TRIDON EUROPE LIMITED
(formerly Fister U.K. Limited)

REPORT AND ACCOUNTS

25 JUNE 1999

Registered number: 1423606

PAGE

The directors present their report and the financial statements for the forty-seven weeks ended 25 June 1999.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company throughout the period continued to be the assembly and distribution of replacement parts and accessories for motor vehicles.

On 25 June 1999, ACD Tridon Inc., the ultimate parent company of the company, was acquired by a subsidiary undertaking of Tomkins PLC.

On 22 May 2000, the company changed its name to Tridon Europe Limited.

The directors are disappointed with the results for the period but do not envisage any major change in the conduct of the business over the next twelve months.

The directors consider the company's financial position at the end of the period to have been satisfactory, taking into consideration the undertaking of Tomkins PLC to provide continuing support to enable the company to meet its liabilities (see note 19).

DIVIDENDS AND APPROPRIATIONS

The directors do not recommend payment of a dividend.

DIRECTORS

R. N. Marchant (appointed 25 June 1999), a director of the company, is a director of the ultimate parent company, Tomkins PLC.

The other director, and her interest in the ordinary shares of Tomkins PLC, is:

	Fully paid shares		Options to purchase shares			
	25 June 1999	31 July 1998*	25 June 1999	Granted during period	Exercised during period	31 July 1998*
D. P. Burton - (appointed 25 June 1999)	93,507	93,507	161,911	-	-	161,911

* or later date of appointment

D. M. Fryer and A. R. Yeomans resigned as directors of the company on 25 June 1999.

No director had any material interest in any contract or arrangement subsisting during the period with the company.

DISABLED PERSONS

The company gives sympathetic consideration to applications for vacancies from disabled persons when particular job requirements are considered to be within their capabilities. The company also endeavours to provide equal opportunity in the training, promotion and career development of disabled persons.

EMPLOYEE INVOLVEMENT

The company recognises the value of comprehensive employment policies, designed to identify employees with the company and to apply their knowledge and skills towards its success.

YEAR 2000

The company has not experienced any operational failures as a result of the Year 2000 date change and, as regards interactions with business partners, no disruption has been noted. The contingency planning carried out by the company will provide ongoing reassurance to business continuity.

The costs of preparation for the Year 2000 have not been material and have been included within the normal activities of the departments involved. No further significant costs are expected to be incurred.

PAYMENT POLICY

The company's policy is to determine terms and conditions of payment with suppliers when negotiating each transaction, ensure that suppliers are made aware of the agreed terms and how disputes are to be settled and to abide by the terms of payment.

The number of days credit taken by the company for trade purchases at 25 June 1999 was 73 days (1998 - 85 days).

AUDITORS

Ernst & Young resigned as auditors of the company on 4 February 2000 and Arthur Andersen were appointed in their place on 9 June 2000.

On 4 October 1999, the company passed an elective resolution, under Section 379A of the Companies Act 1985, dispensing with the laying of accounts and reports before the company in General Meeting, the holding of Annual General Meetings and the obligation to appoint auditors annually.

Approved by the Board on 24 July 2000
and signed on its behalf by

D. P. BURTON
Secretary

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 loss for the period. In preparing those financial statements, the directors are required to:

i. select suitable accounting policies and apply them consistently;
ii. make judgements and estimates that are reasonable and prudent;
iii. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
iv. 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 which 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.

AUDITORS' REPORT TO THE MEMBERS OF TRIDON EUROPE LIMITED (formerly Fister U.K. Limited)

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described above, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 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 affairs of the company at 25 June 1999 and of the loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

ARTHUR ANDERSEN

Chartered Accountants and Registered Auditors

London

24 July 2000

	Notes	47 weeks 1999 £000	Year 1998 £000
Turnover	1	2,960	3,485
Operating (loss)/profit after management charges	1 & 2	(171)	62
Exceptional write down of land and buildings		-	(200)
Loss on ordinary activities before interest		(171)	(138)
Interest payable	3	(29)	(32)
Loss on ordinary activities before tax		(200)	(170)
Tax on loss on ordinary activities	5	1	-
Loss on ordinary activities after tax		(199)	(170)
Deficiency at 31 July 1998		(240)	(70)
Deficiency at 25 June 1999		(439)	(240)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	47 weeks 1999 £000	Year 1998 £000
Loss on ordinary activities after tax		(199)	(170)
Unrealised surplus on revaluation of fixed assets	14	56	-
Total recognised gains & losses		(143)	(170)

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The losses for 1999 and 1998 are reported under the historical cost convention.

