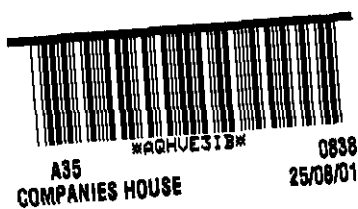


CURTIS HOLT LIMITED
REPORTS AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2000

CLARKSON HYDE
Chartered Accountants
and Registered Auditors



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Directors

J R C Twallin
S C Morris
A J T Strong
T J Strong

Secretary and registered office

S C Morris
Green Street Green Road
Dartford
Kent DA1 1FN

Registered auditors

Clarkson Hyde
137 - 143 High Street
Sutton
Surrey SM1 1JH

Bankers

HSBC Bank plc
Corporate Banking Centre
9 Wellesley Road
Croydon
Surrey
CR9 2AA

The directors present their annual report together with the audited financial statements for the year ended 31 December 2000.

REVIEW OF THE BUSINESS

The company and its subsidiaries' principal activities during the year were that of distributors of hand tools and allied products.

Turnover for the year was **£48,927,000** (1999: £46,959,000).

RESULTS AND DIVIDENDS

The trading profit for the year, after taxation was **£1,944,000** (1999: £1,771,000). Dividends of **£67.64** per ordinary share (1999 £64.71) were paid during the year.

FUTURE DEVELOPMENTS

It is intended that future developments should continue to be in our existing fields of activity.

EVENTS SINCE THE END OF THE YEAR

No significant events have occurred since the end of the year.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 9 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year under review were J R C Twallin, S C Morris, A J T Strong and T J Strong. No director held any beneficial interest in the company.

The interests of J R C Twallin in the share capital of the parent company are disclosed in the financial statements of that company.

DIRECTORS' RESPONSIBILITIES

Company law requires that we prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

We are responsible for:

- a) preparing these financial statements, and in our opinion, we have:
 - (i) selected suitable accounting policies and applied them consistently,
 - (ii) made judgements and estimates which we consider to be reasonable and prudent,
 - (iii) followed applicable accounting standards, subject to any material departures disclosed and explained in the financial statements,
 - (iv) used the going concern basis.

- b) keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the Companies Act 1985.
- c) safeguarding the assets of the company and for taking reasonable steps for the prevention of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Clarkson Hyde as auditors will be presented to the members at the Annual General Meeting in accordance with Section 384(1) of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'S C Morris', is written over a horizontal line.

S C Morris
Secretary
30 July 2001

To the members of HTD Limited:

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

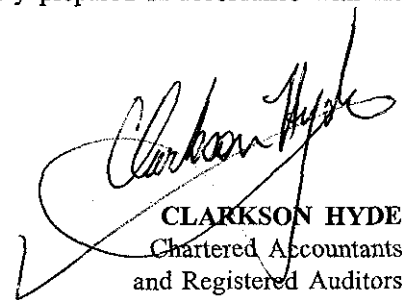
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, 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 give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

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SM1 1JH

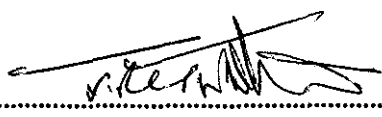

CLARKSON HYDE
Chartered Accountants
and Registered Auditors
30 July 2001

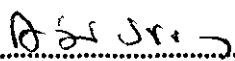
	Note	2000 £'000	1999 £'000
TURNOVER	2	48,927	46,959
Cost of sales		<u>38,287</u>	<u>36,920</u>
Gross profit		10,640	10,039
Net operating expenses	3	<u>8,086</u>	<u>7,710</u>
OPERATING PROFIT	4	2,554	2,329
Dividend receivable		<u>418</u>	<u>491</u>
		2,972	2,820
Interest payable	6	<u>410</u>	<u>415</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	2,562	2,405
Taxation on profit on ordinary activities	7	<u>618</u>	<u>634</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,944	1,771
Dividends	8	<u>1,150</u>	<u>1,100</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	<u>794</u>	<u>671</u>

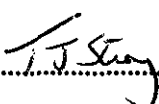
There were no recognised gains or losses for the year other than in the profit and loss account. There were no acquisitions or discontinued operations during the current or preceding year. All the turnover was derived from continuing operations.

