

CURTIS HOLT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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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
City Corporate Centre
Poultry and Princes Street
London
EC2P 2BX

CURTIS HOLT LIMITED

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CURTIS HOLT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the year ended 31 December 2006

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 5

An interim ordinary dividend was paid amounting to £1,851,000 (2005 £2,029,000) 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 2006

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 £1 each	
	31 December 2006	1 January 2006
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 2006

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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



J R C Twallin

Director

23 May 2007

CURTIS HOLT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CURTIS HOLT LIMITED

We have audited the financial statements of Curtis Holt Limited for the year ended 31 December 2006 set out on pages 5 to 15. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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.

CURTIS HOLT LIMITED

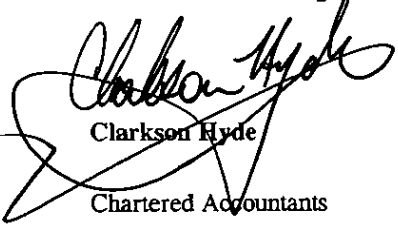
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF CURTIS HOLT LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements


Clarkson Hyde

Chartered Accountants
Registered Auditor

23 May 2007

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 2006

	Notes	2006 £'000	2005 £'000
Turnover	2	86,892	84,034
Cost of sales		(66,581)	(64,261)
Gross profit		20,311	19,773
Distribution costs		(4,003)	(3,784)
Administrative expenses		(12,204)	(12,100)
Other operating income		34	28
Operating profit	3	4,138	3,917
Investment income	4	5,602	241
Interest payable and similar charges	5	(381)	(391)
Profit on ordinary activities before taxation		9,359	3,767
Tax on profit on ordinary activities	6	(1,237)	(1,129)
Profit for the year	16	8,122	2,638

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

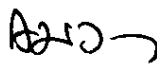
AS AT 31 DECEMBER 2006

		2006		2005	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8		1,909		1,886
Investments	9		598		598
			<u>2,507</u>		<u>2,484</u>
Current assets					
Stocks	10	11,642		11,892	
Debtors	11	14,252		13,049	
Cash at bank and in hand		4,767		13	
		<u>30,661</u>		<u>24,954</u>	
Creditors: amounts falling due within one year	12	<u>(15,986)</u>		<u>(16,513)</u>	
Net current assets			<u>14,675</u>		<u>8,441</u>
Total assets less current liabilities			<u>17,182</u>		<u>10,925</u>
Creditors: amounts falling due after more than one year	13		(222)		(236)
			<u>16,960</u>		<u>10,689</u>
Capital and reserves					
Called up share capital	15		17		17
Profit and loss account	16		16,943		10,672
Shareholders' funds	17		<u>16,960</u>		<u>10,689</u>

Approved by the Board and authorised for issue on 23 May 2007



J R C Twallin
Director



A J T Strong
Director

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 2006**

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	
	2006	2005
	£'000	£'000
United Kingdom	81,516	80,075
EC Countries	5,376	3,959
	<u>86,892</u>	<u>84,034</u>

3 Operating profit	2006	2005
	£'000	£'000
Operating profit is stated after charging		
Depreciation of tangible assets	735	836
Loss on foreign exchange transactions	33	32
Auditors' remuneration	82	80
and after crediting		
Profit on disposal of tangible assets	(10)	(20)
	<u></u>	<u></u>

4 Investment income	2006	2005
	£'000	£'000
Income from shares in group undertakings	5,602	241
	<u></u>	<u></u>

5 Interest payable	2006	2005
	£'000	£'000
On bank loans and overdrafts	336	334
Hire purchase interest	45	57
	<u>381</u>	<u>391</u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

6	Taxation	2006	2005
		£'000	£'000
	Domestic current year tax		
	U K corporation tax	1,191	1,152
	Current tax charge	1,191	1,152
	Deferred tax		
	Deferred tax charge/credit current year	46	(23)
		1,237	1,129
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	9,359	3,767
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	2,808	1,130
	Effects of		
	Non deductible expenses	56	61
	Depreciation add back	218	251
	Capital allowances	(210)	(219)
	Dividends and distributions received	(1,681)	(72)
	Other tax adjustments	-	1
		(1,617)	22
	Current tax charge	1,191	1,152
7	Dividends	2006	2005
		£'000	£'000
	Ordinary interim paid	1,851	2,029