TRIDON EUROPE LIMITED
BALANCE SHEET

AS AT 25 JUNE 1999

	Notes	1999 £000	1999 £000	1998 £000	1998 £000
FIXED ASSETS					
Tangible assets	6		425		400
CURRENT ASSETS					
Stock	8	698		708	
Debtors	9	675		735	
		1,373		1,443	
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	10	(1,139)		(1,831)	
NET CURRENT ASSETS/(LIABILITIES)			234		(388)
TOTAL ASSETS LESS CURRENT LIABILITIES			659		12
Creditors - amounts falling due after more than one year	11		(962)		(172)
NET LIABILITIES			(303)		(160)
CAPITAL AND RESERVES					
Called up share capital	13		80		80
Revaluation reserve	14		56		-
Profit and loss account			(439)		(240)
DEFICIENCY IN SHAREHOLDERS' FUNDS - EQUITY	15		(303)		(160)

Approved by the Board on 24 July 2000
and signed on its behalf by

R. N. MARCHANT)
) Directors
D. P. BURTON)

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of certain fixed assets.

Accounting period

The accounts are for the forty-seven weeks ended 25 June 1999. In 1998 the accounts were for the year ended 31 July 1998.

Turnover

Turnover comprises sales in the ordinary course of business to customers for goods supplied and services provided, exclusive of value added tax.

Fixed assets

Fixed assets are stated at cost or valuation net of depreciation and any provision for impairment. Freehold land is not depreciated. Depreciation of tangible fixed assets, other than freehold land, is provided on the straight line basis over anticipated useful lives:

Freehold buildings	- Fifty years
Plant, equipment and vehicles	- Three to seven years

Revaluation of properties

FRS 15 "Tangible fixed assets" will be adopted for the financial period ended 29 April 2000. The company will take advantage of the transitional provisions of the standard and retain the book amounts of certain freehold properties which were revalued prior to implementation of that standard.

Operating leases

Operating lease rentals are charged to the profit and loss account on the straight line basis over the periods of the leases.

Finance leases

Assets held under leases which confer rights and obligations similar to those attaching to owned assets are capitalised at fair value as tangible fixed assets and the corresponding liability to pay rentals is shown net of interest in the accounts as obligations under finance leases. The capitalised values of the assets are written off on the straight line basis over the shorter of the period of the lease or the useful life of the asset concerned. The interest element of lease payments is allocated so as to produce a constant periodic rate of charge.

Investments

Shares in subsidiaries are stated at cost less provisions for impairment.

Stock

Stock is valued at the lower of cost and net realisable value with due allowance for any obsolete or slow moving items. Net realisable value is estimated selling price less cost to complete and sell. Work in progress, finished goods and goods held for resale include an appropriate proportion of overhead expense.

Tax

The tax charge is based on the result for the year and takes into account tax deferred due to timing differences between the treatment of certain items for tax and accounting purposes. Deferred tax is calculated under the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing difference will reverse.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated at the rate ruling at the date of each transaction.

Exchange differences arising out of day to day business transactions are included in operating results.

Pension benefits

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1 TURNOVER AND OPERATING (LOSS)/PROFIT

a. Turnover and operating (loss)/profit are attributable to the principal activity of the company.

b. Turnover by geographical destination

	47 weeks 1999 £000	Year 1998 £000
United Kingdom	2,836	3,299
Rest of Europe	124	129
Rest of the World	-	57
	2,960	3,485

c. Operating expenses

	47 weeks 1999 £000	Year 1998 £000
Cost of sales	2,228	2,594
Distribution costs	195	68
Administration expenses	708	761
	3,131	3,423

2 OPERATING (LOSS)/PROFIT

is stated after charging/(crediting):

	47 weeks 1999 £000	Year 1998 £000
Depreciation of fixed assets	27	30
Depreciation of fixed assets held under finance leases	8	10
Loss on disposal of fixed assets	4	3
Hire of plant & machinery under operating leases	13	13
Auditors - audit fee and expenses	10	12
Gain on foreign exchange	-	(2)

No fees were paid to Arthur Andersen for non-audit services in either period.

