Trifast plc

Directors' report and consolidated financial statements

31 March 2000

Registered number 1919797

Report

TRIFAST plc ANNUAL REPORT & ACCOUNTS YEAR ENDED 31 MARCH 2000

Enter

NEWS AROUND THE GROUP | **E-BUSINESS** THE TRIFAST WAY | **TRIFAST RACES AHEAD**

Operating Profit up 16% Turnover up 19% EPS up 18%

TRIFAST

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19%

INCREASE IN TURNOVER
to £113 *million*

15%

INCREASE IN OPERATING PROFIT
before goodwill to £11.5 million

18%

INCREASE IN EARNINGS PER SHARE
to 43.54 pence

13%

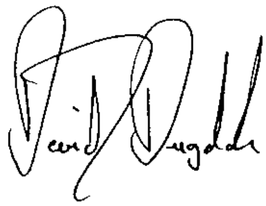
INCREASE IN DIVIDENDS PER SHARE
to 13.71 pence

WELCOME

to our 2000 annual report, the first in this new format. We hope you will enjoy reading about the progress that we have made.

Strong growth fuelled by Trifast's strategic concentration on the "new economy" technology driven sectors of electronics, computers and telecommunications.

Reports David Dugdale
CHAIRMAN



I AM VERY PLEASED TO BE ABLE TO REPORT ON AN EXCELLENT YEAR FOR TRIFAST which has again produced strong growth in sales, profits and earnings per share.

FINANCIAL HEADLINES

The Group's profit for the year before tax and goodwill increased by 15.5% from £9.63 million in 1999 to £11.12 million. Adjusted diluted earnings per share (before goodwill amortisation) rose by 17.8% in the year from 36.96 pence to 43.54 pence. Turnover of £113.3 million compared with £95.4 million in 1999, an increase of 18.7%, of which 11.1% was organic. Our overseas operations accounted for 23% of our operating profits and 21% of our turnover.

Cash flow remained excellent and as a result our gearing fell slightly from 17% to 13.5% at the year end. Net assets and shareholders funds increased during the year by 26% to £33.2 million.

DIVIDEND

The Board is recommending a final dividend of 9.14 pence net per share (1999: 8.33p) which together with the interim paid of 4.57 pence (1999: 4.17p) makes a total of 13.71 pence net per share for the year (1999: 12.5p). The total dividend is covered three times by earnings.

If approved at the Annual General Meeting on 24 August 2000 the final dividend will be paid on 5th September 2000 to shareholders on the Register as at 30 June 2000.

TRADING

During the year, we gained three new prestigious and attractive contracts which more than off-set one contract we agreed to cancel because we were not prepared to meet an automotive customer's aspirations on price reductions, and another that we could not supply because the customer ceased production of the product. This, I believe, demonstrates the inherent strength and flexibility of our business and reflects our focus on quality rather than just quantity.

The global trading environment was relatively helpful during the year with both Europe and the Far East climbing out of recession. However, our UK manufacturing customers still had to cope with the continued strength of sterling and in particular the quite extraordinary weakness of the Euro, which made life very difficult for them. The recent reversal of the trend in the Euro, should it continue, will significantly improve the competitive position of UK manufacturing in the current year.

Trifast's continued strong growth has been fuelled predominantly by our long-standing strategic concentration on the 'new economy' technology driven sectors of electronics, computers and telecommunications, and by our avoidance of any material exposure to the main plant automotive sector.

MAJOR DEVELOPMENTS

In the UK we decided to streamline our distribution facilities across the country by adopting a 'hub and satellite' approach divided into three main regions. The reorganisation has been completed in the Northern and Southern regions and will be completed in the Midlands in the current year. This new approach will make our distribution more efficient, our marketing more effective and will deliver overhead savings in the future.

We have made no new acquisitions this year apart from FCF which has already been reported and which has bedded in well producing good profits and strong sales growth. However, with some of our customers relocating to low labour cost countries we have followed them by opening logistics and distribution facilities in Hungary, Mexico and China. All of these are 'green field' start-ups and did not involve the acquisition of existing businesses.

The development of Information Technology plays an ever-increasing role in all of our lives. Trifast has always been in the forefront of systems development with its own very capable in-house team. They are currently working on delivering the exciting 'New Horizons' project, which will centralise information on a global basis and give us an opportunity to provide what we believe to be a unique service to multinational customers.

BONUS ISSUE

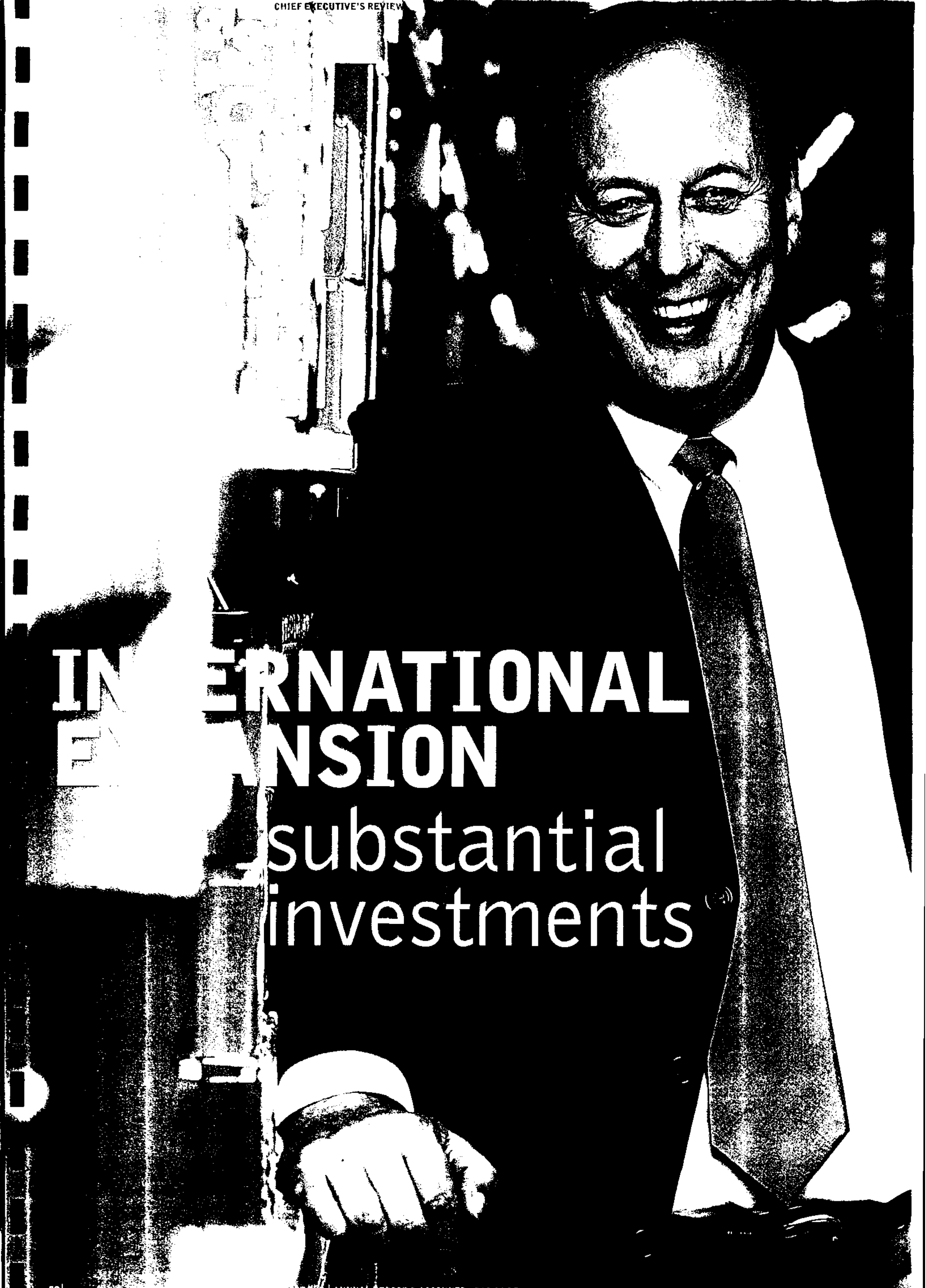
We will be putting a resolution to shareholders at the Annual General Meeting to allow us to issue three additional 5p ordinary shares to the holder of each existing 5p ordinary share resulting in shareholders then owning four shares in respect of each 5p ordinary share they currently hold.

Whilst this bonus issue will not affect the underlying value of shareholders' total holdings, the Board believes that by reducing the price of each individual share, it will help improve the liquidity and therefore the marketability of the Company's shares and attract a wider investor audience.

PROSPECTS

Trading in the current financial year has started well, and although it would be rash to forecast the outcome for the year as a whole, with our ongoing investment in people, facilities and systems, we see no reason why the business should not be able to continue to grow strongly, particularly overseas.

To conclude, I would like to thank my executive colleagues and everyone who works for the Company for their hard work and congratulate them on achieving such an excellent result for the year.



INTERNATIONAL EXPANSION

substantial investments

MALCOLM DIAMOND | CHIEF EXECUTIVE

OVERVIEW – MARKET & STRATEGY

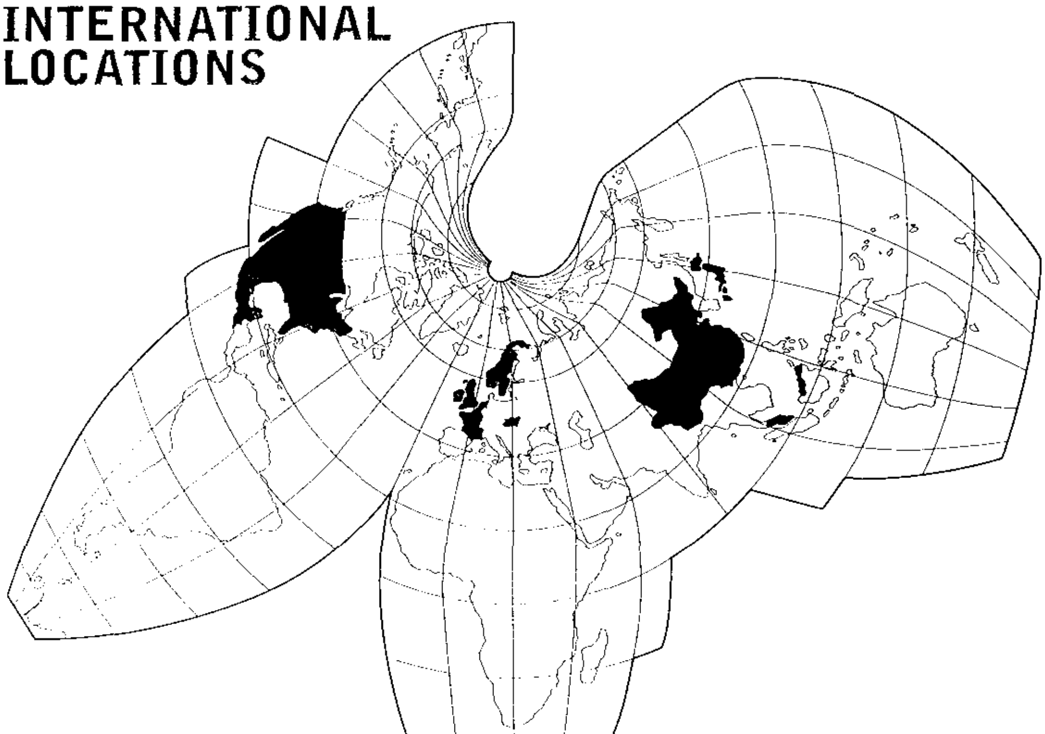
March 2000 marked the end of our sixth year as a listed company, during which time our operations have spread from three countries to 13, sales and operating profits have quadrupled whilst our workforce has nearly trebled. Reassuringly, despite the absorption of 10 acquisitions during this time, over three quarters of this growth has been organic, which provides tangible evidence of the relevance of our strategic focus.

This strategy is still in its infancy in relation to the global market, and so remains our prime objective for the foreseeable future; namely to provide fastener and category 'c' component logistics support to multinational customers in Asia, Europe and the Americas. Despite the emerging longevity of this aim, conceived back in 1993, we have had to respond quickly to geographic adjustments caused by many of these customers relocating assembly plants to lower labour cost countries such as Hungary, Mexico and China. At the beginning of this financial year we had no logistics capability in these three countries whatsoever, but by the end of the year we had warehousing facilities and logistics employees in all three. Of necessity, these facilities were all greenfield start-ups as, in each case, the lack of supply chain infrastructure denied us any opportunity to enter these markets by means of acquisition. However, the initial limitations of starting small are more than offset by the minimal exposure of investment risk in countries where the culture, regulations and unofficial rules are best not learned "the hard way".

Since flotation 75% organic growth – tangible evidence of our strategic focus.

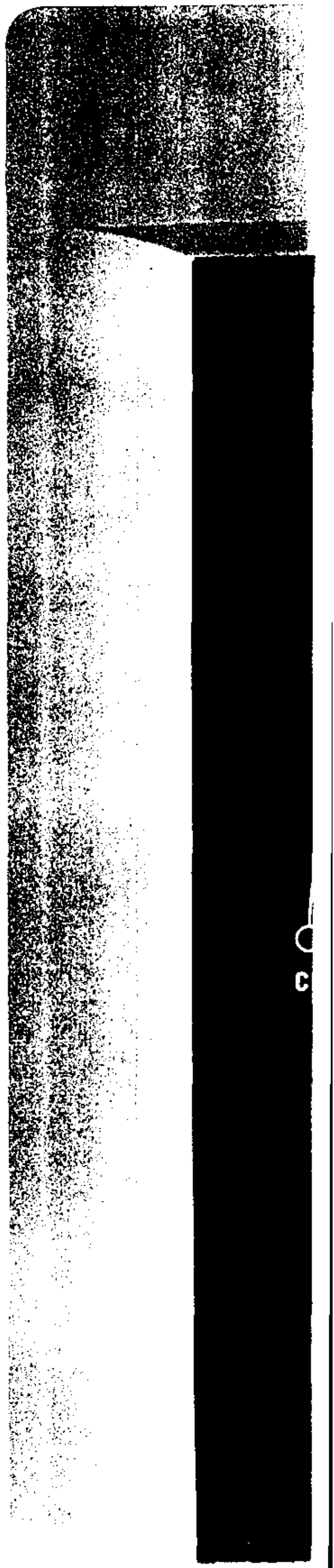
Geography was not our only moving target to have arisen in the past year or so. We indicated in our previous full year review an emerging trend of sub-contract assembly, where the prime customer entrusts the complete manufacture of their product to a third party assembly specialist. This activity has accelerated sharply during 1999 and continues to do so; thus, in effect, doubling up the customer interactivity we require to manage. In other words, for each new assembled product we often have two customers, one who specifies the components and one who chooses where to buy them. >>

INTERNATIONAL LOCATIONS



OVERSEAS

China
France
Holland
Hungary
Japan
Malaysia
Mexico
Norway
Singapore
Southern Ireland
Sweden
USA



Since 1994, the Group has expanded from its UK base into 12 countries. Last year to support and service our multinational customers we established operations in Mexico, Hungary & China. International operations accounted for over 20% of sales and operating profits.

Going forward, during the current financial year we will invest nearly £1m to establish or enhance TR's presence in Brazil, Canada, Germany, Hungary, Mexico, Shanghai and Southern Ireland.

OVERSEAS

Taking off

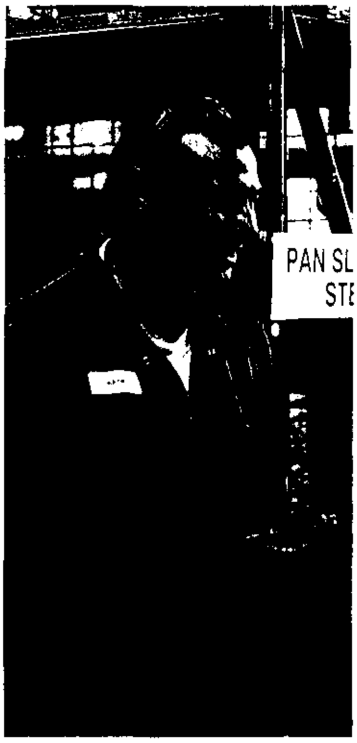
Reports Jim Barker
Director of Overseas

My role has been to develop and support our local management teams throughout the world. Luckily, I enjoy travel and exotic foods and my body is beginning to adjust to the rapid change of time zones!

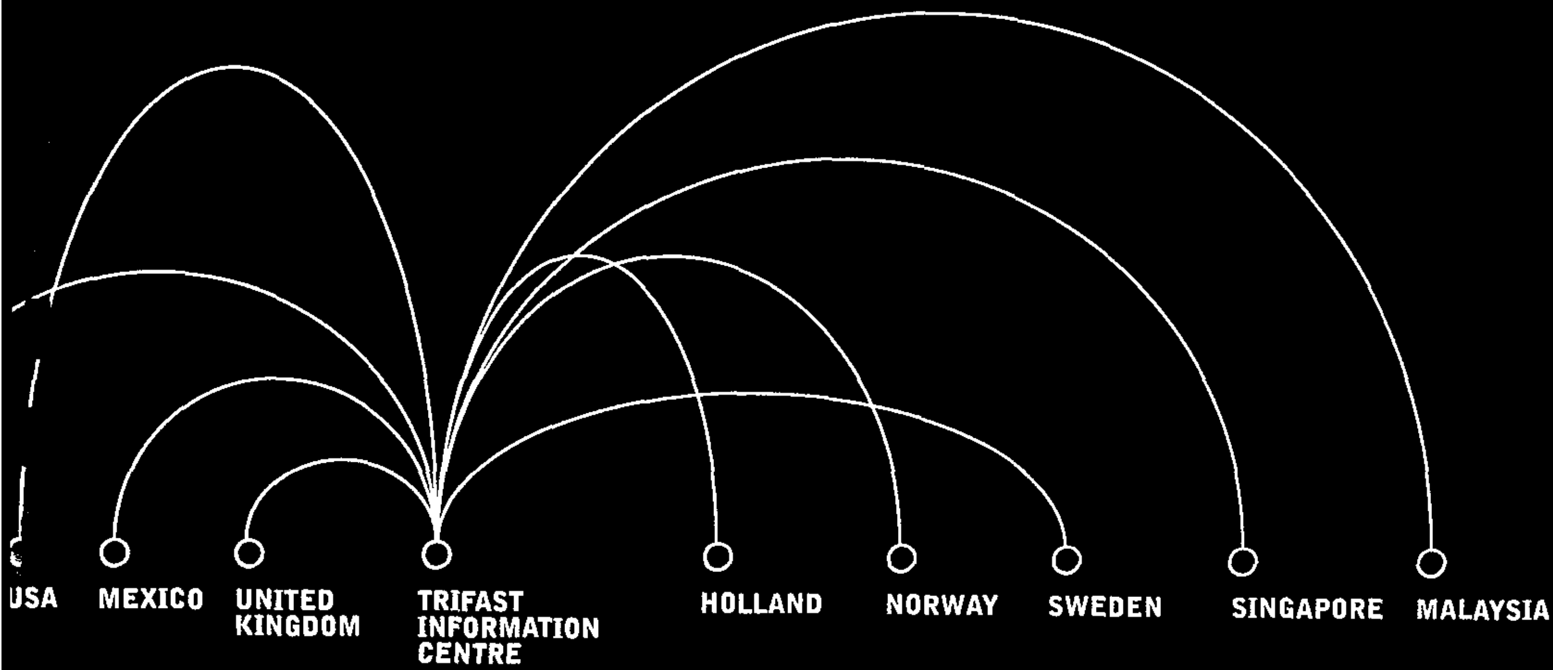
The highlights last year were, the incorporation of FCF Sweden into the Trifast Group, the inauguration of a distribution centre in China, and the opening of a new factory in Singapore which was officially opened in November 1999.

I would like to thank and praise each of the international teams for their enthusiasm and hard work.

Going forward, the exciting opportunity for us is to build a worldwide network to support our multinational customers and I look forward to reporting our progress next year.

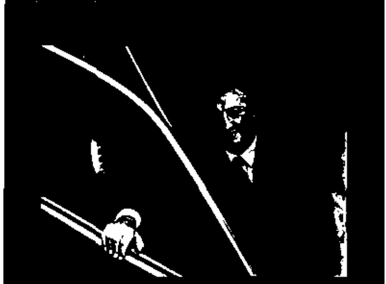



Smile


USA
MEXICO
UNITED KINGDOM
TRIFAST INFORMATION CENTRE
HOLLAND
NORWAY
SWEDEN
SINGAPORE
MALAYSIA

NEW

Our skill in managing the supply chain when a logistics contract is up and running is one of the keys to our success.



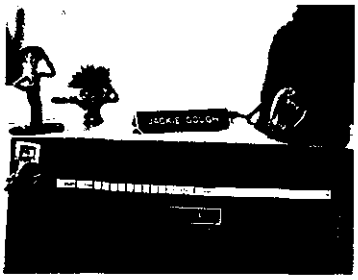
material world

Geoff Budd
Commercial Director

As Commercial Director, my role is seen as the link between the Group, its customers and suppliers.

