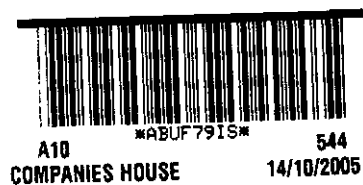


Company Registration No. 529964 (England and Wales)

CURTIS HOLT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004



CURTIS HOLT LIMITED

COMPANY INFORMATION

Directors	J R C Twallin S C Morris A J T Strong T J Strong
Secretary	S C Morris
Company number	529964
Registered office	Long Reach, Galleon Boulevard Crossways Business Park Dartford Kent DA2 6QE
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

CURTIS HOLT LIMITED

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CURTIS HOLT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

Principal activities and review of the business

The principal activity of the company continued to be that of distributors of hand tools and allied products.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £2,226,000 (2003:£1,861,000). The directors do not recommend payment of a final dividend.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Post balance sheet events

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

Future developments

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

Directors

The following directors have held office since 1 January 2004:

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

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £'000 1 each	
	31 December 2004	1 January 2004
J R C Twallin	-	-
S C Morris	-	-
A J T Strong	-	-
T J Strong	-	-

The interests of the directors in the share capital of the parent company are disclosed within the financial statements of that company.

Employee involvement

The company's policy is to consult and discuss with employees matters likely to affect employees' interests, and information is communicated through local managers.

Disabled persons

The company's policy is to be unbiased when dealing with job applications which might be suitable for disabled persons. All necessary assistance with initial training courses is given to all staff.

CURTIS HOLT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Clarkson Hyde be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

Company law requires the directors to 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. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



S C Morris

Director

16 August 2005

CURTIS HOLT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CURTIS HOLT LIMITED

We have audited the financial statements of Curtis Holt Limited on pages 4 to 14 for the year ended 31 December 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

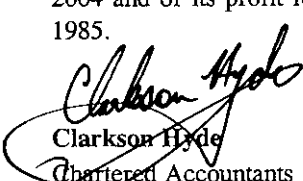
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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 give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Clarkson Hyde
Chartered Accountants
Registered Auditor

16 August 2005

137-143 High Street
Sutton
Surrey
SM1 1JH



Clarkson Hyde
CHARTERED ACCOUNTANTS

CURTIS HOLT LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 £'000	2003 £'000
Turnover	2	84,485	81,561
Cost of sales		(64,753)	(62,975)
Gross profit		19,732	18,586
Distribution costs		(3,636)	(3,530)
Administrative expenses		(11,754)	(11,287)
Other operating income		7	156
Operating profit	3	4,349	3,925
Investment income	4	197	-
Interest payable and similar charges	5	(381)	(334)
Profit on ordinary activities before taxation		4,165	3,591
Tax on profit on ordinary activities	6	(1,261)	(1,092)
Profit on ordinary activities after taxation		2,904	2,499
Dividends	7	(2,226)	(1,861)
Retained profit for the year	17	678	638

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

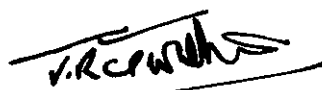
CURTIS HOLT LIMITED

BALANCE SHEET

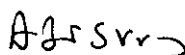
AS AT 31 DECEMBER 2004

		2004		2003	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8		2,089		2,082
Investments	9		598		598
			<u>2,687</u>		<u>2,680</u>
Current assets					
Stocks	10	11,583		11,254	
Debtors	11	14,558		13,588	
Cash at bank and in hand		12		10	
		<u>26,153</u>		<u>24,852</u>	
Creditors: amounts falling due within one year	12	<u>(18,384)</u>		<u>(17,857)</u>	
Net current assets			<u>7,769</u>		<u>6,995</u>
Total assets less current liabilities			<u>10,456</u>		<u>9,675</u>
Creditors: amounts falling due after more than one year	13		<u>(376)</u>		<u>(273)</u>
			<u>10,080</u>		<u>9,402</u>
Capital and reserves					
Called up share capital	16		17		17
Profit and loss account	17		10,063		9,385
Shareholders' funds - equity interests	18		<u>10,080</u>		<u>9,402</u>

The financial statements were approved by the Board on 16 August 2005



J R C Twallin
Director



A J T Strong
Director

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	The shorter of the term of the lease or 50 years
Computer equipment	33.3% Straight line (hardware) & 50% Straight line (software)
Fixtures, fittings & equipment	20% - 33.3% Straight line
Motor vehicles	25% Reducing balance (cars) & 33.3% Straight line (vans)

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account using the sum of the digits method.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The company operates a defined contribution scheme for employees and the annual contributions payable by the company are charged to the profit and loss account. The assets of the scheme are held separately from those of the company.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Foreign currency translation

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

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

(continued)

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Dormole Limited, a company incorporated in England, and is included in the consolidated accounts of that company.