3 INTEREST PAYABLE

	47 weeks 1999 £000	Year 1998 £000
Bank interest	28	32
Finance lease interest	1	-
	29	32

4 DIRECTORS AND EMPLOYEES

The information below excludes R. N. Marchant who is also a director of Tomkins PLC, the ultimate parent company, and a number of other group companies. No part of his remuneration is specifically attributable to his services to Tridon Europe Limited . Full details of his remuneration are disclosed in the accounts of Tomkins PLC (see note 19). Additionally, the information also excludes the remuneration D. P. Burton as no part of her remuneration is specifically attributable to her services to the company. The following information relates solely to the executive directors of the company.

Remuneration

The aggregate remuneration of the directors of the company was as follows:

	47 weeks 1999 £000	Year 1998 £000
Emoluments for services to the company	40	41
Company contributions to money purchase pension schemes	2	2
	42	43

The above amounts do not include any gains made on the exercise of share options or the value of any shares or share options received or receivable under long-term incentive schemes. None of the executive directors exercised share options in the period (1998 - nil). None of the executive directors received shares under a long-term incentive plan in either period.

Pensions

One director was a member of a money purchase scheme in both periods.

Neither director had a direct or indirect interest in any transaction, arrangement or agreement which, in the opinion of the other director, requires disclosure.

The average number of persons employed by the company during the period was:

	1999 Number	1998 Number
Production	18	19
Selling and distribution	12	12
Administration	7	8
	37	39

Staff costs, including directors, were:

	47 weeks 1999 £000	Year 1998 £000
Wages and salaries	389	434
Social security costs	33	36
Pension costs (see note 17)	8	12
	430	482

5 TAX ON LOSS ON ORDINARY ACTIVITIES

	47 weeks 1999 £000	Year 1998 £000
UK corporation tax		
Tax credits on U.K. dividends	(1)	-

6 TANGIBLE FIXED ASSETS

	Total £000	Freehold land and buildings £000	Plant, equipment and vehicles £000
Cost or valuation			
At 31 July 1998	857	421	436
Additions	8	4	4
Revaluation deficit	(46)	(46)	-
Disposals	(24)	-	(24)
At 25 June 1999	795	379	416
Depreciation			
At 31 July 1998	457	89	368
Charge for the period	35	13	22
Disposals	(20)	-	(20)
Depreciation written back on revaluation	(102)	(102)	-
At 25 June 1999	370	-	370
Net book value			
At 31 July 1998	400	332	68
At 25 June 1999	425	379	46

Freehold land amounting to £156,000 (1998 - £100,000) is not depreciated.

The net book value of plant, equipment and vehicles includes £10,000 (1998 - £13,000) in respect of assets held under finance leases.

Land and buildings include assets of £379,000 carried at valuation. The assets were revalued in 1999 by an independent qualified firm of valuers and were assessed on the basis of their open market value for continuation of existing use.

On the historical cost basis, land and buildings would have been included at:

	1999 £000	1998 £000
Cost	425	421
Aggregate depreciation	(102)	(89)
	323	332

7 FIXED ASSET INVESTMENTS

	Subsidiary undertakings £000
Cost	
At 31 July 1998	9
Disposals	(9)
At 25 June 1999	-
Provisions	
At 31 July 1998	9
Eliminated on disposals	(9)
At 25 June 1999	-
Net book value	
At 31 July 1998	-
At 25 June 1999	-

The subsidiary undertakings, which were wholly owned and did not trade, were disposed in the period for £nil.

