

NEWMAN TONKS (BARNSTAPLE) LIMITED
(Formerly NT Shapland & Petter Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998

The Directors present their report and the financial statements for the 12 months ended 31 December 1998.

PRINCIPAL ACTIVITY

Up to 3 February 1998 the Company, a subsidiary of Ingersoll-Rand Architectural Hardware Group Limited continued its principle activity of the manufacture of doors, doors sets and wood interiors as agent for Ingersoll-Rand Architectural Hardware Group Limited which had the beneficial interest in the trade.

On 3 February 1998 the business undertaking and assets of the Company were sold.

On 19 February 1998 the Company changed its name to Newman Tonks (Barnstaple) Limited.

DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements were:

DC May	(Appointed 27 January 1998)
M Buckley	(Resigned 19 March 1998)
MCD Ledbury-Moore (Chairman)	(Resigned 30 April 1998)
IR Gooding	(Resigned 19 March 1998)
IP Wood	(Resigned 13 February 1998)
K Hilton	(Appointed 30 April 1998)

DIRECTORS' INTERESTS

None of the Directors had any interest in the Share Capital of the Company or any other Group Company during the year.

AUDITORS

In accordance with Section 250 of the Companies Act 1985 a resolution not to appoint auditors will be put to the forthcoming Annual General Meeting.

NEWMAN TONKS (BARNSTAPLE) LIMITED
(Formerly NT Shapland & Petter Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998 (CONTINUED)


STATEMENT OF 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 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.

By Order of the Board



K Hilton
DIRECTOR

18 October 1999

Registered Office:
The Crescent
Birmingham Business Park
Birmingham
B37 7YX

AUDITORS' REPORT TO THE MEMBERS OF NEWMAN TONKS (BARNSTAPLE) LIMITED

PricewaterhouseCoopers
Cornwall Court
19 Cornwall Street
Birmingham B3 2DT
Telephone +44 (0) 121 200 3000
Facsimile +44 (0) 121 200 2464

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 2 of the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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 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 with the financial statements.

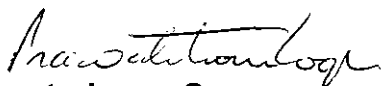
Basis of opinion

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 misstatements, whether caused by fraud or any 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 at 31 December 1998 and its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

18 October 1999

NEWMAN TONKS (BARNSTAPLE) LIMITED
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**PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31 DECEMBER 1998**

During the financial period and the previous financial period the company did not trade and received no income and incurred no expenditure. Consequently during this period the company made neither a profit or loss or any other recognised gains or losses.

BALANCE SHEET AT 31 DECEMBER 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
CREDITORS: (amounts falling due Within one year)	3	(768,991)	(768,991)
NET LIABILITIES		<u>(768,991)</u>	<u>(768,991)</u>
CAPITAL AND RESERVES			
Called up share capital	4	410,059	410,059
Other reserves	5	10,000	10,000
Profit and loss account	6	(1,189,050)	(1,189,050)
EQUITY SHAREHOLDERS' FUNDS	7	<u>(768,991)</u>	<u>(768,991)</u>

The accounts were approved by the board of Directors on 18 October 1999 and were signed on its behalf by:



K Hilton
DIRECTOR

NEWMAN TONKS (BARNSTAPLE) LIMITED
(Formerly NT Shapland & Petter Limited)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

1 ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The Company has taken advantage of the exemption covered by Financial Reporting Standard 1 and has not produced a cash flow statement. A cash flow statement is presented in the financial statements of the ultimate parent Company.

2 EMPLOYEES

There are no employees other than directors.

3 CREDITORS: (Amounts Falling Due Within One Year)

	<u>1998</u>	<u>1997</u>
	£	£
Amounts owed to parent company	768,991	768,991
	<u> </u>	<u> </u>

NEWMAN TONKS (BARNSTAPLE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)

4 SHARE CAPITAL

	<u>1998</u> £	<u>1997</u> £
Authorised		
490,000 Ordinary shares of £1 each	490,000	490,000
10,000 2.5% redeemable participating preference shares of £1 each	10,000	10,000
	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:	<u>1998</u> £	<u>1997</u> £
410,059 ordinary shares of £1 each	410,059	410,059
	<u>410,059</u>	<u>410,059</u>

5 OTHER RESERVES

	<u>1998</u> £	<u>1997</u> £
Capital redemption reserve	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

6 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1998</u> £	<u>1997</u> £
Opening and closing shareholders' funds	(768,991)	(768,991)
	<u>(768,991)</u>	<u>(768,991)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)

7 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under Financial Reporting Standard Number 8 relating to 90% subsidiary undertakings and has not disclosed details of transactions with other undertakings within the Ingersoll-Rand Group.

8 ULTIMATE PARENT COMPANY

The company's ultimate parent company is Ingersoll-Rand Company, a company registered in the United States of America. Copies of the consolidated financial statements may be obtained from The Corporate Secretary, Ingersoll-Rand Company, 200 Chestnut Ridge Road, Woodcliffe Lake, NJ 07475, USA.

A copy of the NT Acquisition Limited's consolidated financial statements, a company registered in England and Wales, the intermediate parent undertaking, may be obtained from NT Acquisition Limited, The Crescent, Birmingham Business Park, Birmingham, B37 7YX.