In addition to working on customer-related topics, I constantly keep under scrutiny every aspect of purchasing and stock management.

All this plays a role in ensuring that the Group not only gains new business but also secures the best possible net margin and has in place flawless material management systems.



> Although our business teams are responding well to this added complexity, it has implications for more expenditure on technical sales support and international travel, which certainly has been incurred during the past year.

It has to be said that, in fact, every financial year we have to incur unplanned costs as we "go with the flow" in response to customer needs and wants, yet we are sustaining our reputation for reliability and consistency in yielding the annual profit growth that we indicate to our stakeholders. This clearly points to the professionalism and sense of reality that abides within our 40 or so business and support teams when undertaking the annual budgeting process.

With the ceiling-less scope for Trifast to grow globally, certainly within the context of our international market share, it is vital not to lose sight of the opportunities within the UK, which still account for over 70% of Group profitability. This has been virtually a full year of responsibility for Colin Hill in his independent role as managing director, TR Fastenings Ltd UK. During this period the management structure has been consolidated through a UK operations board, which has focused on implementing a tri-regional hub and satellite format in order to extract greater efficiencies, especially with regard to human resources. By the end of the period the northern and southern hubs were in place, and a new midlands regional director recruited onto the operations board in order to establish the third hub during this current year.

Despite the inestimable dent in UK manufacturing confidence caused by the strength of sterling and recent events in the automotive sector plus Trifast's coincidal withdrawal from any direct UK car plant involvement in 1999, we still regard the UK as a fertile growth environment, with new logistics agreements being gained at a steady pace. Therefore, we continue to regard ourselves as having the capability and broad market opportunities to grow on all fronts.

It would be difficult to complete this past year's overview without making reference to the potentially damaging effects to Trifast plc of the "dot com" frenzy largely played out in the latter part of the past financial year.

Trifast share watchers will be aware that on 1 April 1999 our share mid price was £6.52½ and at 31 March 2000 was £11.52½, and by end May was holding steady at around £10.50. This naturally poses the question as to whether Trifast is "old" or "new" economy inasmuch that we trade mostly traditional components into manufacturers of new technology products using Trifast originated IT systems that are e-commerce interactive. We have concluded that Trifast straddles both economies, and by virtue of at least 50% of revenue deriving from the electronics/computer/telecom sectors we fall into the descriptive of "second tier new economy".

Ignoring the temptations of hype, what is clear, however, is that Trifast continues to develop strongly the tangibles of wealth creation such as operating profit, cash, net assets and EPS whilst still maintaining a low, yet albeit unfashionable rate of gearing. The feedback we regularly receive from shareholders is reassuringly supportive of this policy, which naturally motivates the Board to strive for continued sustainability.

WORKING WITH US

TR Northern Ireland provide logistics support, 24hrs a day to Nortel.

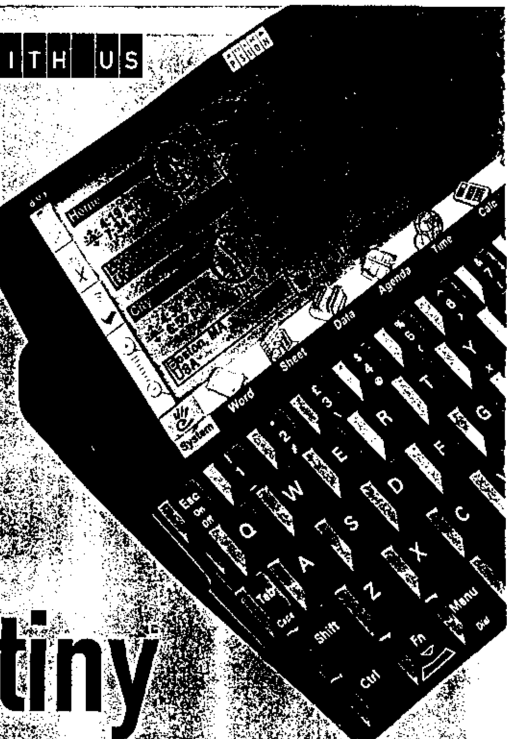
todays technology

Via a specifically designed internet link, TR are able to down-load each night, Nortel's replacement needs for next day delivery.

NORTEL NETWORKS™

The partnership success works as TR now supply Nortel's plant in Brazil.

WORKING WITH US



The tiny change that made a big difference...

One such customer is Psion Computers plc, renowned for its innovative palmtop computers. The product involved was a piece of technological wizardry, the Psion Series 5.

TR had been supplying standard thread-forming screws for use in the Series 5. The size of the head meant Psion was also asking for separate washers. However, TR sourced a specialised large-headed micro-diameter screw which eliminated the need for a washer.

PSION

The result was up to 21 hours a month saved on the production line – as much as 31 working days over a year.

KEY EVENTS AND ACHIEVEMENTS

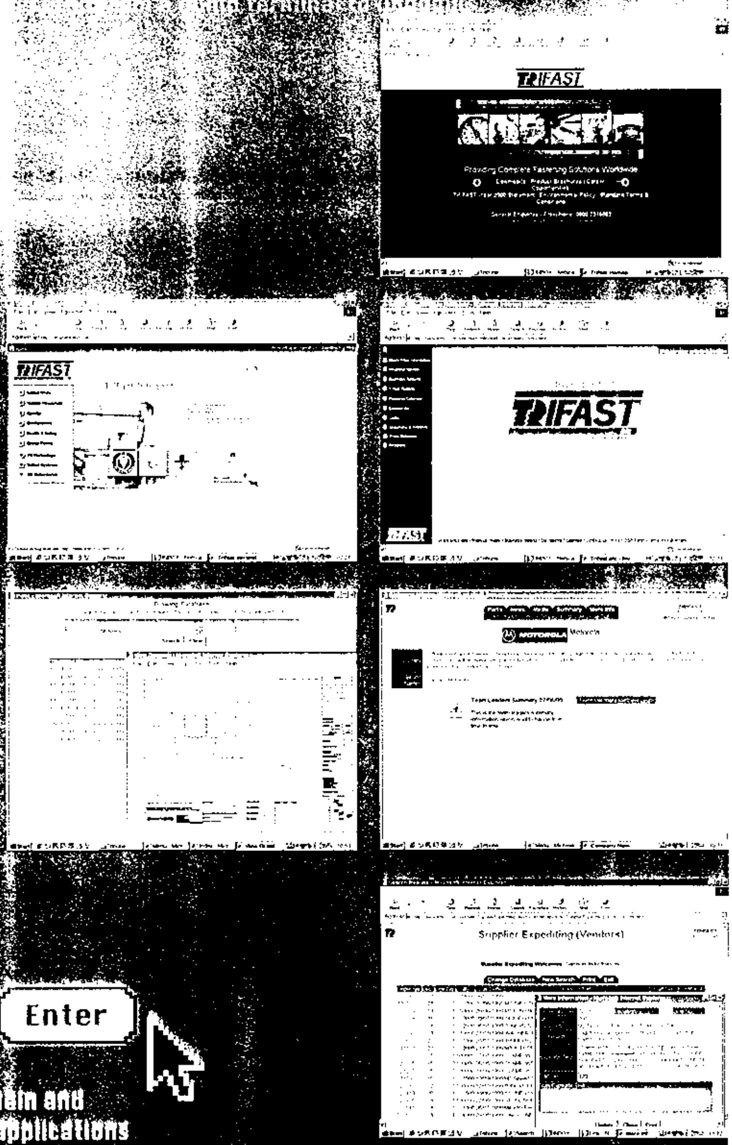
One of the more important achievements for the year was the highly successful integration of our Swedish acquisition LCF following the transaction (details published as a post balance sheet event in Trifast 1999 accounts) made in May last year, which is already making a material contribution to group profits. The Trifast Board warmly acknowledges the hard work and professionalism of Giovanni Bianchi and his team, not only in ensuring that a smooth transition took place, but also for their partnership with TR UK in setting up a new logistics facility near Gothenburg to support the new supply contract gained last year in south west Sweden.

During the first half of the year the Trifast Board was heavily engaged in pursuing a major acquisition within the UK market but regrettably had to withdraw following due diligence. Adviser and accounting costs were incurred as reported at the interim announcement and, although material, have not prevented us from fulfilling our profit performance promise to shareholders. It has to be said that the rapidly shifting sands of customer factory locations, often across thousands of miles, makes us more discriminating towards making large acquisitions of distributors based in the old traditional areas, or even countries; especially when the level of service needed by customers requires us to have inventory and technical support usually no more than two hours drive time away.

By adopting a lean but flexible satellite operational approach to this geographical challenge we were able to establish new logistics facilities in Shanghai, Budapest and Nogales – all within the space of the second half of the year. For this rapid response the Board is indebted to the teams at TR Samson, TR Uckfield, Midlands and TR Formac for their consistent hard work and focus in creating these new businesses.

Two significant investments have been made in 40,000sq.ft premises within the Group – a new distribution and training hub in Hamilton, Scotland, and new factory and offices in Singapore that will now serve as the Asia hub, both of which were officially opened last year.

We have previously reported that our teams in Southern Ireland and Holland had been held back by customer delays in adopting supply agreements; however, by the end of the period this problem >>



Enter

Trifast have developed supply chain and customer service web business applications in addition to the extensive web and intranet pages.

e-business

These web business applications provide 'real time' updates and information from the core business information servers such that any user on the trifast Global Network and any external web approved user can see and update the same information i.e. vendors entering purchase order acknowledgements etc.

During the past 12 months Trifast Systems have been charged with deploying a Global Network platform to enable a Global information strategy to deliver projects like 'New Horizons'. There has also been an extensive deployment of "thin-client" windows terminal technology upgrading every company desktop from a dumb terminal to Windows.

We are now in a race that possibly will be settled within the next 3-5 years – and our aim is to win it.

Malcolm Diamond
CHIEF EXECUTIVE

> had substantially reduced and current trading is returning to budgeted expectations. This experience has taught us that our eagerness to serve our customers must be matched by tighter management of our customers' commitment to timescales, and of course, that investments made on behalf of customers must always have a "plan B". This requirement is now added into our risk management programme.

In January this year we initiated the design of a CD Rom specifically aimed to provide data and video to shareholders, analysts and potential investors. This was produced internally by our marketing team at a cost of below £1,000, and with the support of Citigate Dewe Rogerson in Birmingham, was mailed to all shareholders and distributed to 9,500 subscribers of the publication Analyst. We are firmly committed to an ongoing investor relations programme, and with the disruption to investor confidence arising from the "new" versus "old" economy comparisons, we thought that we had a responsibility to maximise the depth and spread of detailed information on Trifast within the investor community. We have been subsequently informed that the high volume distribution of a CD Rom, purely for investor communication, is possibly unique for a plc within the UK.

We also expanded the Trifast web site in January to include investor communications including a direct link to the prevailing share price.

'New Horizons', our exclusive strategy for managing customer components and service support on a global basis is taking shape, following our decision mid-year to put all TR businesses on to our own computer network Tribune. The software is now finalised, and throughout this current year there will be an installation schedule coupled with the build up of the line network. Coinciding with this will be several sales management re-alignments that take key players out of vertically structured geographically based teams and put them into liberalised horizontal structures which allow them to follow multinational customers globally. My role as CEO is to manage this transition so that it rapidly gains a market leadership profile on an international basis.

Finally, most of the key achievements within Trifast are heavily dependent on the support and innovation of our IT team, Trifast Systems who are now firmly established within the Innovation Centre at Sussex University. The benefits to our organisation, that has adapted so quickly to a shifting market, of having an in-house IT development and support team are inestimable, and for this my Board is gratefully aware.

FUTURE PROSPECTS

Our strategy of developing logistics support in the Americas, Europe and Asia has consistently driven our growth over the past six years, and with the pace of demand growing even stronger, we can feel confident that our future direction is crystal clear.

What we have to focus on even more is the pace at which we spread our geographic cover, because what was obvious to us in the early nineties is now obvious to several key competitors, all of whom are much bigger than us. However, we do not believe that being big is any guarantee to winning market leadership, it is more to do with investment on a broad scale in order to establish a large number of small operations in the new high volume assembly "hotspots" around the world.

This is what Trifast is now aiming to achieve – a hectic but low risk programme of new establishments that provide part of the much needed infrastructure in emerging economies coupled with selective expansion in the more traditional established areas.

LOGISTICS

Streamlining

At the end of my first year as Managing Director of TR Fastenings Ltd I am pleased to report that with the support of my main board colleagues we have achieved another very satisfactory trading result.

In this period I have reformed the Operational Board into a structure based on functional roles, whilst also setting about developing three major hub sites within the UK which will support our satellite divisions. These strategic developments will allow us to place high levels of resource within the regions, thereby meeting the ever increasing demands of our multinational customer base.

Over the past year we have also brought together our proprietary products and the three UK manufacturing sites under the control of one management team. This is proving to be a successful operational decision in view of the acceleration in sales growth since reorganisation.

Since May we have incorporated the three trading divisions in the Republic of Ireland under the operational control of the TR Fastenings Ltd management team. Although in its early stages, this is already proving to be a beneficial decision owing to better utilisation of the management resources of TR Fastenings Ltd.

The challenge of the coming year will be to meet continued customer demand in the areas of service level and price pressure. This will be fulfilled by continuing improvements in our innovative IT systems, higher levels of training and the motivation of all our personnel to continue to drive down the supply chain costs – both direct and indirect.

WORKING WITH US

Cooking up assembly perfection

Increasingly manufacturers call in TR expertise to help perfect their products.

One such working partnership was formed with the Electrolux cooker plant in County Durham. Analysis by Electrolux had found that, although small in *relation to the total number of units produced, the highest percentage of after-*sales service engineer call-outs involved damaged oven door handles.

TR's unique Technical Engineering Support Service carried out installation torque tests and recommended the fastener, hole size and hole alignment which would give Electrolux optimum performance.

This expertise enables quality-conscious customers to cut costs through fewer engineer call-outs and to enhance their reputation for ultra-reliable products

Electrolux

WORKING WITH US

inspection

Bumper maker Hydro Raufoss tasked TR with developing a recyclable aluminium insert – and stipulated that every one of the thousands supplied must be 100% perfect

TR rose to the challenge by commissioning an inspection system using three cameras which check each insert in nine dimensions, and gained Millennium Products status for the insert itself

Hydro Raufoss Automotive
Raufoss

PERSONNEL

Reports Nicola Nicholas
Head of Human Resources

After working for Trifast for eight years, I wanted a change of career and there was an undisputable need to set up the Human Resources division. To equip me for this new challenge I studied for an Employment Law Diploma and successfully completed my IPD Qualification.

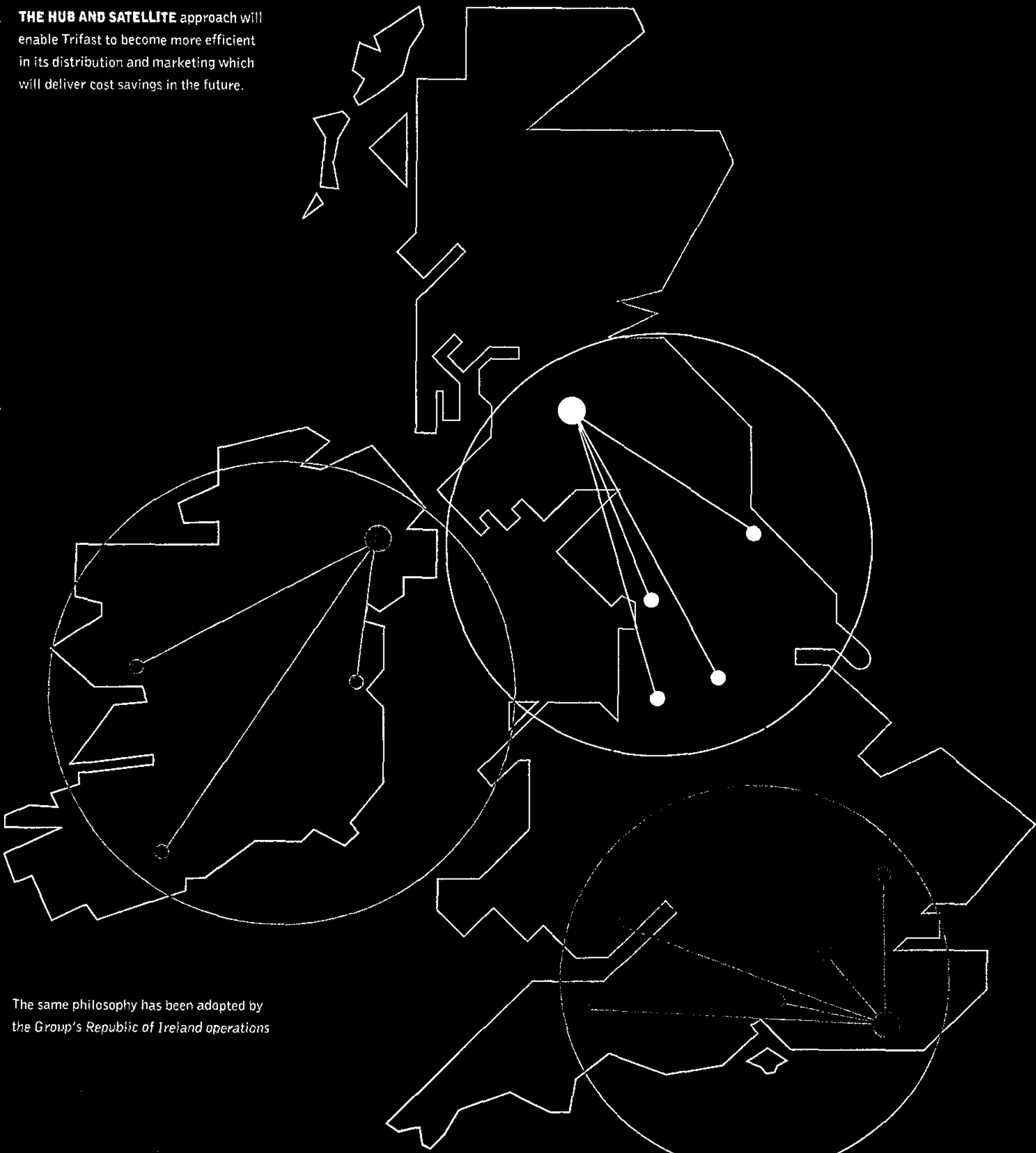
With three full time team members and a personnel adviser at each of our UK sites communication is enhanced by the HR Intranet.

HR is seen as a business contributor on strategic issues and not in the traditional personnel framework. The Team are currently broadening their knowledge in order that they can support the Company's global expansion plans. We continually review the way that staff are recruited, developed, rewarded and cared for, bench marking ourselves against Best Practice organisations, aiming to at least match what other organisations are doing.

This year we carried out our first staff satisfaction survey, believing that the opinions of employees at all levels are key to improving performance. The results have given us some fresh ideas and projects for the forthcoming year.

Our commitment to training and developing staff is recognised by our Investor in People accreditation. We have seen an increase in the number of professional qualifications being taken by staff who want to progress within the Company, and this year we will commence a two year development programme which will prepare our future.