	Note	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	9(a)	1,022	1,023
Investments	9(b)	<u>591</u>	<u>571</u>
		1,613	1,594
CURRENT ASSETS			
Stocks	10	7,420	7,305
Debtors	11	8,147	9,028
Cash at bank and in hand		<u>3</u>	<u>4</u>
		15,570	16,337
CREDITORS - amounts falling due within one year	12(a)	<u>8,975</u>	<u>10,512</u>
NET CURRENT ASSETS		<u>6,595</u>	<u>5,825</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,208	7,419
CREDITORS - amounts falling due after more than one year	12(b)	<u>109</u>	<u>114</u>
		<u>8,099</u>	<u>7,305</u>
CAPITAL AND RESERVES			
Share capital	13	17	17
Reserves	14	<u>8,082</u>	<u>7,288</u>
		<u>8,099</u>	<u>7,305</u>

Approved by the board on 30 July 2001

J R C Twallin 

A J T Strong 

T J Strong 

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION AND CONSOLIDATION

The financial statements have been prepared under the historical cost convention using applicable Accounting Standards.

The company is exempt from producing consolidated financial statements under S228(1) of the Companies Act 1985, being a wholly owned subsidiary of a parent company incorporated in Great Britain at the end of the financial year.

The company has taken advantage of the exemptions under FRS1 (revised 1996) as a wholly owned subsidiary in not preparing a cash flow statement.

(b) TURNOVER

Turnover represents sales less credit notes to outside customers and excludes value added tax.

(c) STOCKS

Stocks have been valued at the lower of purchase cost or net realisable value on the average cost basis.

(d) DEPRECIATION

Depreciation is provided so as to write off the cost of the fixed assets over their estimated useful lives, employing the following rates and methods:-

Category	Rate	Method
Leasehold land and buildings	N/A	The shorter of the term of the lease or 50 years.
Fittings and equipment	20% - 33.3%	Straight line
Computers - hardware	33.3%	Straight line
- software	50%	Straight line
Motor vehicles - cars	25%	Reducing balance
- vans	33.3%	Straight line

(e) HIRE PURCHASE INTEREST

Hire purchase interest has been allocated to the accounting periods using the 'sum of the digits' method.

(f) **LEASED ASSETS**

Where leased assets are financed by leasing agreements which give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the net present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Depreciation on the relevant assets is charged to the profit and loss account. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account using the 'sum of the digits' method.

All other leases are operating leases and the annual rentals are charged to the profit and loss account as incurred.

(g) **DEFERRED TAXATION**

Provision is made for deferred taxation at expected rates of tax, for the effect of all material timing differences between profits for taxation purposes and profits as stated in the accounts, to the extent that, in the opinion of the directors a liability is expected to arise in the foreseeable future.

(h) **PENSION COSTS**

Contributions to the group pension scheme are charged to the profit and loss account so as to spread the cost of the pension over employees' working lives with the Group. Contributions are based on actuarial valuations.

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation are both wholly attributable to the company's principal activity as distributors of hand tools and allied products and are wholly derived from the United Kingdom.

	2000 £'000	1999 £'000
3. NET OPERATING EXPENSES		
Administrative expenses (incl. distribution)	<u>8,086</u>	<u>7,710</u>
4. OPERATING PROFIT		
Is stated after charging/(crediting):		
Directors' remuneration	-	-
Auditors' remuneration - audit	64	64
- other	1	5
Depreciation	445	450
Profit on disposal of fixed assets	(20)	(26)
Hire of equipment	<u>26</u>	<u>29</u>

5. EMPLOYEE INFORMATION	2000	1999
	No's	No's
(a) The average number of persons employed by the company during the year, (excluding directors), is analysed by type of work below:		
Distribution and service	184	175
Administrative and management	<u>100</u>	<u>106</u>
	<u>284</u>	<u>281</u>
	£'000	£'000
(b) Company employment costs - all employees including executive directors:		
Aggregate gross wages and salaries	3,905	3,889
Employer's national insurance contributions	364	340
Employer's pension contributions	<u>234</u>	<u>220</u>
Total direct costs of employment	<u>4,503</u>	<u>4,449</u>
6. INTEREST PAYABLE		
Bank overdraft	302	321
Loans wholly repayable within 5 years	68	49
Loans not wholly repayable within 5 years	3	8
Finance leases and hire purchase contracts	<u>37</u>	<u>37</u>
Total direct costs of employment	<u>410</u>	<u>415</u>
7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES		
UK corporation tax at 30% (1999: 30.25%)	429	480
Subvention payments with regard to group loss relief	227	154
Over provision in prior year	<u>(38)</u>	<u>-</u>
Tax charge for the year	<u>618</u>	<u>634</u>
8. DIVIDENDS		
Dividend paid	<u>1,150</u>	<u>1,100</u>

