividends from equities	4,712	9,077
Income from index-linked securities	16,906	31,515
Income from pooled investment vehicles	465	1,481
Interest on cash deposits and margin accounts	8,978	13,259
Annuities received	984	809
Other	(8)	139
	117,151	128,824

Notes to the financial statements

continued

9 Investments - financial assets

	2009 £000	2008 £000
Equities	268,012	344,947
Fixed interest securities	1,522,706	1,580,534
Index-linked securities	760,477	851,905
Pooled investment vehicles	690,937	789,099
Cash instruments	74,498	231,484
Derivative contracts	201,499	36,920
Cash deposits	12,021	283
Other financial assets	655,314	22,170
AVC investments	9,152	10,039
DC Investments	676	393
TOTAL FINANCIAL ASSETS	4,195,292	3,867,774
EQUITIES		
UK quoted	9,672	14,455
Overseas quoted	107,018	148,937
Fund of hedge funds	151,322	181,555
	268,012	344,947
FIXED INTEREST SECURITIES		
UK public sector quoted	603,143	556,608
Corporate quoted	919,563	1,169,322
Overseas public sector quoted	-	(145,396)
	1,522,706	1,580,534
INDEX-LINKED SECURITIES		
UK quoted	738,775	802,099
Overseas quoted	21,702	49,806
	760,477	851,905
POOLED INVESTMENT VEHICLES		
Managed funds other	681,910	789,099
Unit trusts other	9,027	-
	690,937	789,099

Pooled investment vehicles are all managed by companies registered in the United Kingdom.

Where the investments are held in managed and unitised funds the change in market value also includes expenses both implicit and explicit to the Scheme and any reinvested income, where the income is not distributed.

9 Investments - financial assets continued

CASH INSTRUMENTS

Certificates of Deposit	74,498	231,484
	2009	2008
	£000	£000

DERIVATIVE CONTRACTS

Options	195	7,606
Futures Contracts	568	4,379
Swaps	200,736	32,706
Forward Foreign Exchange Contracts	-	(7,771)
TOTAL DERIVATIVE ASSETS	201,499	36,920

DERIVATIVE CONTRACTS OUTSTANDING

OPTIONS

Number of Contracts	Duration	Nature	Notional Principal £000	Aggregate Asset £000	Aggregate Liability £000
1	16 months	Stock Call Option	100,000	195	-

The notional amount of outstanding contracts represents the value of underlying stock protected by the purchased options.

FUTURES

Number of Contracts	Duration	Nature	Economic Exposure £000	Aggregate Asset £000	Aggregate Liability £000
11	Less than 3 months	Bond Futures	93,662	568	(357)

The economic exposure represents the notional value of stock purchased under the futures contract and therefore the value subject to market movements.

SWAPS

Number of Contracts	Duration	Nature	Notional Principal £000	Aggregate Asset £000	Aggregate Liability £000
5	45-57 months	Credit Default Swaps	406,400	440	(27,508)
78	6 months - 48 years	Inflation Swaps	498,916	35,864	(5,743)
124	6 months - 48 years	Interest Rate Swaps	1,203,463	164,432	(19,270)
				200,736	(52,521)

The notional principal of the Swap is the amount used to determine the value of swapped interest receipts and payments.

Notes to the financial statements

continued

9 Investments - financial assets continued

	2009 £000	2008 £000
CASH DEPOSITS		
Sterling	(694)	97
Foreign currency	12,715	186
	12,021	283
OTHER FINANCIAL ASSETS		
Margin balances	9	-
Amounts due from broker	655,305	22,170
	655,314	22,170
AVC INVESTMENTS (see note 12)	9,152	10,039
DC INVESTMENTS	676	393

10 Investments - financial liabilities

	2009 £000	2008 £000
DERIVATIVE CONTRACTS		
Futures	357	-
Swaps	52,521	-
TOTAL DERIVATIVE LIABILITIES	52,878	-
OTHER FINANCIAL LIABILITIES		
Margin balances	818	529
Amounts due to broker	647,971	22,459
TOTAL OTHER FINANCIAL LIABILITIES	648,789	22,988
TOTAL FINANCIAL LIABILITIES	701,667	22,988