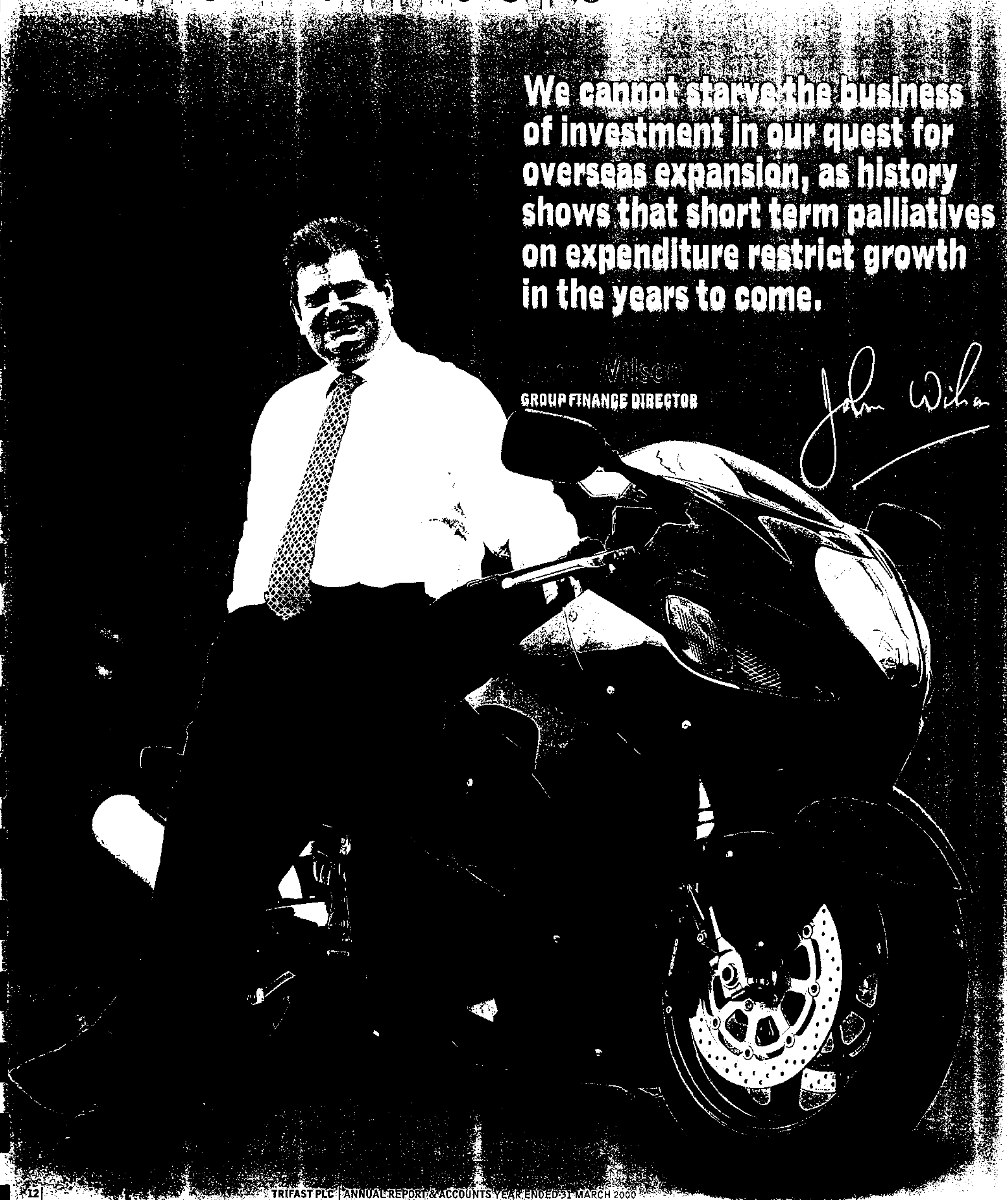
THE HUB AND SATELLITE approach will enable Trifast to become more efficient in its distribution and marketing which will deliver cost savings in the future.



The same philosophy has been adopted by *the Group's Republic of Ireland operations*

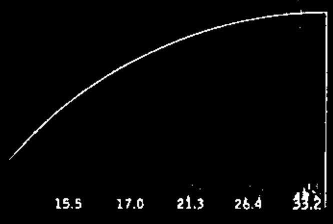
This hub is to be completed in the current year

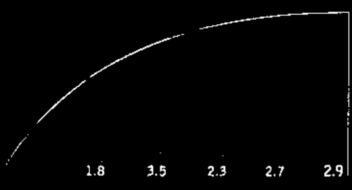
BEHIND the numbers

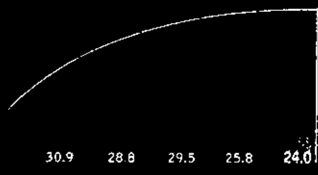


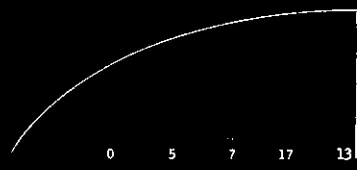
We cannot starve the business of investment in our quest for overseas expansion, as history shows that short term palliatives on expenditure restrict growth in the years to come.

John Wilson
GROUP FINANCE DIRECTOR









[illegible] of sterling and a plethora of national economic concerns, it is pleasing to report that Trifast still over achieved its targets.

Sales improved by 19% to £113.3m over half of which was organic with FCF in Sweden being the only newcomer in the year. It is worth noting that 21% of our turnover came from our overseas operations, and that our Group exports rose by 30%.

Whilst it is comforting to see the sales growth, the profit performance is particularly satisfying.

Our gross margin improved to 28.7% of sales which is predominately due to improved margin on the sourced product we have to supply, as a result of the larger logistic contracts.

Although overheads have increased as a percentage of sales, this does include the one-off abortive acquisition costs and loss on the sale of the Singaporean factory which we reported at the interim. In addition, our move to larger premises in Scotland and our consolidation programme in the Midlands added to our costs.

Despite these one-off costs, the operating profit before goodwill amortisation, improved by 16% to £11.5m. Of that, £2.7m came from our overseas operations, emphasising once again how increasingly important these activities are to the Group and to our future growth strategy.

Cash generation remains strong with a small inflow before acquisition financing resulting in a £2.2m increase. This helped reduce the net debt in the year by £172K.

The credit control function achieved its target each month but suffered our largest bad debt write off since flotation of £116K, but it must be pointed out that £55K of this related to companies in the collapsed TransTec Group. On investigation, none of these debts were overdue.

The pressure on extended payment terms by customers did increase the debtor days to 73 but this was offset by the control of creditor payments. Ninety and 120 day balances on the sales ledger remained low at 1.7%.

The acceleration of corporation tax payment also affected the cash flow but this is expected to have the reverse effect this current year.

The net interest payment of £343K was covered 32 times.

With regard to treasury management, the Group manages its interest rate risk by monitoring balances on a daily basis and constantly reviewing its cash flow forecasts.

This way we can take pre-emptive action to combat troughs and maximise interest earned on peaks.

Also, the Group attempts to remove the need for subsidiaries to utilise overdraft facilities by directing surplus funds accordingly. This policy is successful as practically all the interest paid related to long term loans.

Turning to foreign currency, the Group trades in a number of currencies and seeks to match inflows and outflows to minimise risk. This policy is also successful and the Group made a small trading gain of £67K during the year.

Of the total balances of £4.8m at the year end £1.5m relates to currencies other than sterling.

The Group does not enter into hedging contracts but monitors exchange rates daily and occasionally purchases, or sells funds to maximise returns.

Our capital expenditure in the year was £2.9m of which £0.7m came as a result of the FCF acquisition. In addition we had all our UK and Ireland freehold properties externally valued which resulted in a revaluation increase of £1m. Depreciation of £1.5m reflected the additional plant purchased to assist development plans that are being implemented following the move to larger premises in Singapore.

With only one acquisition during the year, our gearing (excluding goodwill) remains low at 13.5% so the Group continues to maintain its investment in the business without placing undue risk on our stakeholders.

Once again, the balance sheet reflects these activities with net assets increasing by 26% to £33.2m.

Our tax rate did reduce from last years' high, down to 30.7% and as a consequence of these results, our earnings per share, adjusted diluted before goodwill amortisation, rose nearly 18% to 43.54p per share.

Turning to our trading activities, we have taken on board two major logistics contracts with 1st tier automotive suppliers which caused an increase in stocks of £1.3m, nearly 40% out of a total increase of £3.4m. Also included in this figure is £0.8m which came with the FCF acquisition. As we have stated many times, the winning of large logistic contracts does mean step change increases in working capital. Our skill in managing the supply chain after the contract is running is one of the keys to our success.

For the future, the development of our non-UK business (as detailed in the CEO's statement) will mean a continuing need to invest in people and revenue based resources in the future. We cannot starve the business of investment in our quest for overseas expansion, as history shows that short term palliatives on expenditure restrict growth in the years to come.

The involvement of our finance team in successfully setting up and bedding in new contracts has worked very well, bringing profit visibility to the Group in a shorter time. Resource strengthening is needed here, as in other areas, which has been confirmed by our adoption of the Business Excellence model. We intend to put more emphasis on our graduate recruitment programme as well as developing a "fast track" route for identified "high flyer" employees.

Overall, the signs bode well for the future. Trading for the current financial year is in line with budgets and our overseas development plans are designed to add to the prosperity and the security of the future. However, with six successful years as a listed company, I will not allow complacency to set in. Our aim is to continually avert any risk of this by developing new activities that aim to deliver continuous improvement.


MALCOLM DIAMOND
Chief Executive
DAVID DUGDALE
Chairman (non-Executive)
JOHN WILSON
Deputy Chief Executive – Group Finance Director
STUART LAWSON
Company Secretary


JIM BARKER Director
JOHN BUDGEN Director (non-Executive)
COLIN HILL Director
GEOFF BUDD Director

"FUNNY HATS"!!

"Work smarter – not Harder" is part of TR's work philosophy – but having fun plays a key role in the Group's culture.

All staff are invited to bring ideas to the Company on how to have fun whilst working smarter not harder. Both the 'Funny Hats' and 'Halloween' days saw the teams at TR flaunting their creations around the Divisions – not only did we have a great time, we raised money for local charities.

FERA UPDATE

FERA – the Fastener Engineering & Research Association formed by Trifast in January 1999 has seen its membership rise to over 250, of which 20% are experts from the industry who can advise on specialist topics, with the remaining 80% being specifiers and designers from small companies to some of the giants of the industrial and electronics sectors both in the UK and overseas.

As a non profit making body the organisation was created to help engineers and designers and to act as a spur in the development of fastener technology.

A recent FERA survey to its members found the body not only a useful networking forum but that the data files available invaluable for new projects members were working on.

TR'S NEW FAR EASTERN PROMISE

TR's international profile in 2000 was boosted when, Mr Alan Hunt, British High Commissioner to Singapore officially opened its new flagship operation.

The 55,000 sq.ft factory, in the heart of the Group's Asian operations, has its own heat treatment plant and sophisticated engineering facilities for testing fasteners in customers' own applications.

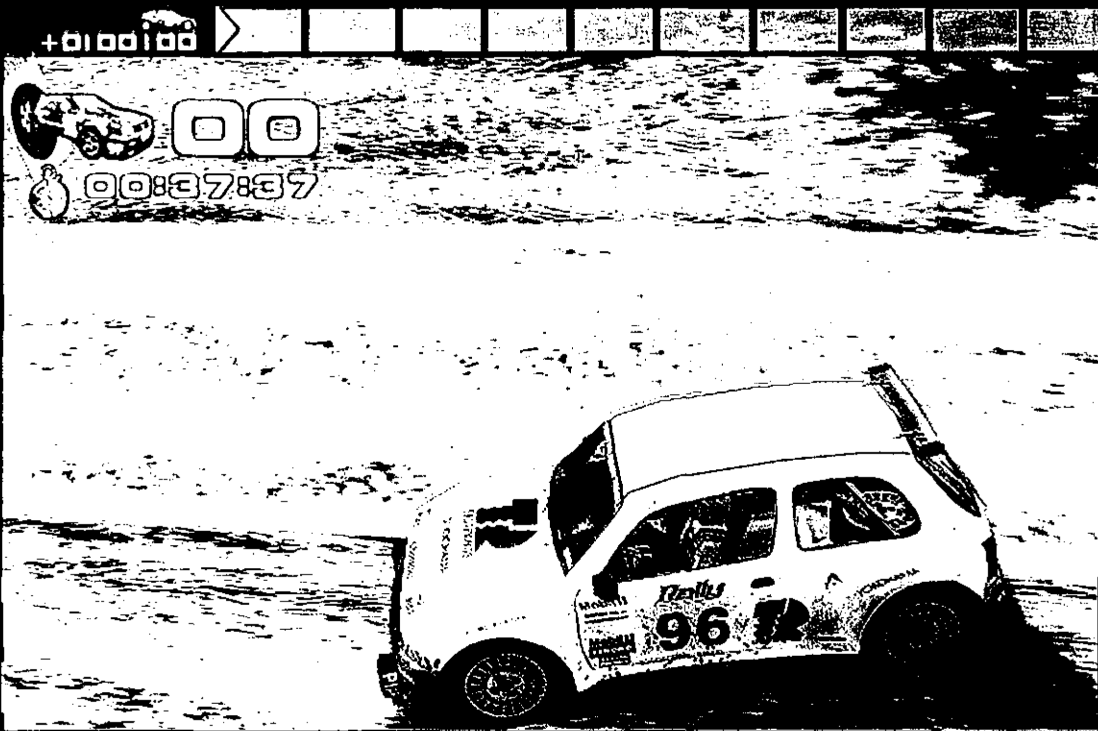
Within three years the output at the new operation will exceed 150 million pieces which, together with the Group's other five UK and Far Eastern factories will enable TR to meet the demand anticipated from its multinational customers in the computer, mobile phone and electronics sectors.

Not only is this the headquarters of TR's rapidly expanding activities in the region, it is also the 'Centre of Excellence' for TR's satellite operations in Penang, Shanghai and Tokyo.

TR AWARDED THE DOUBLE

TR has become the only fastener company to achieve the quality double of gaining an inventory management addition to its existing QS 9000 registration.

The approval guarantees that customers are assured that their supply of fasteners and other low cost components have been subjected to the world's most exacting quality systems.



MOVIES STAR ON TR'S NEW CD BROCHURE

Following the demand and success of the first two CD Brochures where nearly 6,000 were produced – TR's follow-up – version 3 - is a moving experience – it features nearly an hour of video.

The free, easy to use CD, which can be used on virtually any PC, is an A-Z guide to the TR network. It contains a built-in search facility for locating any product or service – all of which can be downloaded in a matter of minutes. Another feature is the autorun facility which automatically operates the 300 page brochure straight from the CD without taking up any hard drive on the users PC.

To obtain your copy,
telephone +44 (0)1825 747275
or email keithg@trifast.com

TR RACES AHEAD TO GAIN GAME TRIUMPH

TR is to be first in its industry to have its branding featured in a top commercial computer game, which allows them to profile their branding to an audience worldwide.

TR's distinctive logo features prominently on the doors and bonnet of the racing car. TR sponsored the real Nissan Micra in the British Rally, when Geoff Jones and co-driver, Rhydian Welson took the car to the top of its class.

Game publisher, Actualize are releasing the PC and Playstation versions of the Rally Championship later this year. The game, which features 3-D cars with real car handling also has over 440 miles of realistic driving.

Ultimate PC magazine rated it "The closest we have seen to photo-realism in gaming….the most realistic driving experience we have ever seen….the best PC game ….a must buy".
See www.rallychampionship.co.uk

"TUNE IN"

[illegible] talents around the Group and what better [illegible] Barnardo's.

'Childs Play' – 'spend a fiver and help a child' has been funded entirely by TR so every penny from the £5 raised goes to the charity.

The CD features music from three bands and one soloist – they are:

Ska band The Riffs, whose keyboard player, Dave [illegible] is based at TR's Uckfield Division

Change of Heart, whose last CD reached No.2 in Japan's rock imports chart. Lead vocalist Alan Clark is a QA inspector at TR's North-East Division.

Thrash metal band Caution!, whose guitarist, Tom Diamond is another member of TR's Uckfield Division.

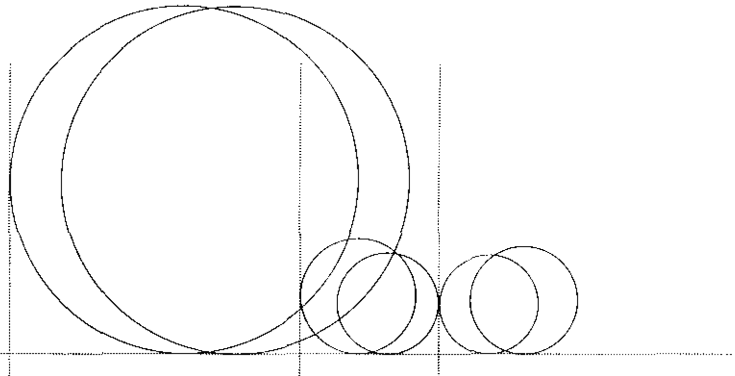
Guitarist, vocalist and songwriter John Ward, a former TR director based in Scotland.

If you wish to support Barnado's and buy a copy of the CD, contact Group's Marketing Division, telephone +44 (0)1825 747275 or email keithg@trifast.com

Scalextric is to produce a limited edition model racing car featuring the TR logo which is based on the Paragon Porsche Carerra 996 sponsored by both *companies. The model could become* highly collectible in years to come!

In recognition of the help the local Citizens Advice Bureau in Uckfield gives to the Community, TR has donated a Laptop computer which has been specifically formatted by Trifast Systems to suit the needs of the Bureau.

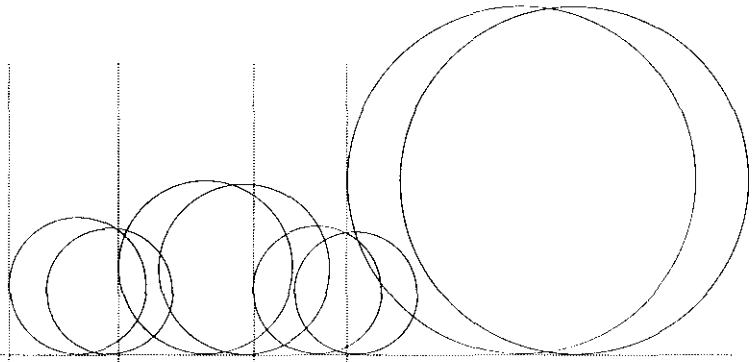
TRIFAST



THE BUSINESS

1999 2000

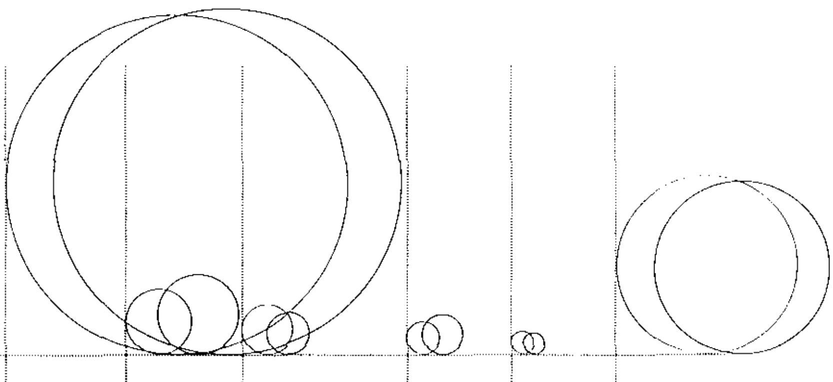
	Distribution	Manufacturing	Kitting
1999 2000	63% 63%	20% 18%	17% 19%



PRODUCT SPLIT

1999 2000

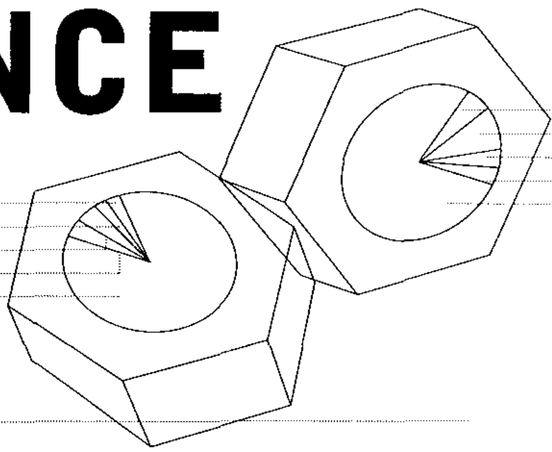
	Standards	Own Products	Specials	Sourced
1999 2000	17% 16%	22% 22%	16% 15%	45% 47%



CUSTOMER SECTOR

	Electronic & telecom	Automotive (1st tier)	Other distributors	Domestic appliances	Security	Miscellaneous
1999 2000	50.6% 50.8%	9% 11%	7.1% 5.4%	4.3% 5.3%	3% 2.5%	26% 25%

At a **GLANCE**



USA £2.4m
Europe £2.7m
Scandinavia £4.2m
Asia £4.0m
UK £82.1m
Total £95.4m

£5.4m Asia
£10.4m Scandinavia
£4.2m Europe
£4.2m USA
£89.1m UK
Total £113.3m

GEOGRAPHIC ANALYSIS

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2000.

Results and dividends

Total Group turnover was £113.313m *(1999: £95.429m)* and the profit for the year before goodwill amortisation and taxation was £11.118m *(1999: £9.632m),* and after goodwill but before tax was £10.801m *(1999: £9.484m).*

The Directors recommend a final dividend of 9.14p net of tax *(1999: 8.33p)* per ordinary share to be paid on 5 September 2000 to shareholders registered at the close of business on the 30 June 2000 making, with the interim of 4.57p *(1999: 4.17p)* per ordinary share, a total of 13.71p *(1999: 12.50p)* per ordinary share for the year.

Principal activity and business review

The principal activity of the Group during the financial year has been that of the manufacture and distribution of industrial fastenings.

A review of the business activity, recent acquisitions and future prospects of the Group are covered in the statements by the Chairman, Chief Executive and Finance Director.

Annual General Meeting

The notice of the Annual General Meeting is set out on page [ ] together with explanatory notes.

Market value of land and buildings

All freehold land and buildings as at 31 March 2000, with the exception of TR Formac Pte Ltd and TR Scandinavia AB, were valued at their open market value at that date and are included in the financial statements at those amounts (See note 12).