9. FIXED ASSETS

a) Tangible assets

	Short Leasehold	Fittings & equipment	Computers	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
COST					
At 01.01.00	118	694	207	1,684	2,703
Additions	7	50	2	444	503
Group transfer	-	-	-	16	16
Disposals	-	(6)	(11)	(372)	(389)
At 31.12.00	<u>125</u>	<u>738</u>	<u>198</u>	<u>1,772</u>	<u>2,833</u>
DEPRECIATION					
At 01.01.00	94	488	198	900	1,680
Charge for the year	13	86	6	340	445
Group transfer	-	-	-	10	10
Eliminated on disposals	-	(6)	(11)	(307)	(324)
At 31.12.00	<u>107</u>	<u>568</u>	<u>193</u>	<u>943</u>	<u>1,811</u>
NET BOOK VALUE					
At 31.12.00	<u>18</u>	<u>170</u>	<u>5</u>	<u>829</u>	<u>1,022</u>
At 31.12.99	<u>24</u>	<u>206</u>	<u>9</u>	<u>784</u>	<u>1,023</u>
At 31.12.00 assets held under hire purchase and finance leases included above were as follows:	Cost	81		985	1,066
	Accumulated depreciation	<u>51</u>		<u>348</u>	<u>399</u>
	Net Book Value	<u>30</u>		<u>637</u>	<u>667</u>

2000
£'000

1999
£'000

b) Investments

Unquoted shares in subsidiaries :

At 01.01.00	571	551
Additions (see below)	<u>20</u>	<u>20</u>
At 31.12.00	<u>591</u>	<u>571</u>

9. **FIXED ASSETS (Cont)**
b) **Investments**

The following were subsidiary companies at the end of the year:-

	Country of Registration	Class of Shares	Effective proportion held by company %
Curtis Holt (Southampton) Ltd	England	Ordinary	100
		6% Voting Cum Preference	100
Finnie & Company Ltd	Scotland	Ordinary	100
Zebra Tool Company Ltd	England	Ordinary	100

The shares in Zebra Tool Company Ltd are held through Curtis Holt (Southampton) Ltd which holds the whole of the issued share capital in that company. The company acquired the remaining 20,000 £1 6% voting cumulative preference shares in Curtis Holt (Southampton) Ltd at par on 30 September 2000.

	2000 £'000	1999 £'000
10. STOCKS		
Goods for re-sale	<u>7,420</u>	<u>7,305</u>
11. DEBTORS		
Trade debtors	7,729	7,731
Amounts owed by group companies	14	968
Other debtors	26	-
Prepayments and accrued income	<u>378</u>	<u>329</u>
	<u>8,147</u>	<u>9,028</u>

	2000 £'000	1999 £'000
12. CREDITORS		
(a) Amounts falling due within one year:		
Bank overdraft (i)	2,665	4,633
Other secured loans	-	60
Trade creditors	3,544	2,794
Hire purchase	321	323
Corporation tax	428	492
Other creditors including taxation and social security	1,517	1,709
Accruals and deferred income	<u>500</u>	<u>501</u>
	<u>8,975</u>	<u>10,512</u>
(i) The bank loans and overdrafts are secured by fixed and floating charges over the company's assets together with joint and several unlimited multilateral cross guarantees between the group companies.		
(b) Amounts falling due after more than one year:		
Hire purchase	<u>109</u>	<u>114</u>
13. SHARE CAPITAL		
Authorised		
20,000 Ordinary shares of £1 each	<u>20</u>	<u>20</u>
Issued and fully paid		
17,303 Ordinary shares of £1 each	<u>17</u>	<u>17</u>
		2000 £'000
14. RESERVES		
At 01.01.00		7,288
Retained profit for the year		<u>794</u>
At 31.12.00		<u>8,082</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

There were no movements in shareholders' funds other than as shown in note 14.

	2000 £'000	1999 £'000
16. CAPITAL EXPENDITURE		
i) Authorised but not contracted	<u>77</u>	<u>55</u>
ii) Contracted for but not provided in the financial statements	<u>58</u>	<u>68</u>

17. PENSIONS AND COMMITMENTS

The company together with other group companies operates a funded, defined benefits scheme. The assets of the scheme are held separately from those of the company and are invested by Investment Managers appointed by the Trustees.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The most recent valuation of the group scheme was at 1 February 2000, when the market value of the scheme's assets was shown as £10.6m which was sufficient, in the opinion of the actuary, to cover liabilities accrued at that date.

	2000 £'000	1999 £'000
18. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS		
Total hire purchase payments outstanding	455	461
Less: Finance charges allocated to future periods	<u>(25)</u>	<u>(24)</u>
	<u>430</u>	<u>437</u>

Disclosed in the accounts as follows:

Due within one year	321	323
Due between two and five years	<u>109</u>	<u>114</u>
	<u>430</u>	<u>437</u>