8 STOCK

	1999 £000	1998 £000
Raw materials	180	307
Work in progress	213	99
Finished goods and goods held for resale	305	302
	698	708

9 DEBTORS

	1999 £000	1998 £000
Amounts falling due within one year:		
Trade debtors	647	699
Other debtors	2	3
Prepayments and accrued income	26	33
	675	735

10 CREDITORS - amounts falling due within one year

	1999 £000	1998 £000
Bank loans	24	24
Bank overdrafts	149	206
Obligations under finance leases (see note 12)	4	6
Trade creditors	404	475
Amounts owing to group undertakings	250	949
Sales and payroll taxes	91	40
Other creditors	76	4
Accruals and deferred income	141	127
	1,139	1,831

11 CREDITORS - amounts falling due after more than one year

	1999 £000	1998 £000
Bank loans	168	168
Obligations under finance leases (see note 12)	-	4
Amounts owing to group undertakings	794	-
	962	172

The amounts falling due after more than one year owing to group undertakings are interest free and have no specified terms of repayment. None of the parties anticipate that any substantial part thereof will be repaid within the next twelve months.

Bank loan repayable:

	1999 £000	1998 £000
Between one and two years	24	24
Between two and five years	72	72
Over five years	72	72
	168	168
Within one year	24	24
	192	192

The loan is repayable at a rate of £24,000 per annum on 29 July annually and interest is payable at 2% over the London Inter Bank Offer Rate.

12 OBLIGATIONS UNDER FINANCE LEASES

The future finance lease payments to which the company is committed at 25 June 1999, were:

	1999 £000	1998 £000
Within one year	4	6
Between one and two years	-	4
	4	10
Obligations included in creditors falling due within one year (see note 10)	4	6
Obligations included in creditors falling due after more than one year (see note 11)	-	4

13 SHARE CAPITAL

	Number	£000
Authorised		
"A" ordinary shares of £1 each		
At 25 June 1999 and 31 July 1998	125,000	125
"B" ordinary shares of £1 each		
At 25 June 1999 and 31 July 1998	125,000	125
Total authorised share capital at 25 June 1999 and 31 July 1998	250,000	250

13 SHARE CAPITAL - continued

	Number	£000
Allotted and fully paid "A" ordinary shares of £1 each At 25 June 1999 and 31 July 1998	40,000	40
"B" ordinary shares of £1 each At 25 June 1999 and 31 July 1998	40,000	40
Total issued share capital at 25 June 1999 and 31 July 1998	80,000	80

The voting rights, dividends and amounts receivable in the event of the company being wound up, are identical for both classes of share.

14 REVALUATION RESERVE

	1999 £000	1998 £000
Revaluation in period	56	-
At 25 June 1999	56	-

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1999 £000	1998 £000
Total recognised gains and losses	(143)	(170)
(Deficiency)/shareholders' funds at 31 July 1998	(160)	10
Deficiency at 25 June 1999	(303)	(160)

16 FINANCIAL COMMITMENTS

There are obligations under operating leases to pay rentals during the next year, which expire:

	Plant, equipment and vehicles	
	1999 £000	1998 £000
Within one year	1	22
Between one and five years	12	10
	13	32

17 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The pension cost for the period was £8,000 (1998 - £12,000). There were no significant contributions outstanding at 25 June 1999 (1998 - £2,000).

18 GROUP ACCOUNTS

Group accounts have not been prepared since the company is itself a wholly owned subsidiary of an E.C. parent.

19 RELATED PARTIES

Fister SpA, a company registered in Italy, is the company's parent undertaking and Tomkins PLC is the company's ultimate parent company.

Tomkins PLC has undertaken to provide continuing support to the company to enable it to meet its liabilities as they fall due. The directors have considered the basis of preparation of the financial statements in view of the net liability position of the company and its loss for the period. Taking into consideration the undertaking of Tomkins PLC to provide continuing support, the directors consider that the going concern basis is appropriate.

Tomkins PLC produces group accounts; copies may be obtained from The Secretary, Tomkins PLC, East Putney House, 84 Upper Richmond Road, London SW15 2ST.

As a wholly owned subsidiary undertaking of Tomkins PLC, in accordance with FRS 8 "Related party disclosures", the company is not required to disclose transactions with other members of the group.