Directors and Directors' interests

The Directors who held office throughout the year were as follows:

D J Dugdale (Chairman)
M M Diamond (Chief Executive)
J Wilson (Finance Director)
G P Budd
C A Hill
J Budgen
J C Barker

The interests in the ordinary shares of 5p each in the Company of the Directors who held office at the end of the financial year were as follows:

	Number of shares	
	Interest at end of year Beneficial	Interest at *beginning of year* or date of appointment Beneficial
D J Dugdale	20,000	20,000
M M Diamond	173,450	200,000
J Wilson	200,000	233,900
G P Budd	93,450	120,000
C A Hill	103,350	164,400
J Budgen	17,500	17,500
J C Barker	59,500	85,700

There were no non-beneficial interests.

The Directors retiring by rotation are Malcolm Diamond and Geoffrey Budd, who hold two year rolling service contracts with the company and John Budgen, who does not have a service contract with the Company, but whose appointment is reviewed on an annual basis.

The rights of the Directors to subscribe for ordinary shares of 5p each in the Company, including SAYE options, are as follows:

	Date granted	Number of options At 31 March 1999	Options granted in the the year	Options exercised in the year	At 31 March 2000
M M Diamond	20 July '98	50,000	-	-	50,000
	17 Dec '99	-	38,000	-	38,000
	SAYE options	6,900	484	3,450	3,934
J Wilson	20 Sept '94	81,580	-	81,580	-
	20 July '98	40,000	-	-	40,000
	17 Dec '99	-	30,500	-	30,500
	SAYE options	8,150	1,265	-	9,415
G P Budd	20 July '98	30,000	-	-	30,000
	17 Dec '99	-	23,000	-	23,000
	SAYE options	4,620	843	3,450	2,013
C A Hill	20 July '98	30,000	-	-	30,000
	17 Dec '99	-	23,000	-	23,000
	SAYE options	3,450	1,210	3,450	1,210
J C Barker	20 July '98	30,000	-	-	30,000
	17 Dec '99	-	23,000	-	23,000
	SAYE options	9,750	1,265	-	11,015

The SAYE options were granted between 21 April 1994 and 1 October 1999. They are exercisable between November 2000 and October 2006 at exercise prices between £3.00 and £8.00 (weighted average price £3.39).

The options granted on 20 July 1998 are exercisable between July 2001 and July 2008 at an exercise price of £6.07 per share.

The options granted on 17 December 1999 are exercisable between December 2002 and December 2009 at an exercise price of £10.025 per share.

The options granted in July 1998 and December 1999 can only be exercised if the Company's growth based on annualised earnings per share in the period or any 3 consecutive financial years after the grant exceeds RPI plus an average of 2% per annum.

The market price of the ordinary shares at 31 March 2000 was £11.38 (1999: £6.525) and the range during the year was £6.525 to £12.00.

During the year the following options were exercised:

Director	Number of shares exercised	Exercise price	Market price at exercise date	Gains made per share	Total gains made £000
M M Diamond	3,450	200p	670p	470p	16
J Wilson	81,580	210p	1005p	795p	649
CA Hill	3,450	200p	670p	470p	16
GP Budd	3,450	200p	670p	470p	16
					697

(During 1999: nil)

The Company's register of Directors' interests, which is open to inspection, contains full details of Directors' shareholdings and options to subscribe.

There has been no change in the interests or rights to subscribe for shares of the Directors in the ordinary share capital of the Company since the end of the financial year.

Directors' remuneration

The Remuneration Committee is responsible for ensuring that the Group's remuneration package is fair and reasonable in all respects. The Committee will ensure that pay scales are set at current market levels and take into account skills and ability. All bonus schemes are based on performance criteria, and all other staff benefits are reviewed annually to ensure they reflect current market trends and are attractive to new employees.

It is the policy for the Executive Directors' salary increases to be related to the annual rate of inflation, with the upper limit restricted to no more than the average pay increase for the employees as a whole, except where they fall below salaries in comparable companies when an appropriate adjustment will be made.

March 2000 Name	Fees £000	Salaries £000	Bonus £000	Benefits in kind £000	Total £000	Pension £000
Chairman						
D Dugdale	40	-	-	-	40	-
Executive Directors						
M M Diamond	-	190	90	16	296	38
J Wilson	-	140	66	10	216	28
J C Barker	-	130	62	13	205	26
G P Budd	-	120	57	12	189	18
C A Hill	-	130	62	13	205	26
Other Non-Executive Director						
J Budgen	21	-	-	-	21	-
Total	61	710	337	64	1,172	136

March 1999 Name	Fees £000	Salaries £000	Bonus £000	Benefits in kind £000	Total £000	Pension £000
Chairman						
D Dugdale	31	-	-	-	31	-
Executive Directors						
M M Diamond	-	160	40	16	216	28
J Wilson	-	120	30	2	152	22
J C Barker	-	92	23	7	122	14
G P Budd	-	92	23	10	125	14
C A Hill	-	92	23	12	127	18
Other Non-Executive Director						
J Budgen	21	-	-	-	21	-
Total	52	556	139	47	794	96

Executive Directors' Salaries

The compensation of all Directors is set by the Remuneration Committee of the Board, which currently comprises both the Non-Executive Directors, and is chaired by John Budgen. It meets as required during the year to review and agree the terms and conditions of remuneration and other benefits.

Executive Directors' Bonuses

Current Year

The basis for paying bonuses is to reward overperformance and is based upon the growth in adjusted diluted earnings per share (EPS).

The bonus is set so that an adjusted diluted EPS growth of 15% will pay a bonus of 40% of salary.

For every 1% of adjusted diluted EPS growth above 15% the bonus will be increased by 2.5 points. For every 1% below a growth of 15% in EPS, the bonus will be reduced by 5 points.

Performance related bonus amounts shown in the tables above represent the amount payable for the years ended 31 March 2000 and 1999 respectively.

Long Term Incentive Scheme

The Company recognises the value of good incentive schemes as an aid to improved performance, and in particular incentive schemes of a longer term nature.

The Company operates an Inland Revenue approved share option scheme for executives which was set prior to flotation. Details of existing options are set out above.

In addition the Company operates an approved SAYE scheme for eligible staff.

Pension Scheme

A defined contribution pension scheme is provided to the Directors. Contributions of 15% of basic salary are made for Directors aged 45 and under and 20% for those aged over 45.

Service Contracts

The Board hold service contracts which provide for two years notice of termination on a rolling basis, although this can be reduced to one year if 75% of the Board are in agreement. There is no pre-determined compensation for the loss of office.

With acquisitions, it is Company policy to offer the retained senior executives continuing employment based on existing contracts, once these have been reviewed by the Board.

Malcolm Diamond and Geoffrey Budd, who are proposed for re-election at the next Annual General Meeting, hold two year rolling service contracts with the Company and all contain the clause relating to one year. John Budgen, also up for re-election, does not have a service contract with the Company but has his appointment reviewed on an annual basis.

Substantial shareholdings

As at 31 May 2000, the company is aware of the following material interests, representing 3% or more of the issued share capital of the company:

	Number of shares held	% of shares held
Hendersons Investors Limited	2,242,971	12.59
Michael C Timms (including family interests)	1,566,060	8.79
Michael J Roberts	1,490,000	8.37
The Equitable Life Assurance Society	1,485,000	8.34
Schroder Investment Management Limited	1,260,000	7.07
Morley Fund Management	833,500	4.68
Legal & General Investment Management Limited	688,693	3.87
Baring Asset Management Limited	611200	3.43
Robert Fleming & Co Limited	547,607	3.07

Issue of shares

Details of the issues of ordinary shares during the year, and their purpose, are shown in note 20 to the financial statements.

Employees

The Group has a policy of offering equal opportunities to employees at all levels in respect of the conditions of work. Throughout the Group it is the Board's intention to provide possible employment opportunities and training for disabled people and to care for employees who become disabled having regard to aptitude and abilities.

Regular consultation and meetings, formal or otherwise, are held with all levels of employees to discuss problems and opportunities. Information on matters of concern to employees is presented in the in-house newspapers and publications.

Profit related pay

The Group operated an Inland Revenue approved profit related pay scheme enabling employees to participate in the success of the Group.

Political and charitable contributions

During the year the Group made no political donations *(1999: £nil)* and various charitable contributions totalling £6,064 *(1999: £7,940)*.

Creditor payment policy

The Group does not follow any code or standard on payment practice as it is the Group's policy to settle creditors promptly on mutually agreed terms. The terms will vary from supplier to supplier and suppliers will be aware of the terms of payment.

For smaller suppliers where no terms are agreed, payment will normally be made in the month following receipt of goods or services.

The number of days billings from service suppliers outstanding at the end of the Financial Year for the Company was 35 and 70 for the Group.

European Monetary Union

All entities required to trade in Euros have systems capable of processing these transactions. The Trifast Group does not anticipate significant future costs relating to the Euro.

Year 2000

The Trifast Group was well prepared for the Millennium date change and no material problems arose. This does not mean the Group will become complacent. By continuing to monitor and review the systems, relevant changes, if necessary, will be made.

In addition, the Directors are not aware of any major issues that arose at the Group's customers/suppliers as a result of the Millennium date change.

The Group incurred no material costs in preparation for the Year 2000.

Auditors

In accordance with s384 of The Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Stuart Lawson
Company Secretary
Trifast House

QUEST

During the year, Trifast plc established a Qualifying Employee Share Ownership Trust ("the QUEST") under a trust deed dated 12 May 1999.

The purpose of the QUEST is to acquire shares in the Company for employees, including Executive Directors, in satisfaction of their options under the Trifast plc Employees' Save As You Earn Share Option Scheme.

On 25 May 1999 the QUEST subscribed, at a market price of 670p per share, for 95,389 ordinary shares of 5p each. The cost of financing has been transferred by the Group directly to profit and loss account reserves. The excess of the subscription price over the exercise price amounted to £448,328.

Corporate governance

Following the issue of the Code of Best Practice of the Committee ("the Combined Code") on the Financial Aspects of Corporate Governance, the Board has carried out a full review of the Group's compliance for the year ended 31 March 2000.

In the opinion of the Directors the Group has complied throughout the period with Section 1 of the Code of Best Practice with the exception of the following items (references in brackets are to paragraphs in the Combined Code):

a) The code indicates that a Board should have a minimum of one third of its Board as Non-Executive Directors. The company has two Non-Executive Directors, which the Board considers sufficient for the size of the Group (A5.1).

b) Composition of the Audit Committee. The Audit Committee comprises three Directors, two of whom are non-executives. The Board considers that two non-executive directors, both of whom are independent, are adequate for a Group of this size (D.31).

c) Directors' training. No Director received specific training during the year, but the Board will arrange training where it is considered appropriate (A.16).

d) Composition of the Remuneration Committee. The Remuneration Committee comprises two non-Executive Directors (B.2.2).

e) Directors' contracts. The Executive Directors are on two year rolling contracts, although these can be reduced to one year if 75% of the Board are in agreement (B.1.7).

f) Nominations Committee. The Board considers that it is not of sufficient size to warrant a Nominations Committee (A.5.1).

The structure of the Board and its standing committees are as follows:

The Board

During the year the Board consisted of five Executive and two Non-Executive Directors and met monthly throughout the year. A formal schedule of matters reserved for the decision of the Board covers key areas of the company's affairs. The Board has delegated specific responsibilities to Committees, as described below:

The Audit Committee

The Audit Committee currently comprises both the Non-Executive Directors and John Wilson, the Group Finance Director. It is chaired by David Dugdale and meets at least twice a year. The Committee reviews the Group's interim and annual financial statements before submission for approval by the Board and considers any matters raised by the auditors.

The Committee meets with the auditors at least once a year without any Executive Directors present.

Relations to shareholders

The Group has a website, which is continually updated to ensure that shareholders are fully aware of the Group's activities; www.trifast.com.

The Directors of the audit and remuneration committee will normally be available to speak to shareholders at the AGM. In addition, shareholders can contact them at any time by writing to the Group's address.

The Remuneration Committee

The Remuneration Committee currently comprises both the Non-Executive Directors. It is chaired by John Budgen, and meets as required during the year to review and agree the terms and conditions of employment of the Executive Directors and senior management, including levels of remuneration and other benefits.

Going concern report

After making enquiries, the Directors have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Internal control

The Combined Code requires that directors review the effectiveness of the Group's system of internal controls which will extend the requirements in respect of internal financial controls to cover all controls including operational, compliance and risk management. Guidance for directors - Internal Control Guidance for Directors on the Combined Code (the Turnbull Report) was published in September 1999, however the directors have taken advantage of the UK Listing Authority transitional rules and have continued to review and report upon Internal Financial controls in accordance with the ICAEW 1994 guidance. The Turnbull recommendations will be implemented for the year ended 31 March 2001.

Internal financial control

The Directors acknowledge their responsibility for ensuring that the Group has in place a system of internal financial controls. However, they are aware that such a system can only provide reasonable, and not absolute, assurance against material mis-statement or loss.

The key elements of the system are as follows:-

- There is an organisational structure with clearly defined lines of responsibility and delegation of authority.
- Group policies for financial reporting, accounting, financial risk management, information security, capital expenditure appraisal and corporate governance are all well documented.
- Detailed annual budgets are prepared for all operating units.
- Performance against budget is monitored closely and material variances reported to the Board on a monthly basis.
- The control system is operated with the full co-operation of all company Directors in a controlled manner. The final report was approved by the Main Board.
- The Audit Committee deals with significant control issues raised by the external auditors.

The Board has considered the need for internal audit, but has decided that because of the size of the company it cannot be justified at present. The board will review this decision next year.

The Board has reviewed the effectiveness of the Group's internal financial control systems for the period from 1 April 1999 to the date of approval of the financial statements.

The Board will review the operation and effectiveness of its financial control assessment system on a regular basis.

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 Group and of the profit or loss 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 Group 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Auditors' report to the members of Trifast plc

We have audited the financial statements on pages 9 to 35.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 7 this includes responsibility for preparing 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, the Listing Rules of the Financial Services Authority, and by 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 or the Listing rules regarding directors' remuneration and transactions with the group is not disclosed.

We review whether the statement made on page 5 reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Financial Services Authority and we report if it does not. We are not required to consider whether the Board's statements on internal control covers all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 group'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 and the group as at 31 March 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

19 June 2000

1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

Consolidated profit and loss account for the year ended 31 March 2000

	Note	2000		1999	
		£000	**£000**	£000	£000
Turnover - continuing operations	*2*				
Existing operations	*3*	**105,998**		95,429	
Acquisitions	*3*	**7,315**		-	
			113,313		95,429
Cost of sales	*3*		***(80,774)***		*(68,676)*
Gross profit	*3*		**32,539**		26,753
Distribution costs	*3*		***(2,624)***		*(1,812)*
Administrative expenses (before goodwill)	*3*	**(18,434)**		(15,030)	
Goodwill	*3*	**(317)**		(148)	
Total administrative expenses			**(18,751)**		(15,178)
Other operating expenses	*3*		**(20)**		(16)
Operating profit - continuing operations					
Existing operations	*3*	**10,706**		9,747	
Acquisitions	*3*	**438**		-	
Profit on ordinary activities before interest			**11,144**		9,747
Interest receivable			**191**		146
Interest payable and similar charges	*7*		**(534)**		(409)
Profit on ordinary activities before taxation	*2-7*		**10,801**		9,484
Tax on profit on ordinary activities	*8*		**(3,317)**		(3,093)
Profit for the financial year			**7,484**		6,391
Dividends paid and proposed	*9*		**(2,451)**		(2,206)
Retained profit for the financial year	*21,22*		**5,033**		4,185
Earnings per share:	*10*				
Basic			**42.21p**		36.58p
Diluted (after goodwill amortisation)			**41.77p**		36.12p
Adjusted diluted (before goodwill amortisation)			**43.54p**		36.96p

There is no material difference in profit on ordinary activities before taxation and profit for the financial year stated above and the historical cost equivalents and therefore no separate note of historical cost profits and losses has been presented.

Consolidated Balance sheet at 31 March 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
Fixed assets					
Intangible assets - goodwill	*11*	**6,068**		4,039	
Tangible assets	*12*	**13,621**		10,700	
			19,689		14,739
Current assets					
Stocks	*14*	**19,627**		16,253	
Debtors	*15*	**26,331**		20,850	
Cash at bank and in hand		**5,051**		2,767	
		51,009		39,870	
Creditors: amounts falling due within one year	*16*	**(29,566)**		(22,011)	
Net current assets			**21,443**		17,859
Total assets less current liabilities			**41,132**		32,598
Creditors: amounts falling due after more than one year	*17*		**(7,038)**		(5,424)
Provisions for liabilities and charges	*19*		**(874)**		(786)
Net assets			**33,220**		26,388
Capital and reserves					
Called up share capital	*20*		**891**		876
Share premium account	*21*		**5,872**		5,008
Revaluation reserve	*21*		**1,017**		-
Merger reserve	*21*		**947**		721
Profit and loss account	*21*		**24,493**		19,783
Equity shareholders' funds	*22*		**33,220**		26,388

These financial statements were approved by the Board of Directors on 19th June '00 and were signed on its behalf by:

Malcolm Diamond
Director

John Wilson
Director

Company Balance sheet at 31 March 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
Fixed assets					
Tangible assets	*12*	**4,784**		3,850	
Investments in subsidiary undertakings	*13*	**13,346**		10,085	
			18,130		13,935
Current assets					
Debtors	*15*	**7,861**		6,969	
Cash at bank and in hand		**11,886**		12,557	
		19,747		19,526	
Creditors: amounts falling due within one year	*16*	**(4,198)**		(3,387)	
Net current assets			**15,549**		16,139
Total assets less current liabilities			**33,679**		30,074
Creditors: amounts falling due after more than one year	*17*		**(5,731)**		(4,753)
Provisions for liabilities and charges	*19*		**(5)**		(44)
Net assets			**27,943**		25,277
Capital and reserves					
Called up share capital	*20*		**891**		876
Share premium account	*21*		**5,872**		5,008
Revaluation reserve	*21*		**945**		-
Merger reserve	*21*		**2,287**		1,744
Profit and loss account	*21*		**17,948**		17,649
Equity shareholders' funds	*22*		**27,943**		25,277

These financial statements were approved by the Board of Directors on 19th June '00 and were signed on its behalf by:

Malcolm Diamond
Director

John Wilson
Director

Consolidated cash flow statement for the year ended 31 March 2000

	Note	2000		1999	
		£000	£000	£000	£000
Cash flow from operating activities	*26*		**11,071**		8,277
Return on investments and servicing of finance	*27*	**(338)**		(275)	
Taxation		**(3,553)**		(2,935)	
Capital expenditure	*28*	**(2,913)**		(1,608)	
Acquisitions and disposals	*29*	**(1,863)**		(4,014)	
Equity dividends paid		**(2,290)**		(2,042)	
			(10,957)		(10,874)
Cash inflow/(outflow) before financing			**114**		(2,597)
Financing	*30*				
Issue of ordinary share capital		**425**		17	
Increase in debt		**1,641**		3,293	
Net cash flow from financing			**2,066**		3,310
Increase in cash in the year	*32*		**2,180**		713

Reconciliation of net cash flow to movement in net debt

	Note	2000		1999	
		£000	£000	£000	£000
Increase in cash in the year	32	**2,180**		713	
Cash inflow from increase in debt and lease financing	32	**(1,641)**		(3,293)	
Change in net debt resulting from cash flows	32		**539**		(2,580)
Loans and finance leases acquired with subsidiaries	32		**(365)**		(504)
Translation difference	32		**(2)**		12
Movement in net debt in the year			**172**		(3,072)
Net debt at beginning of year	32		**(3,850)**		(778)
Net debt at end of the year	32		**(3,678)**		(3,850)

Consolidated statement of total recognised gains and losses for the year ended 31 March 2000

	2000	1999
	£000	£000
Profit for the financial year	**7,484**	6,391
Currency translation differences on foreign currency net investments	**(192)**	23
Unrealised surplus on revaluation of land and buildings	**1,017**	-
Total recognised gains relating to the financial year	**8,309**	6,414

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified to include the revaluation of certain land and buildings.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings all of which have been made up to 31 March 2000.

Where the acquisition method of accounting is required to be adopted the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In the Company's accounts, investments in subsidiary undertakings are stated at cost less amounts written off for any impairment in value.

Under section 230(4) of the Companies Act 1985, Trifast plc is exempt from the requirement to present its own profit and loss account.

The amount of profit for the year dealt with in the financial statements of Trifast plc is disclosed in note 21 to these financial statements.

Goodwill

Purchased goodwill (both positive and negative) arising on consolidation in respect of acquisitions before 1 April 1998, when FRS 10 *Goodwill and intangible assets* was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given plus any related costs over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 April 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

On the subsequent disposal or termination of a business acquired since 1 April 1998, the profit or loss on disposal or termination is calculated after charging/(crediting) the unamortised amount of any related goodwill.

Employee share schemes

No cost is recognised in respect of SAYE schemes that are offered on similar terms to all eligible employees.

1 Accounting policies (continued)

Fixed assets and depreciation

During the year the Group adopted FRS 15. Details regarding the revaluation are set out in note 12.