2 Turnover

Geographical market

	Turnover	
	2004	2003
	£'000	£'000
United Kingdom	81,180	78,885
EC Countries	3,305	2,676
	<u>84,485</u>	<u>81,561</u>

3 Operating profit

Operating profit is stated after charging:

	2004	2003
	£'000	£'000
Depreciation of tangible assets	827	763
Loss on disposal of tangible assets	-	6
Loss on foreign exchange transactions	27	-
Auditors' remuneration	65	80

and after crediting:

	2004	2003
	£'000	£'000
Profit on disposal of tangible assets	(3)	-
Profit on foreign exchange transactions	-	(14)

4 Investment income

Income from shares in group undertakings

	2004	2003
	£'000	£'000
	197	-

5 Interest payable

On bank loans and overdrafts
Hire purchase interest

	2004	2003
	£'000	£'000
	328	287
	53	47
	<u>381</u>	<u>334</u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

6	Taxation	2004	2003
		£'000	£'000
	Domestic current year tax		
	U.K. corporation tax	1,262	970
	Payment in respect of group relief	1	118
	Current tax charge	1,263	1,088
	Deferred tax		
	Deferred tax charge/credit current year	(2)	4
		1,261	1,092
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	4,165	3,591
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	1,250	1,077
	Effects of:		
	Non deductible expenses	53	54
	Depreciation add back	248	229
	Capital allowances	(233)	(229)
	Dividends and distributions received	(59)	-
	Other tax adjustments	4	(43)
		13	11
	Current tax charge	1,263	1,088
7	Dividends	2004	2003
		£'000	£'000
	Ordinary interim paid	2,226	1,861

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

8 Tangible fixed assets

	Land and buildings Leasehold £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2004	251	283	1,534	2,942	5,010
Additions	4	37	295	650	986
Disposals and intra group transfers	-	(6)	(126)	(670)	(802)
At 31 December 2004	255	314	1,703	2,922	5,194
Depreciation					
At 1 January 2004	74	201	984	1,669	2,928
On disposals and intra group transfers	-	(6)	(123)	(521)	(650)
Charge for the year	12	51	212	552	827
At 31 December 2004	86	246	1,073	1,700	3,105
Net book value					
At 31 December 2004	169	68	630	1,222	2,089
At 31 December 2003	177	82	550	1,273	2,082

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Net book values			
At 31 December 2004	366	863	1,229
At 31 December 2003	317	921	1,238
Depreciation charge for the year			
31 December 2004	61	300	361
31 December 2003	55	324	379

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

9 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2004 & at 31 December 2004	598

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Finnie & Company Limited	Scotland	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2004 £'000	Profit for the year 2004 £'000
Finnie & Company Limited	1,506	83

10 Stocks	2004 £'000	2003 £'000
Finished goods and goods for resale	11,583	11,254

11 Debtors	2004 £'000	2003 £'000
Trade debtors	14,108	13,027
Amounts owed by participating interests	-	112
Other debtors	52	48
Prepayments and accrued income	266	271
Deferred tax asset (see note 14)	132	130
	14,558	13,588

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

12 Creditors: amounts falling due within one year	2004 £'000	2003 £'000
Bank loans and overdrafts	6,221	6,374
Net obligations under hire purchase contracts	538	533
Trade creditors	6,150	6,969
Amounts owed to parent and fellow subsidiary undertakings	1,765	897
Corporation tax	1,276	984
Other taxes and social security costs	1,159	879
Other creditors	464	371
Accruals and deferred income	811	850
	<u>18,384</u>	<u>17,857</u>

The bank loans and overdrafts are secured by fixed and floating charges over the company's assets together with a joint and several unlimited multilateral cross guarantees between the group companies.

13 Creditors: amounts falling due after more than one year	2004 £'000	2003 £'000
Net obligations under hire purchase contracts	<u>376</u>	<u>273</u>
Net obligations under hire purchase contracts		
Repayable within one year	574	565
Repayable between one and five years	398	293
	<u>972</u>	<u>858</u>
Finance charges and interest allocated to future accounting periods	(58)	(52)
	<u>914</u>	<u>806</u>
Included in liabilities falling due within one year	(538)	(533)
	<u>376</u>	<u>273</u>

CURTIS HOLT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

14 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 11) is made up as follows:

	2004 £'000
Balance at 1 January 2004	(130)
Profit and loss account	(2)
	<u>(132)</u>
Balance at 31 December 2004	<u>(132)</u>

	2004 £'000	2003 £'000
Accelerated capital allowances	<u>(132)</u>	<u>(130)</u>

15 Pension costs

Defined contribution

The company together with other group companies participates in the Toolbank Retirement Benefit Scheme. Full details of this are disclosed in the notes to the accounts of the parent company.

	2004 £'000	2003 £'000
Contributions payable by the company for the year	<u>364</u>	<u>356</u>

16 Share capital

	2004 £'000	2003 £'000
Authorised		
20,000 Ordinary shares of £1 each	<u>20</u>	<u>20</u>
Allotted, called up and fully paid		
17,000 Ordinary shares of £1 each	<u>17</u>	<u>17</u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

17 Statement of movements on profit and loss account

	Profit and loss account £'000
Balance at 1 January 2004	9,385
Retained profit for the year	678
Balance at 31 December 2004	10,063

18 Reconciliation of movements in shareholders' funds

	2004 £'000	2003 £'000
Profit for the financial year	2,904	2,499
Dividends	(2,226)	(1,861)
Net addition to shareholders' funds	678	638
Opening shareholders' funds	9,402	8,764
Closing shareholders' funds	10,080	9,402

19 Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Expiry date:				
Within one year	-	114	-	-
Between two and five years	23	23	46	50
In over five years	348	324	-	-
	371	461	46	50

20 Capital commitments

	2004 £'000	2003 £'000
--	---------------	---------------

At 31 December 2004 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	-	38
Authorised but not contracted for	-	2

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Distribution and service	311	297
Administrative and management	151	156
	<u>462</u>	<u>453</u>

Employment costs

	£'000	£'000
Wages and salaries	8,218	8,009
Other pension costs	364	356
	<u>8,582</u>	<u>8,365</u>

22 Control

Curtis Holt Limited's ultimate parent company is Dormole Limited, a company incorporated in England.