

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

46. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and, therefore, are not required to be disclosed in these financial statements. Details of transactions between the Group and other related parties are disclosed below.

A. Post-employment benefit plans

During 2009, the Group paid employer's contributions amounting to \$86.2 million (2008: \$84.9 million; 2007: \$113.4 million) to pension plans established for the benefit of its employees. As at 2 January 2010, an amount of \$14.8 million (3 January 2009: \$15.1 million) in respect of contributions due was included in other payables. In addition, during 2009, the Group paid benefits of \$15.1 million (2008: \$13.0 million; 2007: \$15.6 million) to other post-employment benefit plans.

B. Compensation and interests of key management personnel

For the purposes of these disclosures, the Group regards its key management personnel as the Directors of the Company together with those persons who, in accordance with the Listing Rules of the UKLA, are regarded as discharging management responsibility.

Compensation paid or payable to key management personnel in respect of their services to the Group was as follows:

	Year ended 2 January 2010 \$'000	Year ended 3 January 2009 \$'000	Year ended 29 December 2007 \$'000
Short-term employee benefits:			
– Salaries and fees	4,928	6,064	6,667
– Bonus cash	3,397	1,504	4,080
– Benefits-in-kind	168	308	308
– Social security contributions	425	509	1,110
– Termination benefits	755	37	2,253
	9,673	8,422	14,418
Share-based incentives:			
– Bonus shares	829	324	930
– Deferred shares	1,659	647	1,775
	2,488	971	2,705
Pension contributions	1,260	2,603	1,979
	13,421	11,996	19,102

As at 24 February 2010, the interests of key management personnel in the Company's ordinary shares were as follows:

	Ordinary shares	Ordinary shares held as ADSs	Total
Directors	3,118,808	108,364	3,227,172
Other executive officers	1,119,566	170,600	1,290,166
	4,238,374	278,964	4,517,338

All of the above interests are beneficially owned and in aggregate comprise less than 1% of the Company's issued ordinary shares.

As at 24 February 2010, key management personnel held the following options over the Company's ordinary shares:

Scheme	Grant date	Expiry date	Exercise price	Number of options held		
				Directors	Other executive officers	Total
Premium Priced Option	11 February 2002	10 February 2012	197.00p	2,538,072	–	2,538,072
Premium Priced Option	11 February 2002	10 February 2012	276.00p	1,522,842	–	1,522,842
Premium Priced Option	11 February 2002	10 February 2012	345.00p	1,015,228	–	1,015,228
Ongoing Option	11 February 2002	10 February 2012	197.00p	550,000	–	550,000
ESOS 4	17 January 2003	16 January 2013	208.25p	1,440,576	–	1,440,576
ESOS 4	18 July 2003	17 July 2013	246.50p	–	200,000	200,000
ESOS 4	1 September 2003	31 August 2013	262.75p	–	150,000	150,000
ESOS 4	12 December 2003	11 December 2013	265.75p	1,228,880	335,000	1,563,880
ESOS 4	29 November 2004	28 November 2014	248.75p	1,331,030	440,000	1,771,030
Sharesave scheme	24 April 2009	30 November 2012	96.00p	9,531	–	9,531
Sharesave scheme	24 April 2009	30 November 2014	96.00p	–	16,302	16,302
				9,636,159	1,141,302	10,777,461

With the exception of options held under the Sharesave scheme, all options shown above have vested.

C. Associates

Sales to and purchases from associates were as follows:

	Year ended 2 January 2010 \$ million	Year ended 3 January 2009 \$ million	Year ended 29 December 2007 \$ million
Sales	4.3	1.0	0.6
Purchases	(15.2)	(20.0)	(12.0)

Amounts outstanding in respect of these transactions were as follows:

	As at 2 January 2010 \$ million	As at 3 January 2009 \$ million
Receivables	0.8	0.1
Payables	(1.2)	(1.0)

D. Entities controlled by minority shareholders

Sales to and purchases from entities controlled by minority shareholders were as follows:

	Year ended 2 January 2010 \$ million	Year ended 3 January 2009 \$ million	Year ended 29 December 2007 \$ million
Sales	26.3	45.2	46.4
Purchases	(39.1)	(58.7)	(61.4)

Amounts outstanding in respect of these transactions were as follows:

	As at 2 January 2010 \$ million	As at 3 January 2009 \$ million
Receivables	2.7	2.9
Payables	(2.7)	(4.7)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

46. Related party transactions (continued)**E. Other related parties****Yantai Winhere Auto Part Manufacturing Co Ltd ('Winhere')**

Dexon Investments Limited ('Dexon') is the minority shareholder in the Group's 60% owned subsidiary, Winhere LLC. During 2008, Gates Winhere Automotive Pump Products (Yantai) Co Ltd, a wholly-owned subsidiary of Winhere LLC, purchased land and buildings for \$1.8 million from Winhere, a fellow subsidiary of Dexon. At 3 January 2009, there was a nil balance outstanding in respect of this transaction.

Schrader Duncan Limited ('Schrader Duncan')

Schrader Duncan is an associate in which the Group holds a 50% interest. During the year, Tomkins plc and Cosmopolitan Investments (a fellow shareholder) each issued a guarantee in favour of the State Bank of India ('the Bank') in relation to any principal sum up to a maximum of 480 million Indian rupees (\$10.2 million), together with interest and any other costs and charges due to the Bank in respect of credit facilities provided to Schrader Duncan. The Company and Cosmopolitan Investments are jointly and severally liable for the guaranteed amounts.

47. Exchange rates

The principal exchange rates used for translation purposes were as follows:

	Average rate			Closing rate		
	Year ended 2 January 2010 \$1=	Year ended 3 January 2009 \$1=	Year ended 29 December 2007 \$1=	As at 2 January 2010 \$1=	As at 3 January 2009 \$1=	As at 29 December 2007 \$1=
Sterling	0.62	0.52	0.50	0.62	0.68	0.50
Canadian dollar	1.11	1.05	1.06	1.05	1.22	0.98
Euro	0.71	0.67	0.73	0.70	0.72	0.68
Mexican peso	13.51	11.13	10.92	13.09	13.75	10.90
Chinese yuan renminbi	6.84	6.95	7.62	6.83	6.85	7.30
Indian rupee	47.02	39.87	41.35	46.90	50.10	39.43

48. Subsequent event

On 26 February 2010, the Group acquired a 100% interest in Koch Filter Corporation ('Koch') for a total cash consideration of \$35.5 million. Koch is a leading manufacturer of air filters for the non-residential filtration replacement market in the US.