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

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 2006	255	327	1,796	2,972	5,350
Additions	95	15	170	562	842
Disposals	-	(14)	(43)	(469)	(526)
At 31 December 2006	350	328	1,923	3,065	5,666
Depreciation					
At 1 January 2006	98	292	1,303	1,771	3,464
On disposals	-	(14)	(40)	(388)	(442)
Charge for the year	16	28	182	509	735
At 31 December 2006	114	306	1,445	1,892	3,757
Net book value					
At 31 December 2006	236	22	478	1,173	1,909
At 31 December 2005	157	36	493	1,200	1,886

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 2006	298	769	1,067
At 31 December 2005	283	850	1,133
Depreciation charge for the year			
At 31 December 2006	84	255	339
At 31 December 2005	83	291	374

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

9 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2006 & at 31 December 2006	598
Net book value	
At 31 December 2006	598
	<u>598</u>
At 31 December 2005	<u>598</u>

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	100.00

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 2006 £'000	Profit for the year 2006 £'000
	Principal activity		
Finnie & Company Limited	Tool Distributor	1,992	384

10 Stocks

	2006 £'000	2005 £'000
Finished goods and goods for resale	11,642	11,892

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

11 Debtors	2006	2005
	£'000	£'000
Trade debtors	13,728	12,543
Amounts owed by participating interests	-	1
Other debtors	85	66
Prepayments and accrued income	330	284
Deferred tax asset	109	155
	<u>14,252</u>	<u>13,049</u>

12 Creditors: amounts falling due within one year	2006	2005
	£'000	£'000
Bank loans and overdrafts	-	2,075
Net obligations under hire purchase contracts	486	541
Trade creditors	7,115	5,853
Amounts owed to parent and fellow subsidiary undertakings	4,420	4,558
Corporation tax	1,207	1,168
Other taxes and social security costs	1,872	1,179
Other creditors	4	268
Accruals and deferred income	882	871
	<u>15,986</u>	<u>16,513</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

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

13 Creditors: amounts falling due after more than one year	2006	2005
	£'000	£'000
Net obligations under hire purchase contracts	222	236
Net obligations under hire purchase contracts		
Repayable within one year	513	571
Repayable between one and five years	230	243
	743	814
Finance charges and interest allocated to future accounting periods	(35)	(37)
	708	777
Included in liabilities falling due within one year	(486)	(541)
	222	236

14 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.

	2006	2005
	£'000	£'000
Contributions payable by the company for the year	415	396

15 Share capital	2006	2005
	£'000	£'000
Authorised		
20,000 Ordinary shares of £1 each	20	20
Allotted, called up and fully paid		
17,000 Ordinary shares of £1 each	17	17

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

16 Statement of movements on profit and loss account

**Profit and loss
account**

£'000

Balance at 1 January 2006	10,672
Profit for the year	8,122
Dividends paid	(1,851)
Balance at 31 December 2006	16,943

17 Reconciliation of movements in shareholders' funds

**2006
£'000**

**2005
£'000**

Profit for the financial year	8,122	2,638
Dividends	(1,851)	(2,029)
Net addition to shareholders' funds	6,271	609
Opening shareholders' funds	10,689	10,080
Closing shareholders' funds	16,960	10,689

18 Financial commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Expiry date				
Between two and five years	-	23	96	68
In over five years	376	349	-	-
	376	372	96	68

19 Capital commitments

**2006
£'000**

**2005
£'000**

At 31 December 2006 the company had capital commitments as follows

Contracted for but not provided in the financial statements	23	126
Authorised but not contracted for	56	7

CURTIS HOLT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006****20 Employees****Number of employees**

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

	2006 Number	2005 Number
Distribution and service	306	312
Administrative and management	154	157
	<u>460</u>	<u>469</u>

Employment costs

	2006 £'000	2005 £'000
Wages and salaries	8,740	8,440
Other pension costs	415	396
	<u>9,155</u>	<u>8,836</u>

21 Control

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