Depreciation is provided by the Group to write off the cost or valuation less the estimated residual value of tangible fixed assets over their estimated useful economic lives. The rates in use are as follows:

Freehold and long leasehold buildings	-	2% per annum straight line or the period of the lease
Short leasehold properties	-	period of lease
Motor vehicles	-	25% on straight line basis
Plant, machinery and fixtures	-	10-20% per annum on straight line basis
Fixtures, fittings and office equipment	-	10-25% per annum on reducing balance basis

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

For consolidation purposes, the assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Exchange differences arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pensions

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value with provision being made for obsolete and slow moving items. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods manufactured by the Group, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

Provision is made for deferred tax only to the extent that it is probable that a liability will crystallise.

1 Accounting policies (continued)

Turnover

Turnover represents the amounts (excluding value added tax) receivable by the Group in the ordinary course of business from sales to outside customers for goods supplied.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

2 Geographical segments

The Group's turnover, analysed by geographical market of destination, is as follows:

	2000 £000	1999 £000
United Kingdom	**82,547**	77,055
European Union (excluding UK)	**15,963**	6,594
Europe - other	**4,878**	5,759
North and South America	**5,240**	2,817
Far East	**4,509**	3,060
Other	**176**	144
	113,313	95,429

The Group's turnover, profit before tax and net assets, analysed by geographical market of origin, are as follows:

	UK		Asia		Rest of World		Group	
	2000 £000	1999 £000	**2000 £000**	1999 £000	**2000 £000**	1999 £000	**2000 £000**	1999 £000
Turnover								
Total sales	**92,895**	85,749	**7,653**	5,457	**20,309**	10,155	**120,857**	101,361
Inter segment sales	**(3,769)**	(3,665)	**(2,293)**	(1,437)	**(1,482)**	(830)	**(7,544)**	(5,932)
Sales to third parties	**89,126**	82,084	**5,360**	4,020	**18,827**	9,325	**113,313**	95,429
Profit before taxation								
Segment profit before goodwill	**9,040**	8,194	**1,647**	1,026	**774**	675	**11,461**	9,895
Goodwill amortisation	**(88)**	(66)	**-**	-	**(229)**	(82)	**(317)**	(148)
Profit before interest	**8,952**	8,128	**1,647**	1,026	**545**	593	**11,144**	9,747
Net interest							**(343)**	(263)
Profit on ordinary activities before taxation							**10,801**	9,484
Segment net assets	**28,499**	22,196	**3,918**	1,869	**803**	2,323	**33,220**	26,388

Turnover is predominantly derived from the manufacture and logistical supply of industrial fasteners.

3 Operating profit

Operating profit is analysed as follows:

	Existing operations		Acquisitions		Continuing operations	
	2000	1999	**2000**	1999	**2000**	1999
	£000	£000	**£000**	£000	**£000**	£000
Turnover	**105,998**	95,429	**7,315**	-	**113,313**	95,429
Cost of sales	**(75,272)**	(68,676)	**(5,502)**	-	**(80,774)**	(68,676)
Gross profit	**30,726**	26,753	**1,813**	-	**32,539**	26,753
Distribution costs	**(2,266)**	(1,812)	**(358)**	-	**(2,624)**	(1,812)
Administrative expenses (before goodwill)	**(17,469)**	(15,030)	**(965)**	-	**(18,434)**	(15,030)
Goodwill amortisation	**(208)**	(148)	**(109)**	-	**(317)**	(148)
Other operating expenses	**(77)**	(16)	**57**	-	**(20)**	(16)
Operating profit	**10,706**	9,747	**438**	-	**11,144**	9,747

4 Profit on ordinary activities before taxation

	2000	1999
	£000	£000
Profit on ordinary activities before taxation is stated after charging and (crediting):		
Auditors' remuneration:		
Audit	**106**	96
Other fees paid to the auditors and their associates	**186**	166
Depreciation and other amounts written off tangible fixed assets:		
Owned	**1,439**	1,146
Leased	**35**	34
Hire of plant and machinery - operating leases	**47**	9
Hire of other assets - operating leases	**1,061**	1,017
Loss on disposal of fixed assets	**192**	117
Rents receivable from property	**(44)**	(2)
Net exchange gains	**(67)**	(172)
Goodwill amortisation	**(317)**	(148)

The total amount charged for the hire of plant and machinery amounted to £51,000 *(1999: £11,000)*. This comprises rentals payable under operating leases as well as depreciation on plant and machinery held under finance leases together with the related finance charges.

The audit fee included for the company was £30,000 *(1999: £29,000)*. The auditors also received £14,000 *(1999: £112,000)* which has been capitalised as part of the cost of the acquisitions.

5 Remuneration of Directors

	2000	*1999*
	£000	£000
Non-executive Directors		
Fees	**61**	52
Executive Directors		
Salaries	**710**	556
Bonuses	**337**	139
Pension Contributions	**136**	96
Benefits in kind	**64**	47
	1,308	890

The emoluments of the highest paid Director are shown in the Directors' Report on page 2.

The number of Directors for whom benefits are accruing under the defined contribution pension scheme is 5 *(1999: 5)*.

Details of the basis for the bonus calculation of Directors' share options and gains made by Directors' on exercise of share options during the year are set out in the Directors' report on page 2 *(1999: £nil)*.

6 Staff costs and numbers

	2000	1999
	£000	£000
Wages and salaries	**17,184**	14,942
Social security costs	**1,566**	1,270
Other pension costs	**787**	619
	19,537	16,831

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2000	1999
Office and management	**90**	81
Manufacturing	**205**	198
Sales and distribution	**598**	521
	893	800

7 Interest payable and similar charges

	2000 £000	1999 £000
On bank overdraft	**46**	40
Finance charges payable in respect of finance leases and hire purchase contracts	**10**	15
Loans and mortgages	**476**	346
Other	**2**	8
	534	409

8 Taxation

	2000 £000	1999 £000
UK corporation tax at 30% (1999: 31%)	**2,793**	2,652
Overseas taxes	**608**	261
Deferred taxation	**(55)**	59
Adjustment relating to an earlier year	**(29)**	121
	3,317	3,093

9 Dividends

	2000 £000	1999 £000
Ordinary shares:		
Interim - 2000: 4.57p per share *(1999: 4.17p)*	**810**	739
Final proposed - 2000: 9.14p per share *(1999: 8.33p)*	**1,641**	1,467
Total dividend	**2,451**	2,206

10 Earnings per share

	2000 £000	1999 £000
Earnings per share		
Post tax profit for the financial year	**7,484**	6,391
Goodwill amortisation charge	**317**	148
Post tax profit for the year before goodwill amortisation	**7,801**	6,539

10 Earnings per share *(continued)*

	2000	1999
Weighted average number of ordinary shares in issue - basic	**17,727,819**	17,475,875
Adjustment in respect of share options	**186,881**	220,855
Weighted average number of ordinary shares in issue - diluted	**17,914,700**	17,696,730
Basic (after goodwill amortisation)	**42.21p**	36.58p
Diluted (after goodwill amortisation)	**41.77p**	36.12p
Adjusted diluted (before goodwill amortisation)	**43.54p**	36.96p

The 'Adjusted diluted' earnings per share is calculated after adding back the goodwill amortisation of £317,000 *(1999: £148,000)*. In the directors' opinion this best reflects the underlying performance of the Group and assists in the comparison with the results of earlier years.

11 Intangible assets - goodwill

During the year, the Group acquired 100% of the share capital of the company listed below.

		Consideration		
Company acquired	**Date**	**Shares** £000	**Cash** £000	**Goodwill** £000
FCF Management AB	19 May 1999	657	2,776	2,346
Acquisition costs			45	
		657	2,821	2,346

An amount of £586,000 cash consideration and £109,000 consideration in shares has been deferred for periods up to 2½ years from the date of acquisition.

Group	**Goodwill** £000
Cost	
At beginning of year	4,187
Additions	2,346
At end of year	6,533
Amortisation	
At beginning of year	148
Charge for year	317
At end of year	465
Net book value	
At 31 March 2000	**6,068**
At 31 March 1999	4,039

Goodwill is being amortised over 20 years. It is the directors opinion that this represents the minimum period of an acquisition's life, and that all acquisitions made by the Group are made with the intention of being retained for the long term.

12 Tangible fixed assets

Group	Land and buildings £000	Leasehold improve-ments £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost or valuation						
At beginning of year	5,176	247	8,705	3,840	286	18,254
Exchange difference	-	2	4	(24)	(2)	(20)
Acquisition of subsidiaries	632	-	173	-	6	811
Additions	1,475	121	1,288	758	54	3,696
Disposals	(909)	(45)	(222)	(71)	(107)	(1,354)
Transfer	-	(9)	21	(1)	(11)	-
Revaluation	1,017	-	-	-	-	1,017
At end of year	7,391	316	9,969	4,502	226	22,404
Depreciation						
At beginning of year	671	90	4,237	2,373	183	7,554
Exchange difference	1	-	-	(8)	(2)	(9)
Acquisitions of subsidiaries	26	-	111	-	6	143
Charge for year	117	35	816	468	38	1,474
Disposals	(105)	(16)	(110)	(48)	(100)	(379)
Transfers	-	(1)	11	-	(10)	-
At end of year	710	108	5,065	2,785	115	8,783
Net book value						
At 31 March 2000	**6,681**	**208**	**4,904**	**1,717**	**111**	**13,621**
At 31 March 1999	4,505	157	4,468	1,467	103	10,700

12 Tangible fixed assets *(continued)*

Land and buildings are analysed as follows:

	Freehold £000	Long leasehold £000	Short leasehold £000	Total £000
Cost or valuation				
At beginning of year	4,284	890	2	5,176
Exchange difference	(20)	20	-	-
Acquisition of subsidiaries	632	-	-	632
Additions	90	1,385	-	1,475
Disposals	-	(909)	-	(909)
Revaluation	1,017	-	-	1,017
At end of year	6,003	1,386	2	7,391
Depreciation				
At beginning of year	570	100	1	671
Exchange difference	(1)	2	-	1
Acquisition of subsidiaries	26	-	-	26
Charge for year	89	28	-	117
Disposals	-	(105)	-	(105)
At end of year	684	25	1	710
Net book value				
At 31 March 2000	***5,319***	***1,361***	***1***	***6,681***
At 31 March 1999	3,714	790	1	4,505

Company	Land and buildings £000	Fixtures and fittings £000	Total £000
Cost or valuation			
At beginning of year	4,179	677	4,856
Additions	2	120	122
Revaluation	945	-	945
At end of year	5,126	797	5,923
Depreciation			
At beginning of year	559	447	1,006
Charge for year	66	67	133
At end of year	625	514	1,139
Net book value			
At 31 March 2000	**4,501**	**283**	**4,784**
At 31 March 1999	3,620	230	3,850

12 Tangible fixed assets *(continued)*

Land and buildings are analysed as follows:

	Freehold £000	Short leasehold £000	Total £000
Cost or valuation			
At beginning of year	4,177	2	4,179
Additions	2	-	2
Revaluation	945	-	945
At end of year	5,124	2	5,126
Depreciation			
At beginning of year	558	1	559
Charge for year	66	-	66
At end of year	624	1	625
Net book value			
At 31 March 2000	**4,500**	**1**	**4,501**
At 31 March 1999	3,619	1	3,620

Company and Group

Freehold land and buildings as at 31 March 2000 were valued at their open market value at that date and are included in the financial statements at those amounts. The freehold land and buildings held in TR Formac Pte Ltd and TR Scandinavia AB were not revalued, these buildings have recently been acquired and their current market value does not materially differ from that stated. The full valuations were performed by Weatherall Green and Smith, External Chartered Surveyors (RICS) and have resulted in a revaluation gain of £1,017,000.

Land and buildings would have been included on a historical basis at:

Group	**2000 £000**	1999 £000
Cost	**5,632**	4,930
Depreciation	**(720)**	(606)
	4,912	4,324

Company	**2000 £000**	1999 £000
Cost	**4,155**	4,153
Depreciation	**(610)**	(544)
	3,545	3,609

Company and Group

The cost of freehold land on which no depreciation is charged amounts to £2,398,000 *(1999: £888,000)*.

The net book value of fixtures and fittings, includes amounts of £nil *(1999: £46,505)* in respect of fixed assets held under hire purchase obligations. Depreciation charged for the year on these assets amounted to £nil respectively *(1999: £15,502)*.

13 Fixed asset investments in subsidiary undertakings

Company	**£000**
At beginning of year	10,085
Additions (including costs of acquisitions of £45,000)	3,478
Investment written off	(217)
At end of year	**13,346**

Details of principle subsidiary undertakings, country of registration and principle activity are included on page 35.

The fair value of the net assets of the subsidiary acquired during the year is set out below:

	Book value £000
Fixed assets	
Tangible assets	668
Current assets	
Stock	839
Debtors	767
Cash	372
Total assets	2,646
Creditors	
Trade creditors	797
Other creditors	274
Loans	365
Taxation	(47)
Deferred tax	125
Total liabilities	1,514
Net assets	1,132

The directors are of the opinion that the book value of the net assets acquired is equal to the fair value to the group.

14 Stocks

	Group	
	2000 £000	1999 £000
Raw materials and consumables	**530**	362
Work in progress	**381**	385
Finished goods and goods for resale	**18,716**	15,506
	19,627	16,253

The group consignment stock held from suppliers at the year end, which was not included on the balance sheet, was £504,000 *(1999: £260,000)*. This stock will be invoiced to the group as it is drawn down.

15 Debtors

	Group		Company	
	2000	1999	**2000**	1999
	£000	£000	**£000**	£000
Amounts falling due within one year				
Trade debtors	**25,288**	20,075	**5**	-
Amounts owed by subsidiary undertakings	**-**	-	**7,790**	6,887
Other debtors	**328**	134	**-**	-
Prepayments and accrued income	**715**	628	**66**	82
	26,331	20,837	**7,861**	6,969
Amounts falling due after more than one year				
ACT recoverable	**-**	13	**-**	-
	26,331	20,850	**7,861**	6,969

16 Creditors: amounts falling due within one year

	Group		Company	
	2000	1999	**2000**	1999
	£000	£000	**£000**	£000
Mortgages (see note 17)	**250**	115	**36**	35
Bank loans and overdrafts (see note 17)	**1,358**	983	**1,025**	803
Obligations under finance leases and hire purchase contracts (see note 17)	**82**	95	**-**	27
Trade creditors	**18,340**	12,132	**109**	101
Amounts owed to subsidiary undertakings	**-**	-	**974**	292
Other creditors including taxation and social security:				
Corporation tax	**2,460**	2,711	**(804)**	183
Other taxes and social security	**1,705**	1,658	**54**	39
Deferred consideration	**697**	2	**697**	2
Accruals and deferred income	**3,046**	2,848	**479**	438
Dividend proposed	**1,628**	1,467	**1,628**	1,467
	29,566	22,011	**4,198**	3,387

17 Creditors: amounts falling due after more than one year

	Group		Company	
	2000	1999	**2000**	1999
	£000	£000	**£000**	£000
Obligations under finance leases & hire purchase contracts	**34**	115	**-**	-
Mortgage (see below)	**1,130**	330	**72**	111
Loans (see below)	**5,874**	4,979	**5,659**	4,642
	7,038	5,424	**5,731**	4,753

17 Creditors: amounts falling due after more than one year (continued)

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	Group		Company	
	2000	1999	**2000**	1999
	£000	£000	**£000**	£000
Within one year	**82**	95	**-**	27
In the second to fifth years	**34**	115	**-**	-
	116	210	**-**	27

Mortgages comprise:

	2000	1999
	£000	£000
Parent undertaking	**108**	145
Subsidiary undertakings	**1,272**	300
	1,380	445

The mortgage and loans of the parent undertaking are secured on one of its freehold properties and are repayable in monthly instalments over periods of between five and ten years. The instalments which fall due for repayment after a period of more than five years from the balance sheet date amount to £2,561,000 *(1999: £2,108,000)*. Interest is payable at between 0.9% and 1% above the HSBC Bank plc base rate or LIBOR rate.

The mortgages and loans of subsidiary undertakings are secured over premises and assets of the subsidiaries and are repayable in instalments payable over varying periods until 2004 at interest rates of between 5.0% and 5.9%. The amounts payable after a period of more than five years from the balance sheet date total £nil *(1999: £nil)*.

Bank loans and overdrafts are repayable as follows:

	Group		Company	
	2000	1999	**2000**	1999
	£000	£000	**£000**	£000
Between one and two years	**1,046**	926	**976**	803
Between two and five years	**2,267**	1,945	**2,122**	1,731
In five years or more	**2,561**	2,108	**2,561**	2,108
	5,874	4,979	**5,659**	4,642
In one year or less	**1,358**	983	**1,025**	803
	7,232	5,962	**6,684**	5,445

Overdrafts which are secured over Company assets, are repayable on demand and have interest at between 0.9% and 1% above base rate.

18 Financial instruments

Currency Exposures

The financial assets of £4.8m include £1.5m held in a combination of Euro-Zone currencies, Asian currencies and US dollars, the balance is held in sterling. Of the financial liabilities (note 17) £4.4m relates to loans held in Swedish Kronor, US dollars and Singapore dollars.

Fair value

There is no material difference between the fair value and book value of short term borrowings, cash and deposits due to their short maturities. The loans and other borrowings payable after one year generally attract variable interest rates. Thus the fair value of these instruments at 31 March 2000 also approximates to their book value as set out in note 17.

19 Provisions for liabilities and charges

	Deferred taxation	
	Group £000	**Company £000**
At beginning of year	**786**	**44**
Deferred tax acquired on acquisition	**125**	-
Adjustment relating to an earlier year	**18**	-
Credit for the year	**(55)**	**(39)**
At end of year	**874**	**5**

The amounts provided for deferred taxation and the amounts not provided are set out below:

Group	**2000**		1999	
	Provided £000	**Unprovided £000**	Provided £000	Unprovided £000
Difference between accumulated depreciation and capital allowances	**795**	-	653	-
Chargeable gains rolled over	-	**800**	-	495
Other timing differences	**79**	-	133	-
	874	**800**	786	495

Company	**2000**		1999	
	Provided £000	**Unprovided £000**	Provided £000	Unprovided £000
Difference between accumulated depreciation and capital allowances	**8**	-	44	-
Chargeable gains rolled over	-	779	-	495
Other timing difference	**(3)**	-	-	-
	5	779	44	495

20 Called up share capital

	2000 £000	1999 £000
Authorised		
Ordinary shares of 5p each	**2,000**	2,000
Allotted, called up and fully paid		
Ordinary shares of 5p each	**891**	876

On 4 May 1999 95,389 ordinary shares of 5p were issued as a result of the exercise of options under the Group's SAYE scheme. Details of the QUEST are included in the Directors report on page 4.

On 19 May 1999 80,495 ordinary shares of 5p were issued as part consideration in respect of the acquisition of TR Scandinavia AB (see note 31).

Also 107,399 ordinary shares of 5p were issued during the year upon the exercising of employee share options. The options were granted on 1 May 1993, 20 September 1994, 1 October 1995, 1 October 1996, 1 October 1997, 1 October 1998 and 1 October 1999 and were issued at their exercise prices of £2.00, £2.10, £3.00, £4.00, £5.00, £6.00 and £8.00 per share respectively.

At 31 March 2000, directors and employees had options for a total of 794,093 ordinary shares, exercisable between October 2000 and December 2009 at option prices ranging from £2.00 to £10.025.

21 Reserves

Group	**Share premium account £000**	**Revaluation reserve £000**	**Merger reserve £000**	**Profit and loss account £000**
At beginning of year	5,008	-	721	19,783
Retained profit for the year	-	-	-	5,033
Capitalisation of reserves on issue of shares to QUEST	-	-	-	(448)
Issue of shares	864	-	543	-
Transfer (see below)	-	-	(317)	317
Exchange differences	-	-	-	(192)
Revaluation	-	1,017	-	-
At end of year	**5,872**	**1,017**	**947**	**24,493**

21 **Reserves** (continued)

Company	**Share premium account £000**	**Revaluation reserve £000**	**Merger reserve £000**	**Profit and loss account £000**
At beginning of year	5,008	-	1,744	17,649
Retained profit for year	-	-	-	299
Issue of shares	864	-	543	-
Revaluation	-	945	-	-
At end of year	**5,872**	**945**	**2,287**	**17,948**

The merger reserve arises under s131 Companies Act 1985 and is a non-distributable reserve. An amount equal to the goodwill amortisation charged in the profit and loss account during the year was transferred from the merger reserve to the profit and loss account.

As at 31 March 2000 the cumulative amount of goodwill which has been written off on acquisitions prior to 1 April amounted to £4,593,000 *(1999: £4,593,000)*. This amount is net of goodwill attributable to subsidiary undertakings or businesses disposed of prior to the balance sheet date.