11 Investments - net financial assets

	As at 31 March 2008 £000	Purchases at cost & derivative payments £000	Sales proceeds & derivative receipts £000	Market value movement £000	31 March 2009 £000
Equities	344,947	161,077	(192,705)	(45,307)	268,012
Fixed Interest	1,580,534	577,183	(551,422)	(83,589)	1,522,706
Index Linked	851,905	278,407	(332,586)	(37,249)	760,477
Pooled Funds	789,099	53,085	(85,124)	(66,123)	690,937
Derivatives	36,920	20,210	(33,446)	124,937	148,621
Other (1)	(818)	126,754	(45,987)	(73,424)	6,525
AVCs	10,039	457	(1,294)	(50)	9,152
DC Section	393	430	(6)	(141)	676
	3,613,019	1,217,603	(1,242,570)	(180,946)	3,407,106
Cash Deposits	283			(68,708)	12,021
Cash Instruments	231,484			(7,648)	74,498
	3,844,786			(257,302)	3,493,625

(1) Net margin balances and amounts due to broker

Comparative figures for the value of investments have not been restated following the change in accounting policy to account for investments at bid rather than mid market price, as the difference in valuation is not considered material.

The change in market value of investments comprises all increases and decreases in the market value of investments held at any time during the year.

Transaction costs are included in the cost of purchase and sale proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Transaction costs incurred during the year amounted to £108,668 (2008 £536,550). In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Scheme.

Notes to the financial statements

continued

12 Additional Voluntary Contributions (AVCs)

The Trustee offers contributing members the opportunity of paying AVCs to the Prudential although the ability to open new accounts ceased in April 2006.

Some members continue to save AVCs under other arrangements that existed in other schemes prior to scheme mergers. These other arrangements are also closed to new entrants.

Members, where applicable, receive an annual statement confirming the amounts held to their account and the movement in the year.

The number of contributing and deferred members participating and the aggregate amount of members' AVC and transfer in funds were as follows:

Members participating

	Prudential	Equitable Life	Other	Total
31 March 2008	1,022	666	240	1,928
31 March 2009	1,080	619	82	1,781

Funds

	Prudential £000	Equitable Life £000	Other £000	Total £000
Members' funds at 31 March 2008	5,053	3,376	1,610	10,039
Contributions/transfers in	448	-	8	456
Interest and bonuses	(82)	129	(97)	(50)
Withdrawals/transfers out	(564)	(233)	(496)	(1,293)
Members' funds at 31 March 2009	4,855	3,272	1,025	9,152

Funds transferred by members from one AVC provider to another are included in "transfers in" and "transfers out".

13 Fixed Assets

	Office Equipment £000	Computer Hardware £000	Computer Software £000	Motor Vehicles £000	Total £000
Cost Price:					
As at 1 April 2008	11	166	46	23	246
Additions	-	60	5	-	65
As at 31 March 2009	11	226	51	23	311
Depreciation:					
As at 1 April 2008	5	142	41	10	198
Provided during the year	2	35	5	5	47
As at 31 March 2009	7	177	46	15	245
Net Book Value:					
As at 31 March 2009	4	49	5	8	66
As at 1 April 2008	6	24	5	13	48

14 Investment management expenses

	2009 £'000	2008 £'000
Administration, management, custody	6,850	6,158
Performance measurement services	8	10
	6,858	6,168

15 Current assets

	2009 £'000	2008 £'000
Accrued interest and dividends	22,762	26,827
Pensions paid in advance	15,614	15,291
Contributions due (see note 17)	981	958
Cash balances	60,334	12,832
Other debtors	151	142
	99,842	56,050

16 Current liabilities

	2009 £'000	2008 £'000
Unpaid benefits	798	671
Accrued expenses	6,245	5,687
Bank overdraft	19,893	-
	26,936	6,358

17 Contributions due

	2009 £'000	2008 £'000
Contributions due from employer in respect of:		
Employer	905	894
Members	76	64
	981	958

The contributions due have been paid to the Scheme subsequent to the year-end in accordance with the Schedule of Contributions.

18 Employer related investments

There were no employer related investments at any time during the year within the meaning of section 40(2) of the Pensions Act 1995.