22 Reconciliations of movements in shareholders' funds

	Group		**Company**	
	2000 £000	1999 £000	**2000 £000**	1999 £000
Profit for the financial year	**7,484**	6,391	**2,750**	4,468
Dividends	**(2,451)**	(2,206)	**(2,451)**	(2,206)
Retained profit for the year	**5,033**	4,185	**299**	2,262
Capitalisation of reserves on issue of shares to QUEST	**(448)**	-	-	-
Issue of ordinary shares	**1,422**	892	**1,422**	892
Exchange gains/(losses)	**(192)**	23	-	-
Revaluation	**1,017**	-	**945**	-
Net addition to shareholders' funds	**6,832**	5,100	**2,666**	3,154
Opening shareholders' funds	**26,388**	21,288	**25,277**	22,123
Closing shareholders' funds	**33,220**	26,388	**27,943**	25,277

23 Contingent liabilities

(i) The Company has cross guarantees on overdrafts with four subsidiaries. The amount outstanding at the end of the year was £8,584,000 *(1999: £10,868,000).* The amount outstanding in group subsidiaries of £8,584,000 is offset by funds held centrally in Trifast plc of £11,886,000.

(ii) Guarantee for the liabilities of the Irish subsidiary undertakings.

In accordance with the provisions of Section 17 of the Republic of Ireland Companies (Amendment) Act 1986, Trifast plc has given irrevocable guarantees in respect of the financial year from 1 April 1999 to 31 March 2000, in respect of the liabilities, as are referred to in Section 5(c) of that Act, for the subsidiary companies TR Southern Fasteners Limited (formerly Southern Industrial Fasteners Ltd), Ferreus Precision Limited and Ferreus Limited.

24 Commitments

(i) Capital commitments at the end of the financial year for which no provision has been made:

	Group		Company	
	2000	1999	**2000**	1999
	£000	£000	**£000**	£000
Contracted	**781**	494	**600**	-

(ii) Annual commitments under non-cancellable operating leases are as follows:

Group	2000		1999	
	Land and buildings	**Other**	Land and buildings	Other
Operating leases which expire:	**£000**	**£000**	£000	£000
Within one year	**229**	**379**	-	96
In the second to fifth years inclusive	**391**	**510**	355	1,101
Over five years	**442**	-	678	-
	1,062	**889**	1,033	1,197

Company	2000		1999	
	Land and buildings	**Other**	Land and buildings	Other
	£000	**£000**	£000	£000
Operating leases which expire:				
Within one year	-	**9**	-	15
In the second to fifth years inclusive	**17**	**28**	-	7
Over five years	-	-	17	-
	17	**37**	17	22

25 Pension scheme

The Group operates defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the Group to the funds and amounted to £786,000 *(1999: £619,000).*

At the end of the financial year there were outstanding pensions contributions of £78,000 *(1999: £65,000).*

26 Reconciliation of operating profit to net cash inflow from operating activities

	2000 £000	1999 £000
Operating profit	**11,144**	9,747
Depreciation charge	**1,474**	1,180
Loss on sale of tangible fixed assets	**192**	117
Goodwill amortisation	**317**	148
(Increase) in stocks	**(2,642)**	(2,475)
(Increase) in debtors	**(4,872)**	(2,638)
Increase in creditors	**5,458**	2,198
Net cash inflows from operating activities	**11,071**	8,277

27 Returns on investment and servicing of finance

	2000 £000	1999 £000
Interest received	**191**	146
Interest paid	**(520)**	(406)
Interest element of finance lease rental payments	**(9)**	(15)
Net cash outflow for returns on investment and servicing of finance	**(338)**	(275)

28 Capital expenditure

	2000 £000	1999 £000
Purchase of tangible fixed assets	3,696	1,927
Sale of tangible fixed assets	(783)	(319)
Net cash outflow for capital expenditure	2,913	1,608

29 Acquisitions

	2000 £000	1999 £000
Purchase of subsidiary undertakings	2,235	4,359
Net cash acquired with subsidiaries	(372)	(372)
Deferred consideration paid	-	27
Net cash outflow for acquisitions	1,863	4,014

30 Financing

	2000 £000	1999 £000
Issue of ordinary share capital	425	17
Increase in short term borrowings	405	533
Loan repayable between 2001 and 2007	1,330	2,735
Capital element of finance lease rental payments	(94)	25
Net cash inflow from financing	2,066	3,310

31 Purchase of subsidiary undertakings

	2000 £000	1999 £000
Net assets acquired (see note 13)	1,132	1,048
Goodwill (see note 11)	2,346	4,187
Consideration given	3,478	5,235

The consideration was satisfied by:

	2000 £000	1999 £000
Cash	2,235	4,359
Shares allotted	548	876
Deferred consideration	695	-
	3,478	5,235

31 Purchase of subsidiary undertakings (continued)

The subsidiary undertakings acquired during the year contributed £94,000 *(1999: £32,000)* to the Group's net operating cash flows, paid £29,000 *(1999: £121,000)* in respect of net returns on investments and servicing of finance, paid £111,000 (*1999: £260,000)* in respect of taxation and utilised £124,000 *(1999: £18,000)* for investing activities.

32 Analysis of net debt

	At 1 April 1999	Cash flow	Acquisitions (excluding cash & overdrafts)	Exchange movement	At 31 March 2000
	£000	£000	£000	£000	£000
Cash at bank and in hand	2,767	2,301	-	(17)	**5,051**
Overdrafts	(106)	(121)	-	10	**(217)**
	2,661	2,180	-	(7)	**4,834**
Debt due within one year	(992)	(405)	-	5	**(1,392)**
Debt due after one year	(5,309)	(1,330)	(365)	-	**(7,004)**
Finance leases	(210)	94	-	-	**(116)**
	(6,511)	(1,641)	(365)	5	**(8,512)**
Total	(3,850)	539	(365)	(2)	**(3,678)**

Trifast plc

Summarised Group profit and loss accounts

	Year ended 31 March 1996 £000	Year ended 31 March 1997 £000	Year ended 31 March 1998 £000	Year ended 31 March 1999 £000	Year ended 31 March 2000 £000
Turnover	47,995	60,485	78,801	95,429	**113,313**
Cost of sales	(32,441)	(41,370)	(55,520)	(68,676)	**(80,774)**
Gross profit	15,554	19,115	23,281	26,753	**32,539**
Net operating expenses (before goodwill amortisation)	(9,907)	(12,203)	(14,749)	(16,858)	**(21,078)**
Goodwill amortisation	-	-	-	(148)	**(317)**
Operating profit	5,647	6,912	8,532	9,747	**11,144**
Net interest receivable/(payable)	26	32	(108)	(263)	**(343)**
Profit on ordinary activities before taxation	5,673	6,944	8,424	9,484	**10,801**
Taxation	(1,928)	(2,378)	(2,622)	(3,093)	**(3,317)**
Profit on ordinary activities after taxation	3,745	4,566	5,802	6,391	**7,484**
Dividends	(1,403)	(1,684)	(1,941)	(2,206)	**(2,451)**
Retained profit for the year	2,342	2,882	3,861	4,185	**5,033**
Earnings per ordinary share					
Basic	23.42p	27.60p	34.11p	36.58p	**42.21p**
Diluted (after goodwill amortisation)	21.89p	26.41p	32.96p	36.12p	**41.77p**
Adjusted diluted (before goodwill amortisation)	-	-	-	36.96p	**43.54p**

Note

The adjusted diluted Earnings per Share figure is calculated taking profit after goodwill amortisation and taxation. The comparatives have not been restated under FRS 14 for the years preceding 31 March 1998.

Trifast plc

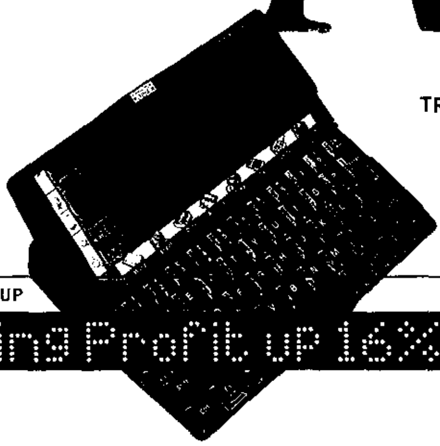
Principal trading subsidiary undertakings

Name	Country of incorporation or registration	Issued and fully paid share capital	Principal activity	Percentage of ordinary shares held	
				Group	Company
TR Fastenings Ltd	England and Wales	£10,200	Manufacture and distribution of fastenings	100%	100%
Trifast Systems Ltd	England and Wales	£100	Supply of computer software and hardware	100%	100%
TR Southern Fasteners Ltd	Republic of Ireland	IR£100	Distribution of fastenings	100%	-
Ferreus Precision Ltd	Republic of Ireland	IR£100	Manufacture and distribution of fastenings	100%	-
TR Norge AS (formerly TR Magne Bjorlo AS)	Norway	NOK 300,000	Distribution of fastenings	100%	-
TR Formac Pte Ltd	Singapore	S$315,000	Manufacture and distribution of fastenings	100%	-
TR Formac (Malaysia) SDN BHD	Malaysia	M$480,000	Manufacture and distribution of fastenings	100%	100%
Ivor Green (Exports) Ltd	England and Wales	£5,000	Distribution of fastenings	100%	100%
TR Miller BV (formerly Miller Holding BV)	Holland	NLG100,000	Distribution of fastenings	100%	100%
Lancaster Fastener Company Ltd	England and Wales	£40,000	Distribution of fastenings	100%	100%
Samson Industries Inc.	USA	$1,168,063	Distribution of fastenings	100%	100%
TR Scandinavia AB (formerly known as FCF Management AB)	Sweden	SEK 1,500,000	Distribution of fastenings	100%	100%

A full list of group companies is included in the annual return.

Report

TRIFAST plc ANNUAL REPORT & ACCOUNTS YEAR ENDED 31 MARCH 2000



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NEWS AROUND THE GROUP

E-BUSINESS THE TRIFAST WAY

TRIFAST RACES AHEAD

Operating Profit up 16%

TRIFAST

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INCREASE IN TURNOVER
to £113 million

16%

INCREASE IN OPERATING PROFIT
before goodwill to £11.5 million

18%

INCREASE IN EARNINGS PER SHARE
to 43.54 pence

10%

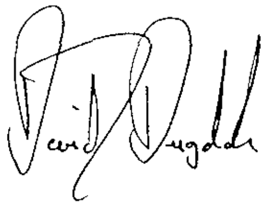
INCREASE IN DIVIDENDS PER SHARE
to 13.71 pence

WELCOME

to our 2000 annual report, the first in this new format. We hope you will enjoy reading about the progress that we have made.

Strong growth fuelled by Trifast's strategic concentration on the "new economy" technology driven sectors of electronics, computers and telecommunications.

Reports David Dugdale
CHAIRMAN



I AM VERY PLEASED TO BE ABLE TO REPORT ON AN EXCELLENT YEAR FOR TRIFAST which has again produced strong growth in sales, profits and earnings per share.

FINANCIAL HEADLINES

The Group's profit for the year before tax and goodwill increased by 15.5% from £9.63 million in 1999 to £11.12 million. Adjusted diluted earnings per share (before goodwill amortisation) rose by 17.8% in the year from 36.96 pence to 43.54 pence. Turnover of £113.3 million compared with £95.4 million in 1999, an increase of 18.7%, of which 11.1% was organic. Our overseas operations accounted for 23% of our operating profits and 21% of our turnover.

Cash flow remained excellent and as a result our gearing fell slightly from 17% to 13.5% at the year end. Net assets and shareholders funds increased during the year by 26% to £33.2 million.

DIVIDEND

The Board is recommending a final dividend of 9.14 pence net per share (1999: 8.33p) which together with the interim paid of 4.57 pence (1999: 4.17p) makes a total of 13.71 pence net per share for the year (1999: 12.5p). The total dividend is covered three times by earnings.

If approved at the Annual General Meeting on 24 August 2000 the final dividend will be paid on 5th September 2000 to shareholders on the Register as at 30 June 2000.

TRADING

During the year, we gained three new prestigious and attractive contracts which more than off-set one contract we agreed to cancel because we were not prepared to meet an automotive customer's aspirations on price reductions, and another that we could not supply because the customer ceased production of the product. This, I believe, demonstrates the inherent strength and flexibility of our business and reflects our focus on quality rather than just quantity.

The global trading environment was relatively helpful during the year with both Europe and the Far East climbing out of recession. However, our UK manufacturing customers still had to cope with the continued strength of sterling and in particular the quite extraordinary weakness of the Euro, which made life very difficult for them. The recent reversal of the trend in the Euro, should it continue, will significantly improve the competitive position of UK manufacturing in the current year.

Trifast's continued strong growth has been fuelled predominantly by our long-standing strategic concentration on the 'new economy' technology driven sectors of electronics, computers and telecommunications, and by our avoidance of any material exposure to the main plant automotive sector.

MAJOR DEVELOPMENTS

In the UK we decided to streamline our distribution facilities across the country by adopting a 'hub and satellite' approach divided into three main regions. The reorganisation has been completed in the Northern and Southern regions and will be completed in the Midlands in the current year. This new approach will make our distribution more efficient, our marketing more effective and will deliver overhead savings in the future.

We have made no new acquisitions this year apart from FCF which has already been reported and which has bedded in well producing good profits and strong sales growth. However, with some of our customers relocating to low labour cost countries we have followed them by opening logistics and distribution facilities in Hungary, Mexico and China. All of these are 'green field' start-ups and did not involve the acquisition of existing businesses.

The development of Information Technology plays an ever-increasing role in all of our lives. Trifast has always been in the forefront of systems development with its own very capable in-house team. They are currently working on delivering the exciting 'New Horizons' project, which will centralise information on a global basis and give us an opportunity to provide what we believe to be a unique service to multinational customers.

BONUS ISSUE

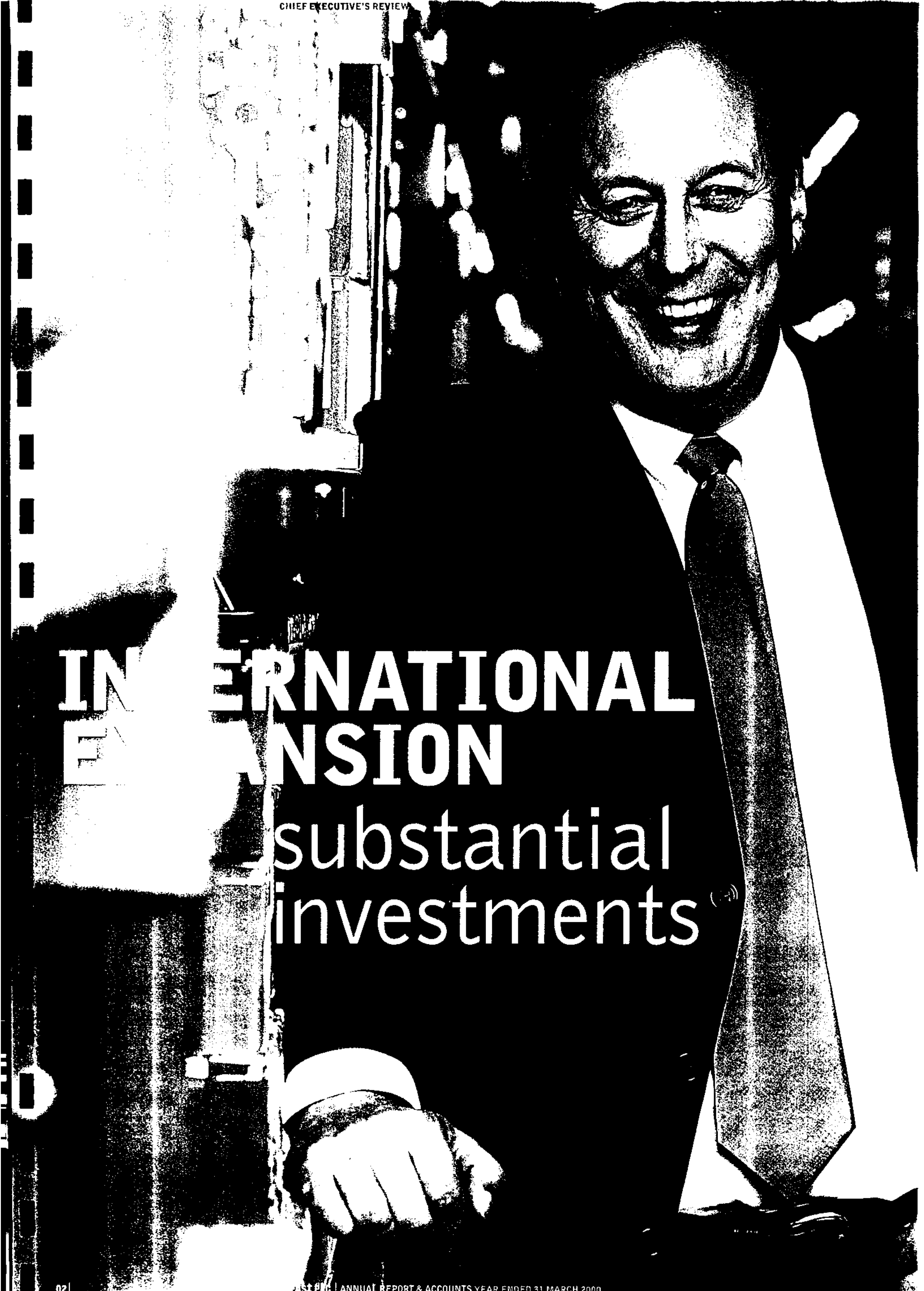
We will be putting a resolution to shareholders at the Annual General Meeting to allow us to issue three additional 5p ordinary shares to the holder of each existing 5p ordinary share resulting in shareholders then owning four shares in respect of each 5p ordinary share they currently hold.

Whilst this bonus issue will not affect the underlying value of shareholders' total holdings, the Board believes that by reducing the price of each individual share, it will help improve the liquidity and therefore the marketability of the Company's shares and attract a wider investor audience.

PROSPECTS

Trading in the current financial year has started well, and although it would be rash to forecast the outcome for the year as a whole, with our ongoing investment in people, facilities and systems, we see no reason why the business should not be able to continue to grow strongly, particularly overseas.

To conclude, I would like to thank my executive colleagues and everyone who works for the Company for their hard work and congratulate them on achieving such an excellent result for the year.



INTERNATIONAL EXPANSION

substantial investments

Strong growth fuelled by Trifast's strategic concentration on the "new economy" technology driven sectors of electronics, computers and telecommunications.

Reports David Dugdale
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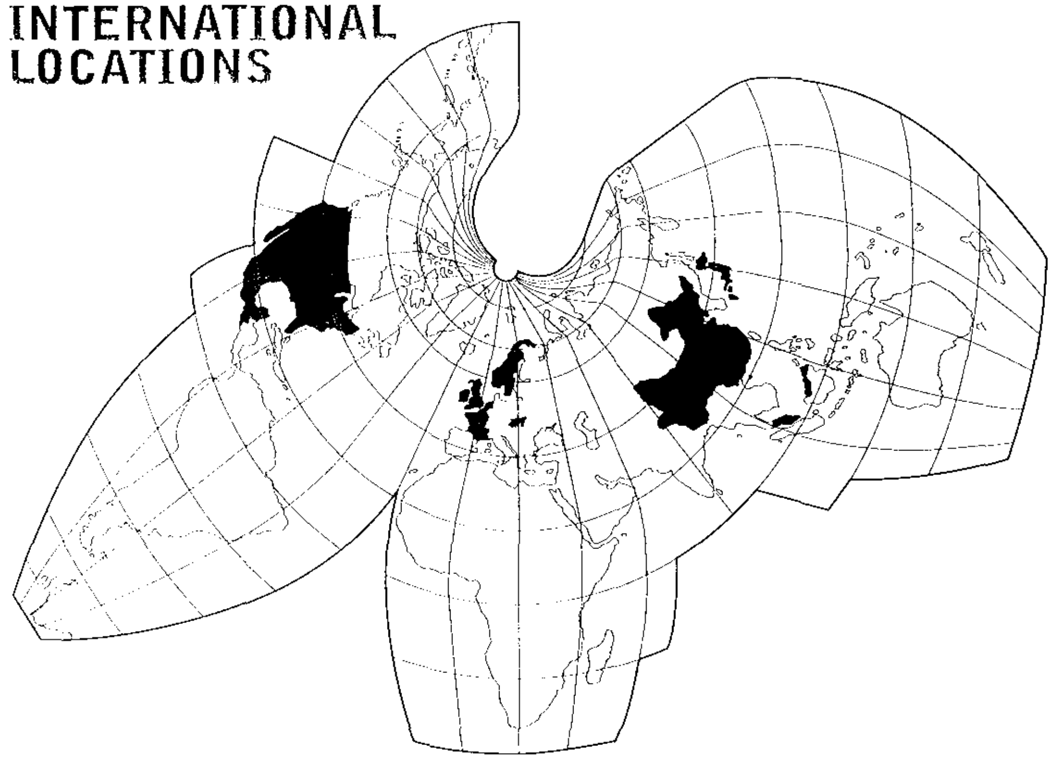
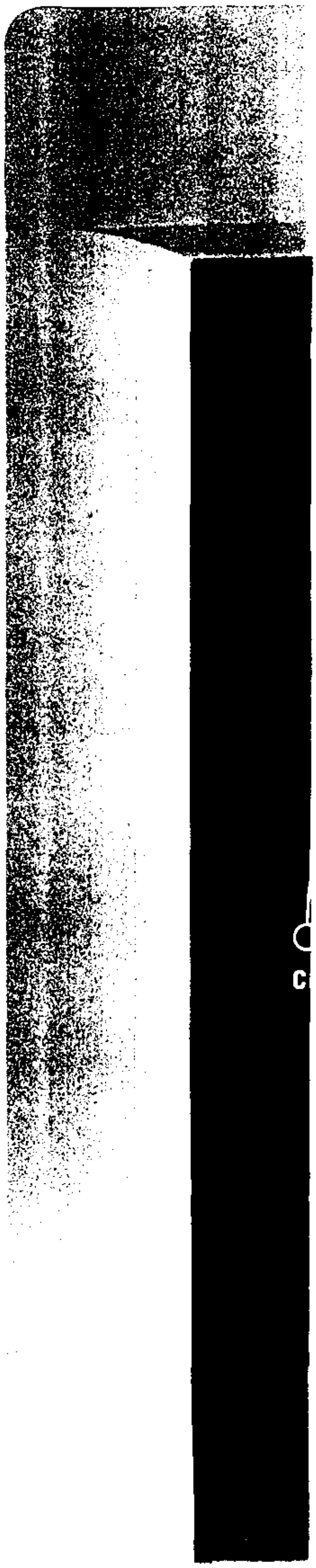
INTERNATIONAL LOCATIONS



OVERSEAS
China
France
Holland
Hungary
Japan
Malaysia
Mexico
Norway
Singapore
Southern Ireland
Sweden
USA



Since 1994, the Group has expanded from its UK base into 12 countries. Last year to support and service our multinational customers we established operations in Mexico, Hungary & China. International operations accounted for over 20% of sales and operating profits.

Going forward, during the current financial year we will invest nearly £1m to establish or enhance TR's presence in Brazil, Canada, Germany, Hungary, Mexico, Shanghai and Southern Ireland.

OVERSEAS

Taking off

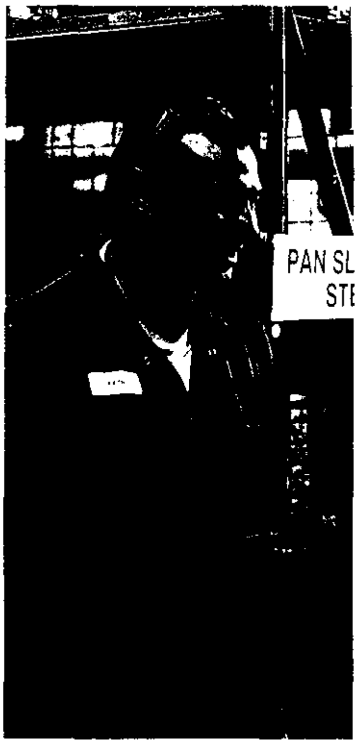
Reports Jim Barker
Director of Overseas

My role has been to develop and support our local management teams throughout the world. Luckily, I enjoy travel and exotic foods and my body is beginning to adjust to the rapid change of time zones!

The highlights last year were, the incorporation of FCF Sweden into the Trifast Group, the inauguration of a distribution centre in China, and the opening of a new factory in Singapore which was officially opened in November 1999.

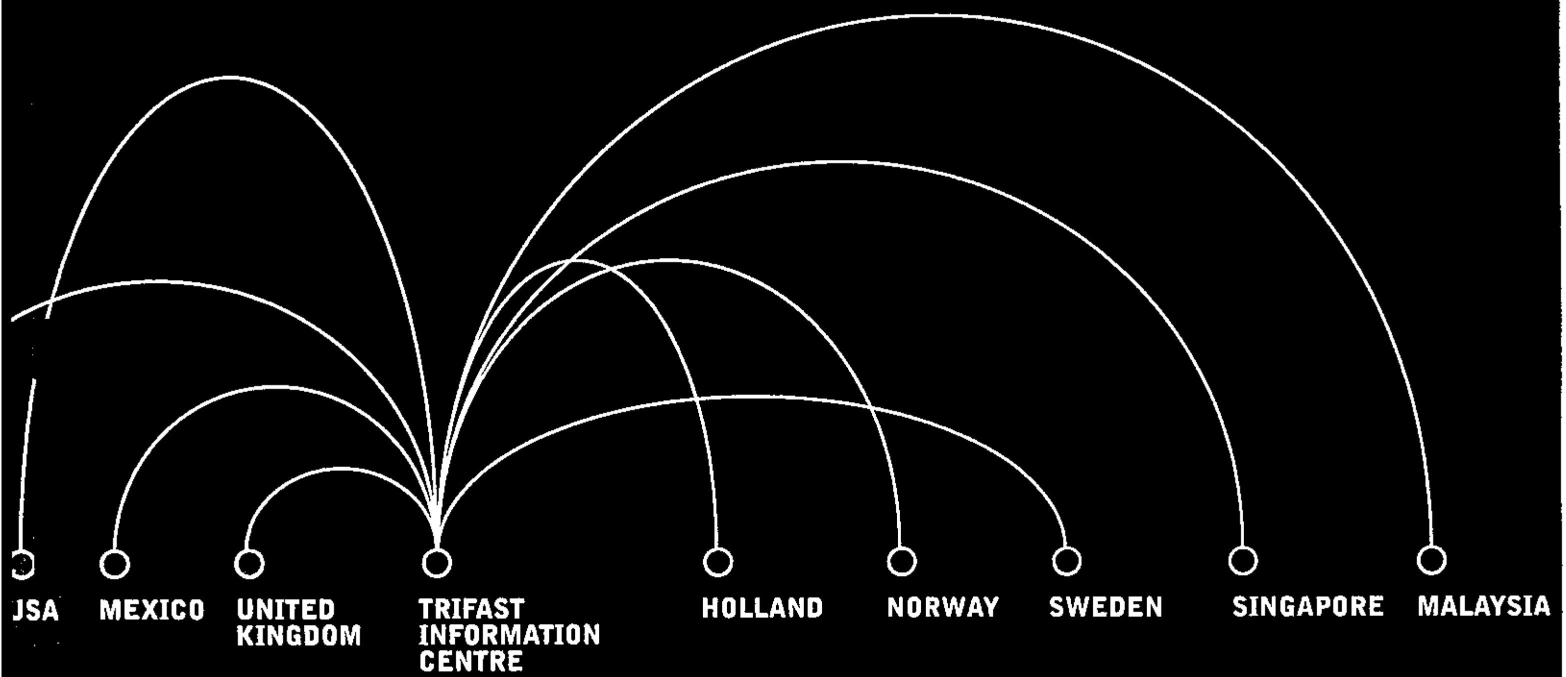
I would like to thank and praise each of the international teams for their enthusiasm and hard work.

Going forward, the exciting opportunity for us is to build a worldwide network to support our multinational customers and I look forward to reporting our progress next year.





Smile



JSA
MEXICO
UNITED KINGDOM
TRIFAST INFORMATION CENTRE
HOLLAND
NORWAY
SWEDEN
SINGAPORE
MALAYSIA

NEW

Our skill in managing the supply chain when a logistics contract is up and running is one of the keys to our success.

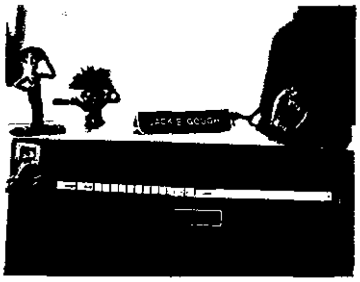
material world

Geoff Budd
Commercial Director

As Commercial Director, my role is seen as the link between the Group, its customers and suppliers.

In addition to working on customer-related topics, I constantly keep under scrutiny every aspect of purchasing and stock management.

All this plays a role in ensuring that the Group not only gains new business but also secures the best possible net margin and has in place flawless material management systems.



> Although our business teams are responding well to this added complexity, it has implications for more expenditure on technical sales support and international travel, which certainly has been incurred during the past year.

It has to be said that, in fact, every financial year we have to incur unplanned costs as we "go with the flow" in response to customer needs and wants, yet we are sustaining our reputation for reliability and consistency in yielding the annual profit growth that we indicate to our stakeholders. This clearly points to the professionalism and sense of reality that abides within our 40 or so business and support teams when undertaking the annual budgeting process.

With the ceiling-less scope for Trifast to grow globally, certainly within the context of our international market share, it is vital not to lose sight of the opportunities within the UK, which still account for over 70% of Group profitability. This has been virtually a full year of responsibility for Colin Hill in his independent role as managing director, TR Fastenings Ltd UK. During this period the management structure has been consolidated through a UK operations board, which has focused on implementing a tri-regional hub and satellite format in order to extract greater efficiencies, especially with regard to human resources. By the end of the period the northern and southern hubs were in place, and a new midlands regional director recruited onto the operations board in order to establish the third hub during this current year.

Despite the inestimable dent in UK manufacturing confidence caused by the strength of sterling and recent events in the automotive sector plus Trifast's coincidal withdrawal from any direct UK car plant involvement in 1999, we still regard the UK as a fertile growth environment, with new logistics agreements being gained at a steady pace. Therefore, we continue to regard ourselves as having the capability and broad market opportunities to grow on all fronts.

It would be difficult to complete this past year's overview without making reference to the potentially damaging effects to Trifast plc of the "dot com" frenzy largely played out in the latter part of the past financial year.

Trifast share watchers will be aware that on 1 April 1999 our share mid price was £6.52½ and at 31 March 2000 was £11.52½, and by end May was holding steady at around £10.50. This naturally poses the question as to whether Trifast is "old" or "new" economy inasmuch that we trade mostly traditional components into manufacturers of new technology products using Trifast originated IT systems that are e-commerce interactive. We have concluded that Trifast straddles both economies, and by virtue of at least 50% of revenue deriving from the electronics/computer/telecom sectors we fall into the descriptive of "second tier new economy".

Ignoring the temptations of hype, what is clear, however, is that Trifast continues to develop strongly the tangibles of wealth creation such as operating profit, cash, net assets and EPS whilst still maintaining a low, yet albeit unfashionable rate of gearing. The feedback we regularly receive from shareholders is reassuringly supportive of this policy, which naturally motivates the Board to strive for continued sustainability.

WORKING WITH US

internet solutions

→ TR Northern Ireland provide logistics support, 24hrs a day to Nortel.

todays technology

Via a specifically designed internet link, TR are able to down-load each night, Nortel's replacement needs for next day delivery.

NORTEL NETWORKS™

The partnership success works as TR now supply Nortel's plant in Brazil.

KEY EVENTS AND ACHIEVEMENTS

One of the more important achievements for the year was the highly successful integration of our Swedish acquisition FCF following the transaction (details published as a post balance sheet event in Trifast 1999 accounts) made in May last year, which is already making a material contribution to group profits. The Trifast Board warmly acknowledges the hard work and professionalism of Giovanni Bianchi and his team, not only in ensuring that a smooth transition took place, but also for their partnership with TR UK in setting up a new logistics facility near Gothenburg to support the new supply contract gained last year in south west Sweden.

During the first half of the year the Trifast Board was heavily engaged in pursuing a major acquisition within the UK market but regrettably had to withdraw following due diligence. Adviser and accounting costs were incurred as reported at the Interim announcement and, although material, have not prevented us from fulfilling our profit performance promise to shareholders. It has to be said that the rapidly shifting sands of customer factory locations, often across thousands of miles, makes us more discriminating towards making large acquisitions of distributors based in the old traditional areas, or even countries; especially when the level of service needed by customers requires us to have inventory and technical support usually no more than two hours drive time away.

By adopting a lean but flexible satellite operational approach to this geographical challenge we were able to establish new logistics facilities in Shanghai, Budapest and Nogales – all within the space of the second half of the year. For this rapid response the Board is indebted to the teams at TR Samson, TR Uckfield, Midlands and TR Formac for their consistent hard work and focus in creating these new businesses.

Two significant investments have been made in 40,000sq.ft premises within the Group – a new distribution and training hub in Hamilton, Scotland, and new factory and offices in Singapore that will now serve as the Asia hub, both of which were officially opened last year.

We have previously reported that our teams in Southern Ireland and Holland had been held back by customer delays in adopting supply agreements; however, by the end of the period this problem >>

WORKING WITH US

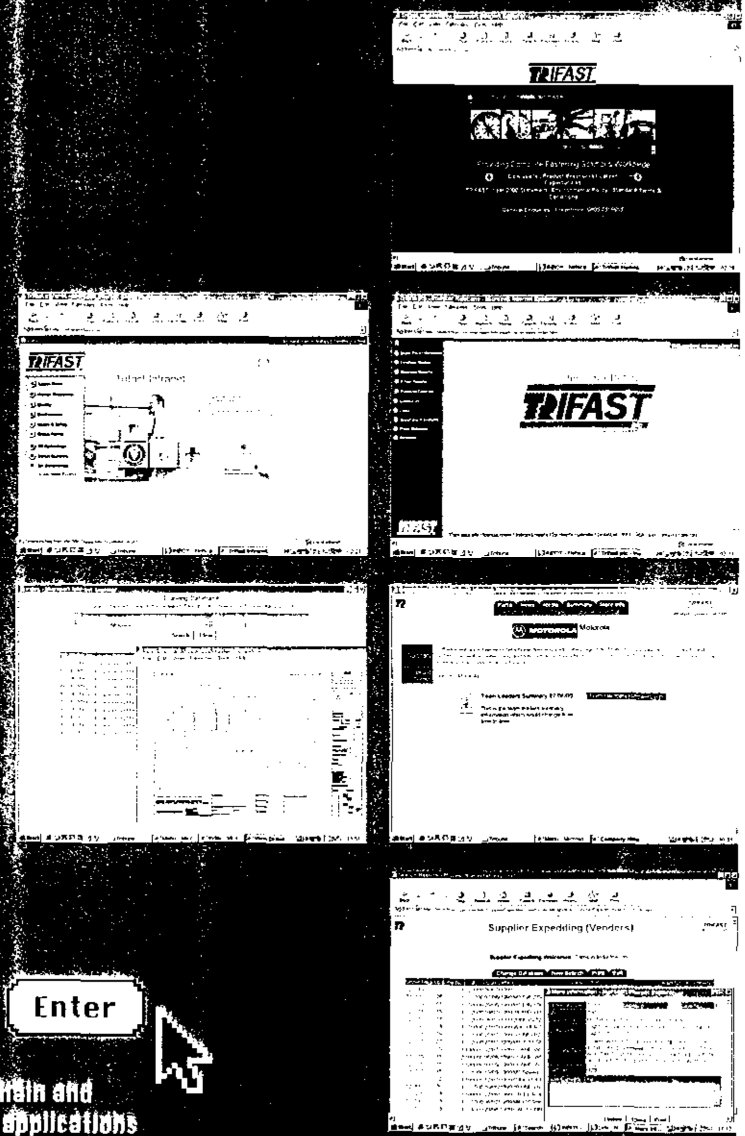
The tiny change that made a big difference...

One such customer is Psion Computers plc, renowned for its innovative palmtop computers. The product involved was a piece of technological wizardry, the Psion Series 5.

TR had been supplying standard thread-forming screws for use in the Series 5. The size of the head meant Psion was also asking for separate washers. However, TR sourced a specialised large-headed micro-diameter screw which eliminated the need for a washer.

PSION

The result was up to 21 hours a month saved on the production line – as much as 31 working days over a year.



Trifast have developed supply chain and customer service web business applications in addition to the extensive web and intranet pages.

e-business

These web business applications provide 'real time' updates and information from the core business information servers such that any user on the Trifast Global Network and any external web approved user can see and update the same information i.e. vendors entering purchase order acknowledgements etc.

During the past 12 months Trifast Systems have been charged with deploying a Global Network platform to enable a Global Information strategy to deliver projects like 'New Horizons'. There has also been an extensive deployment of 'thin client' Windows terminal technology upgrading every company desktop from a dumb terminal to Windows.

We are now in a race that possibly will be settled within the next 3-5 years – and our aim is to win it.

Malcolm Diamond
CHIEF EXECUTIVE

> had substantially reduced and current trading is returning to budgeted pectations. This experience has taught that our eagerness to serve our customers must be matched by tighter nagement of our customers' mmitment to timescales, and of course, that investments made on behalf of customers must always have a "plan B". is requirement is now added into our k management programme.

January this year we initiated the sign of a CD Rom specifically aimed to provide data and video to shareholders, analysts and potential investors. This was oduced internally by our marketing am at a cost of below £1,000, and with the support of Citigate Dewe Rogerson in rmingham, was mailed to all areholders and distributed to 9,500 subscribers of the publication Analyst. We are firmly committed to an ongoing estor relations programme, and with disruption to investor confidence arising from the "new" versus "old" onomy comparisons, we thought that had a responsibility to maximise the depth and spread of detailed information on Trifast within the investor community. have been subsequently informed that s high volume distribution of a CD Rom, purely for investor communication, is ssibly unique for a plc within the UK.

We also expanded the Trifast web site in January to include investor nmunications including a direct link he prevailing share price.

'New Horizons', our exclusive strategy for managing customer components and service support on a global basis is taking shape, following our decision mid-year to put all TR businesses on to our own computer network Tribune. The software is now finalised, and throughout this current year there will be an installation schedule coupled with the build up of the line network. Coinciding with this will be several sales management re-alignments that take key players out of vertically structured geographically based teams and put them into liberalised horizontal structures which allow them to follow multinational customers globally. My role as CEO is to manage this transition so that it rapidly gains a market leadership profile on an international basis.

Finally, most of the key achievements within Trifast are heavily dependent on the support and innovation of our IT team, Trifast Systems who are now firmly established within the Innovation Centre at Sussex University. The benefits to our organisation, that has adapted so quickly to a shifting market, of having an in-house IT development and support team are inestimable, and for this my Board is gratefully aware.

FUTURE PROSPECTS

Our strategy of developing logistics support in the Americas, Europe and Asia has consistently driven our growth over the past six years, and with the pace of demand growing even stronger, we can feel confident that our future direction is crystal clear.

What we have to focus on even more is the pace at which we spread our geographic cover, because what was obvious to us in the early nineties is now obvious to several key competitors, all of whom are much bigger than us. However, we do not believe that being big is any guarantee to winning market leadership, it is more to do with investment on a broad scale in order to establish a large number of small operations in the new high volume assembly "hotspots" around the world.

This is what Trifast is now aiming to achieve – a hectic but low risk programme of new establishments that provide part of the much needed infrastructure in emerging economies coupled with selective expansion in the more traditional established areas.

LOGISTICS

Streamlining

At the end of my first year as Managing Director of TR Fastenings Ltd I am pleased to report that with the support of my main board colleagues we have achieved another very satisfactory trading result.

In this period I have reformed the Operational Board into a structure based on functional roles, whilst also setting about developing three major hub sites within the UK which will support our satellite divisions. These strategic developments will allow us to place high levels of resource within the regions, thereby meeting the ever increasing demands of our multinational customer base.

Over the past year we have also brought together our proprietary products and the three UK manufacturing sites under the control of one management team. This is proving to be a successful operational decision in view of the acceleration in sales growth since reorganisation.

Since May we have incorporated the three trading divisions in the Republic of Ireland under the operational control of the TR Fastenings Ltd management team. Although in its early stages, this is already proving to be a beneficial decision owing to better utilisation of the management resources of TR Fastenings Ltd.

The challenge of the coming year will be to meet continued customer demand in the areas of service level and price pressure. This will be fulfilled by continuing improvements in our innovative IT systems, higher levels of training and the motivation of all our personnel to continue to drive down the supply chain costs – both direct and indirect.

WORKING WITH US

Cooking up assembly perfection

Increasingly manufacturers call in TR expertise to help perfect their products. One such working partnership was formed with the Electrolux cooker plant in County Durham. Analysis by Electrolux had found that, although small in relation to the total number of units produced, the highest percentage of after-sales service engineer call-outs involved damaged oven door handles.

TR's unique Technical Engineering Support Service carried out installation torque tests and recommended the fastener, hole size and hole alignment which would give Electrolux optimum performance.

This expertise enables quality-conscious customers to cut costs through fewer engineer call-outs and to enhance their reputation for ultra-reliable products

Electrolux

NEW VISION

WORKING WITH US

inspection

Bumper maker Hydro Raufoss tasked TR with developing a recyclable aluminium insert – and stipulated that every one of the thousands supplied must be 100% perfect

TR rose to the challenge by commissioning an inspection system using three cameras which check each insert in nine dimensions, and gained Millennium Products status for the insert itself

Hydro Raufoss Automotive
Raufoss

PERSONNEL

Reports Nicola Nicholas
Head of Human Resources

After working for Trifast for eight years, I wanted a change of career and there was an undisputable need to set up the Human Resources division. To equip me for this new challenge I studied for an Employment Law Diploma and successfully completed my IPD Qualification.