Notes to the financial statements

continued

19 Related party transactions

Three Trustee Directors are in receipt of a pension from the Scheme and another is a deferred pensioner. Four Directors are in receipt of remuneration from the Scheme. All Directors claim reimbursement of related expenses.

At the date of this report, a further three Trustee Directors were Active members of the Scheme. All benefits are calculated in accordance with the Scheme Rules.

The administration of benefits is the responsibility of Invensys Pensions. The operating costs of Invensys Pensions are shown in Note 7.

Members' information

Please keep the Scheme informed if you change your address. If you are a pensioner or a deferred member a form is available from Invensys Pensions or the website for you to complete. For active members please contact your HR Department.

Scheme administration

Invensys Pensions
Higham House
New Bridge Street West
Newcastle upon Tyne
NE1 8AN

Phone: 0191 206 1035
Fax: 0191 206 1011
e-mail: enquiries@invensyspensions.co.uk

Members who require further information about the Scheme or their own pension position should write to Invensys Pensions at the above address.

The Scheme's website at www.invensyspensions.co.uk provides more detailed information on the Scheme for members who have access to the internet.

Events calendar

Date	Event
September 2009	Issue of Scheme Report and Accounts
October 2009	Issue of Autumn 2009 Pension news
31 March 2010	End of Scheme financial year
April 2010	Issue of Spring 2010 Pension news

Website links

The links below have been chosen to provide you with a wealth of information on pensions. Invensys Pensions is not responsible for the content or reliability of linked websites. Linking should not be taken as an endorsement of any kind. Please note that we cannot guarantee that these links will work all of the time and we have no control over the availability of the linked pages.

Association of British Insurers
www.abi.org.uk

Association of Consulting Actuaries
www.aca.org.uk

Department for Work and Pensions
www.dwp.gov.uk

Financial Services Authority
www.fsa.gov.uk

Faculty and Institute of Actuaries
www.actuaries.org.uk

HM Revenue & Customs
www.hmrc.gov.uk

Invensys plc
www.invensys.com

The Pensions Advisory Service
www.pensionsadvisoryservice.org.uk

Pensions Policy Institute
www.pensionspolicyinstitute.org.uk

The Pensions Management Institute
www.pensions-pmi.org.uk

The Pensions Ombudsman
www.pensions-ombudsman.org.uk

Pension Protection Fund
www.pensionprotectionfund.org.uk

Good Practice in Workplace Pension Provision
www.pensionsatwork.org.uk

The Pensions Regulator
www.thepensionsregulator.gov.uk

Glossary

Accrual rate The rate at which benefits build up for each year of pensionable service in a final salary scheme.

Accrued benefits These are benefits that have built up for service up to a certain date and are calculated in relation to pensionable earnings.

Active member A member of a scheme who is presently accruing benefit under that scheme in respect of current service.

Actuarial assumptions The actuary's view of the future trends that will affect the Scheme's assets and liabilities.

Actuarial certificate This is required to be given by the actuary in certain circumstances, e.g. if there is a surplus or if there is a bulk transfer.

Actuary An actuary advises on financial questions involving probabilities relating to mortality and other contingencies. In relation to pension schemes, an actuary is a professional adviser who must be appointed by trustees under the Pensions Act 1995. The actuary assists the trustees (or managers) of a scheme on funding issues and conducts a regular actuarial valuation. Actuaries must be members of the Institute of Actuaries and Faculty of Actuaries.

Additional voluntary contributions (AVCs) Members can make AVCs to their occupational scheme. This enables them to have top-up benefits.

Basic State pension This is the State pension which is paid to all those who have met the minimum National Insurance contribution requirements and is not related to earnings, unlike the state second pension.

Beneficiary A person entitled to benefit under a pension scheme or who will become entitled on the happening of a specific event.

Closed fund This is a scheme which does not admit new members or receive contributions although benefits are still paid to existing members.

Contracted out/contracted in A pension scheme is contracted out where it provides benefits in place of the State Second Pension in exchange for paying lower National Insurance contributions and has been given a contracting out certificate or appropriate scheme certificate by the HM Revenue & Customs.

Contributions The regular amounts paid into a scheme by a member and the regular and lump sum payments made by an employer to the scheme.

Corporate governance Corporate governance is the increasingly important principle that shareholders should take more than just a simple financial interest in their shareholdings. The rise of the institutional shareholder, especially the pension fund shareholder, has meant that the balance of power between shareholder and management has swung in favour of shareholders. Corporate governance principles are now often expressed in customer agreements, so that investment managers are required to consider shareholders' votes (called "proxy votes") when they can.

Deed of amendment A legal document that amends the scheme's trust deed and rules.

Deficit The amount by which the value of future liabilities is greater than the value of the assets of the scheme.

Early leaver (deferred member) This is a person who ceases to be an active member of a pension scheme, but does not receive their pension immediately.

Equity markets Stock markets throughout the world where you are able to buy and sell companies' stocks and shares.

Fully funded The point when the value of the scheme's assets meets its future liabilities.

Fully funded scheme A scheme that has a 100% funding level.

Governance The management and control of a scheme.

Liability matched benchmark A rate of return expected from the assets that will match the change in the scheme's liabilities.

Mortality The assumption made for the probability of death at each age which determines how long a pension will be paid.

Myners review The Myners review investigated the investment practice of pension schemes. The report, which was published on 6 March 2001, raised several concerns for pension schemes including the redefinition of the prudent man rule to raise it to a higher level, changes to standard benchmarks, and a review of the measurement of investment performance and whether soft commissions should be permitted in the future.

Pension Protection Fund A fund set up under the Pensions Act 2004 that will provide pension payments, at a reduced rate, for pension schemes of insolvent companies.

Pensioner This is a person who is currently receiving a pension from a scheme.

Remuneration In final salary schemes the amount of pension earned is invariably related to the amount of salary; HM Revenue & Customs calls this "remuneration". So far as scheme rules or an employer's policy is concerned, it can include or exclude bonuses, commission and other "fluctuating emoluments". However, HM Revenue & Customs rules also apply, and insist that final remuneration can only be determined on the basis of the amount earned in a particular year, regardless of the fact that it may actually be received and assessed to tax in a subsequent year, i.e. calculated on an "earned" rather than a "paid" basis.

Schedule of Contributions A formal agreement between the company and the trustee(s) which states the level of contributions to be paid to the scheme by the company and the members in the future.

Scheme actuary This is the named actuary appointed by the trustees or managers of an occupational pension scheme under Section 47 of the Pensions Act 1995.

Scheme deficit/surplus The difference between the assets and liabilities of the scheme as assessed by the actuary at a valuation using a series of assumptions, that may give different results depending on the basis of the assumptions.

Scheme maturity The relative number of active members with future benefits to accrue, compared to the number of deferred members and pensioners with known benefits.

SERPS/Additional State pensions This is the State Earnings Related Pension, an extra State pension that employed people could earn, up to 5 April 2002, by paying extra National Insurance contributions once their earnings reached the lower earnings limit. Earners could choose to contract out of SERPS by joining an appropriate occupational or personal pension scheme, which provides alternative and equivalent benefits. SERPS was replaced by the State Second Pension from 6 April 2002.

State Second Pension (S2P) Also known as S2P, the State Second Pension is an additional State pension, which replaced SERPS. There are two main differences with SERPS. First of all earners below the low earnings limit will have pension credits as though they were earning up to the low earnings limit. Secondly, it is a flat rate, rather than an earnings related scheme.

Surplus The amount by which the value of the scheme's assets is greater than its future liabilities.

Technical Provisions A prudent estimate, made on actuarial principles, of the assets needed at any particular time to make provision for benefits already accrued under the scheme. These include pensions in payment (including those payable to survivors of former members) and benefits accrued by other members which will become payable in future.

Valuation An exercise undertaken to assess the scheme's assets and to determine its ability to meet its future liabilities.

Revisit

Find out more about your
pension scheme by visiting:
www.invensyspensions.co.uk

Invensys Pensions
Higham House
New Bridge Street West
Newcastle upon Tyne
NE1 8AN

Phone: 0191 206 1035
Fax: 0191 206 1011
e-mail: enquiries@invensyspensions.co.uk