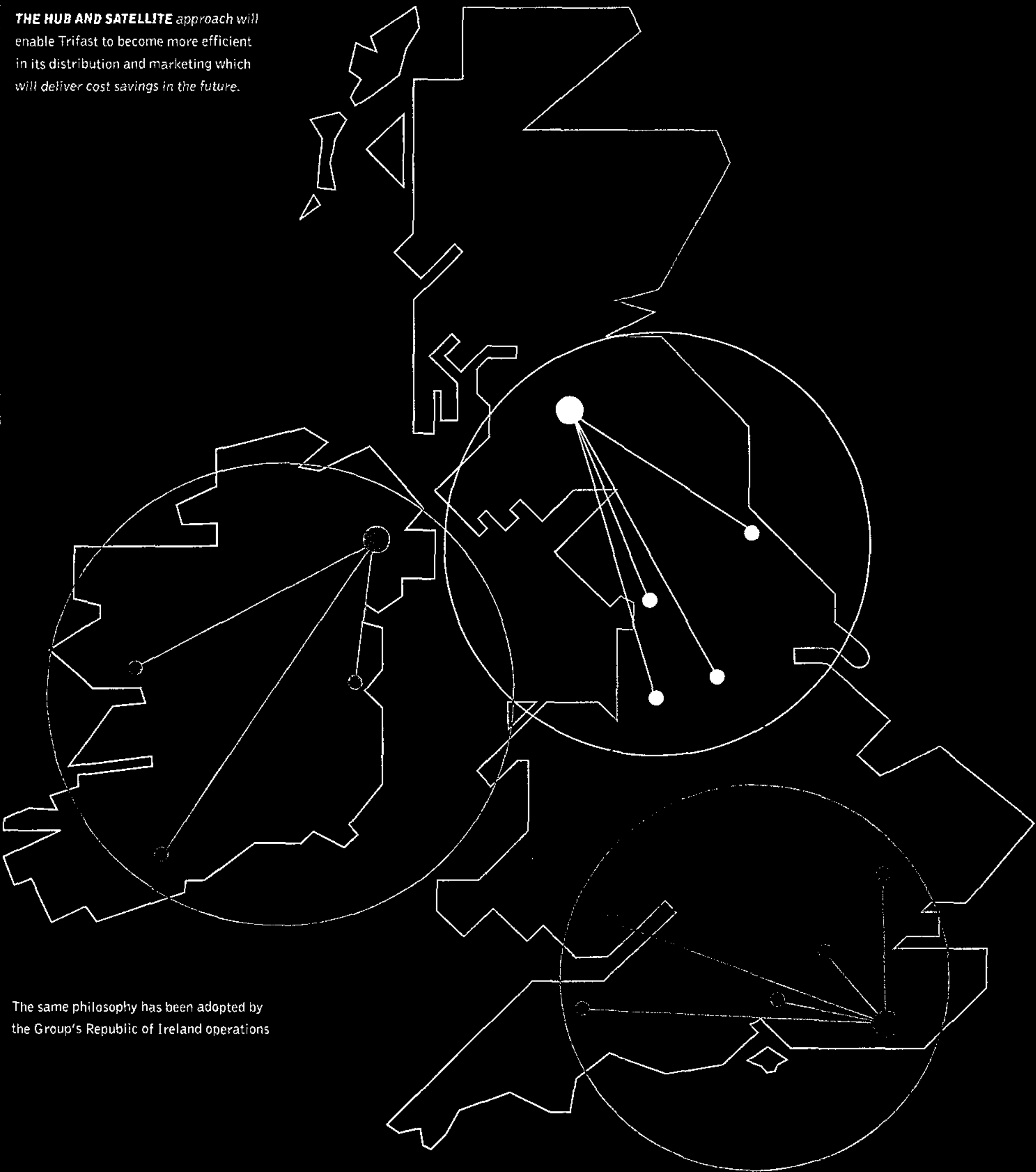
With three full time team members and a personnel adviser at each of our UK sites communication is enhanced by the HR Intranet.

HR is seen as a business contributor on strategic issues and not in the traditional personnel framework. The Team are currently broadening their knowledge in order that they can support the Company's global expansion plans. We continually review the way that staff are recruited, developed, rewarded and cared for, bench marking ourselves against Best Practice organisations, aiming to at least match what other organisations are doing.

This year we carried out our first staff satisfaction survey, believing that the opinions of employees at all levels are key to improving performance. The results have given us some fresh ideas and projects for the forthcoming year.

Our commitment to training and developing staff is recognised by our Investor in People accreditation. We have seen an increase in the number of professional qualifications being taken by staff who want to progress within the Company, and this year we will commence a two year development programme which will prepare our future.

***THE HUB AND SATELLITE** approach will enable Trifast to become more efficient in its distribution and marketing which will deliver cost savings in the future.*



The same philosophy has been adopted by the Group's Republic of Ireland operations

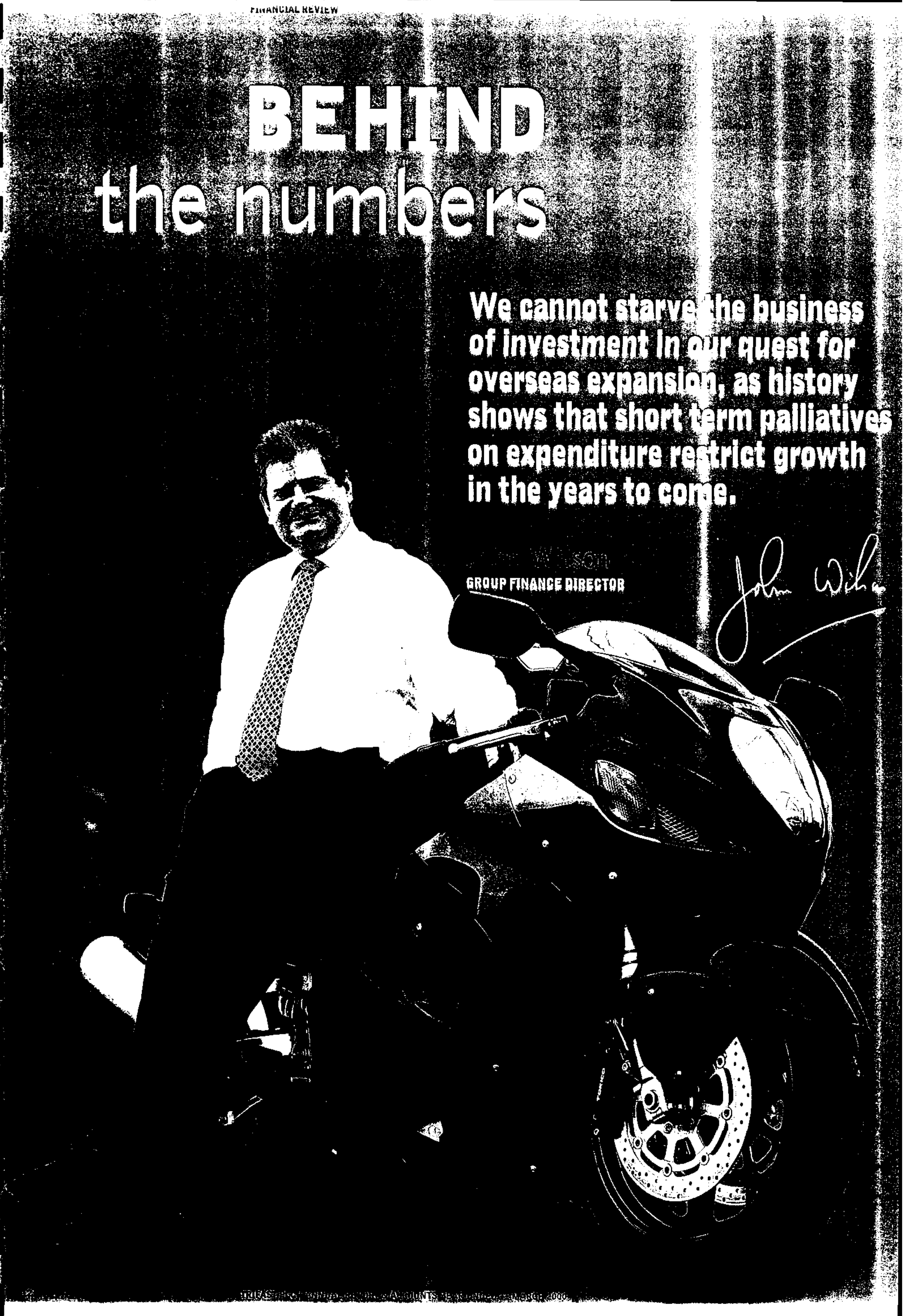
This hub is to be completed in the current year

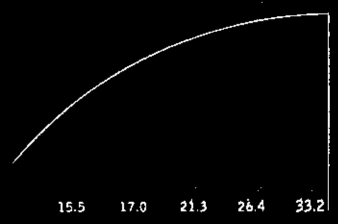
BEHIND the numbers

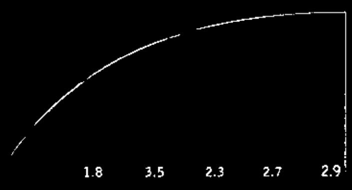
We cannot starve the business of investment in our quest for overseas expansion, as history shows that short term palliatives on expenditure restrict growth in the years to come.

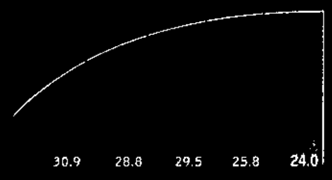
Wilson
GROUP FINANCE DIRECTOR

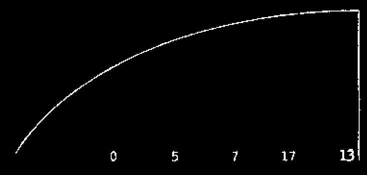
John Wilson











£MILLION £000 % %

of sterling and a ılethora of national economic concerns, t is pleasing to report that Trifast still over achieved its targets.

ıales improved by 19% to £113.3m over ıalf of which was organic with FCF in Sweden being the only newcomer in the ear. It is worth noting that 21% of our urnover came from our overseas operations, and that our Group exports rose by 30%.

.Vhilst it is comforting to see the sales growth, the profit performance is articularly satisfying.

Our gross margin improved to 28.7% of sales which is predominately due to nproved margin on the sourced product .re have to supply, as a result of the larger logistic contracts.

ılthough overheads have increased as a percentage of sales, this does include the one-off abortive acquisition costs and loss n the sale of the Singaporean factory .hich we reported at the interim. In addition, our move to larger premises in cotland and our consolidation programme the Midlands added to our costs.

Despite these one-off costs, the operating rofit before goodwill amortisation, nproved by 16% to £11.5m. Of that, £2.7m came from our overseas operations, nphasising once again how increasingly nportant these activities are to the Group and to our future growth strategy.

ısh generation remains strong with small inflow before acquisition financing resulting in a £2.2m increase. ıis helped reduce the net debt in the ear by £172K.

The credit control function achieved its target each month but suffered our largest bad debt write off since flotation of £116K, but it must be pointed out that £55K of this related to companies in the collapsed TransTec Group. On investigation, none of these debts were overdue.

The pressure on extended payment terms by customers did increase the debtor days to 73 but this was offset by the control of creditor payments. Ninety and 120 day balances on the sales ledger remained low at 1.7%.

The acceleration of corporation tax payment also affected the cash flow but this is expected to have the reverse effect this current year.

The net interest payment of £343K was covered 32 times.

With regard to treasury management, the Group manages its interest rate risk by monitoring balances on a daily basis and constantly reviewing its cash flow forecasts.

This way we can take pre-emptive action to combat troughs and maximise interest earned on peaks.

Also, the Group attempts to remove the need for subsidiaries to utilise overdraft facilities by directing surplus funds accordingly. This policy is successful as practically all the interest paid related to long term loans.

Turning to foreign currency, the Group trades in a number of currencies and seeks to match inflows and outflows to minimise risk. This policy is also successful and the Group made a small trading gain of £67K during the year.

Of the total balances of £4.8m at the year end £1.5m relates to currencies other than sterling.

The Group does not enter into hedging contracts but monitors exchange rates daily and occasionally purchases, or sells funds to maximise returns.

Our capital expenditure in the year was £2.9m of which £0.7m came as a result of the FCF acquisition. In addition we had all our UK and Ireland freehold properties externally valued which resulted in a revaluation increase of £1m. Depreciation of £1.5m reflected the additional plant purchased to assist development plans that are being implemented following the move to larger premises in Singapore.

With only one acquisition during the year, our gearing (excluding goodwill) remains low at 13.5% so the Group continues to maintain its investment in the business without placing undue risk on our stakeholders.

Once again, the balance sheet reflects these activities with net assets increasing by 26% to £33.2m.

Our tax rate did reduce from last years' high, down to 30.7% and as a consequence of these results, our earnings per share, adjusted diluted before goodwill amortisation, rose nearly 18% to 43.54p per share.

Turning to our trading activities, we have taken on board two major logistics contracts with 1st tier automotive suppliers which caused an increase in stocks of £1.3m, nearly 40% out of a total increase of £3.4m. Also included in this figure is £0.8m which came with the FCF acquisition. As we have stated many times, the winning of large logistic contracts does mean step change increases in working capital. Our skill in managing the supply chain after the contract is running is one of the keys to our success.

For the future, the development of our non-UK business (as detailed in the CEO's statement) will mean a continuing need to invest in people and revenue based resources in the future. We cannot starve the business of investment in our quest for overseas expansion, as history shows that short term palliatives on expenditure restrict growth in the years to come.

The involvement of our finance team in successfully setting up and bedding in new contracts has worked very well, bringing profit visibility to the Group in a shorter time. Resource strengthening is needed here, as in other areas, which has been confirmed by our adoption of the Business Excellence model. We intend to put more emphasis on our graduate recruitment programme as well as developing a "fast track" route for identified "high flyer" employees.

Overall, the signs bode well for the future. Trading for the current financial year is in line with budgets and our overseas development plans are designed to add to the prosperity and the security of the future. However, with six successful years as a listed company, I will not allow complacency to set in. Our aim is to continually avert any risk of this by developing new activities that aim to deliver continuous improvement.

MALCOLM DIAMOND Chief Executive

DAVID DUGDALE Chairman (non-Executive)

JOHN WILSON Deputy Chief Executive – Group Finance Director

STUART LAWSON Company Secretary


JIM BARKER Director
JOHN BUDGEN Director (non-Executive)
COLIN HILL Director
GEOFF BUDD Director

"FUNNY HATS"!!

"Work smarter – not Harder" is part of TR's work philosophy – but having fun plays a key role in the Group's culture.

All staff are invited to bring ideas to the Company on how to have fun whilst working smarter not harder. Both the 'Funny Hats' and 'Halloween' days saw the teams at TR flaunting their creations around the Divisions – not only did we have a great time, we raised *money for local charities.*

FERA UPDATE

FERA – the Fastener Engineering & Research Association formed by Trifast in January 1999 has seen its membership rise to over 250, of which 20% are experts from the industry who can advise on specialist topics, with the remaining 80% being specifiers and designers from small companies to some of the giants of the industrial and electronics sectors both in the UK and overseas.

As a non-profit making body the organisation was created to help engineers and designers and to act as a spur in the development of fastener technology.

A recent FERA survey to its members found the body not only a useful networking forum but that the data files available invaluable for new projects members were working on.

TR'S NEW FAR EASTERN PROMISE

TR's international profile in 2000 was boosted when, Mr Alan Hunt, British High Commissioner to Singapore officially opened its new flagship operation.

The 55,000 sq.ft factory, in the heart of the Group's Asian operations, has its own heat treatment plant and sophisticated engineering facilities for testing fasteners in customers' own applications.

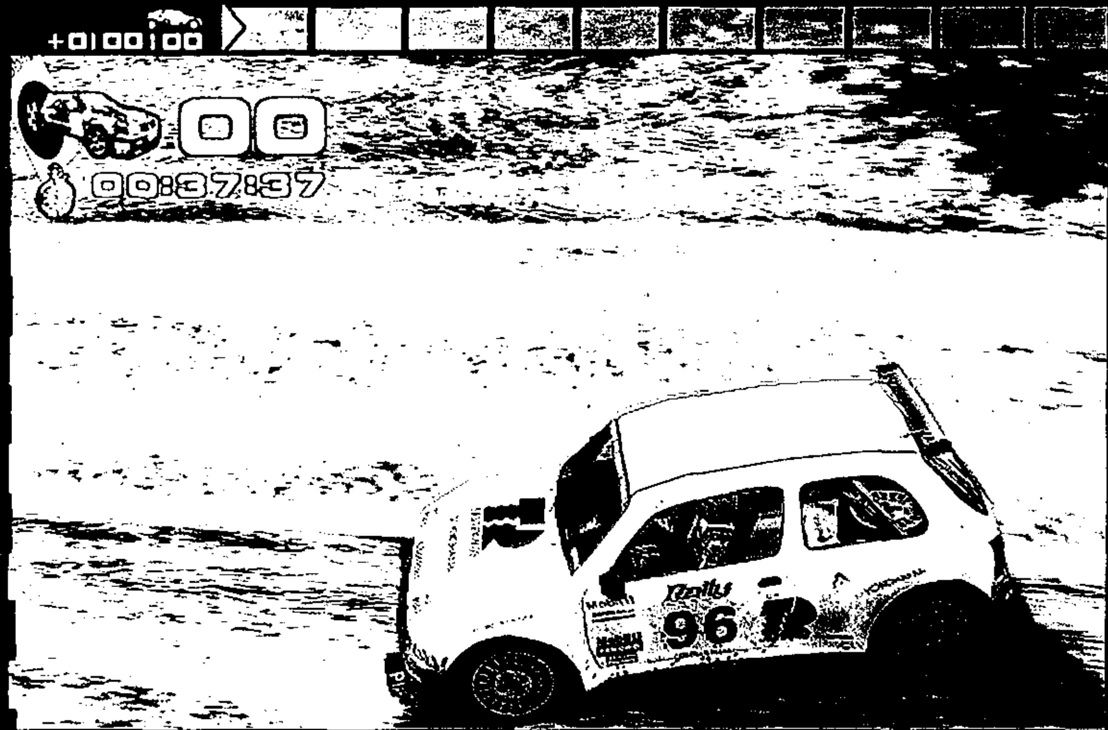
Within three years the output at the new operation will exceed 150 million pieces which, *together with the* Group's other five UK and Far Eastern factories will enable TR to meet the demand anticipated from its multinational customers in the computer, mobile phone and electronics sectors.

Not only is this the headquarters of TR's rapidly expanding activities in the region, it is also the 'Centre of Excellence' for TR's satellite operations in Penang, Shanghai and Tokyo.

TR AWARDED THE DOUBLE

TR has become the only fastener company to achieve the quality double of gaining an inventory management addition to its existing QS-9000 registration.

The approval guarantees that customers are assured that their supply of fasteners and other low cost components have been subjected to the world's most exacting quality systems.



MOVIES STAR ON TR'S NEW CD BROCHURE

Following the demand and success of the first two CD Brochures where nearly 6,000 were produced - TR's follow-up - version 3 - is a moving experience - it features nearly an hour of video.

The free, easy to use CD, which can be used on virtually any PC, is an A-Z guide to the TR network. It contains a built-in search facility for locating any product or service - all of which can be *downloaded in a matter of minutes.* Another feature is the autorun facility which automatically operates the 300 page brochure straight from the CD without taking up any hard drive on the users PC.

To obtain your copy, telephone +44 (0)1825 747275 or email keithg@trifast.com

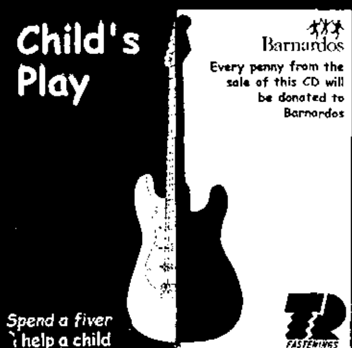
TR RACES AHEAD TO GAIN GAME TRIUMPH

TR is to be first in its industry to have its branding featured in a top commercial computer game, which allows them to profile their branding to an audience worldwide.

TR's distinctive logo features prominently on the doors and bonnet of the racing car. TR sponsored the real Nissan Micra in the British Rally, when Geoff Jones and co-driver, Rhydian Welson took the car to the top of its class.

Game publisher, Actualize are releasing the PC and Playstation versions of the Rally Championship later this year. The game, which features 3-D cars with real car handling also has over 440 miles of realistic driving.

Ultimate PC magazine rated it "The closest we have seen to photo-realism in gaming....the most realistic driving experience we have ever seen....the best PC game ....a must buy". **See www.rallychampionship.co.uk**



"TUNE IN"

TR boasts some extraordinary musical talents around the Group and what better that put it to use to raise money for Barnardo's.

'Childs Play' - 'spend a fiver and help a child' has been funded entirely by TR so every penny from the £5 raised goes to the charity.

The CD features music from three bands and one soloist - they are:

Ska band The Riffs, whose keyboard player, Dave Fisk is based at TR's Uckfield Division.

Change of Heart, whose last CD reached No.2 in Japan's rock imports chart. Lead vocalist Alan Clark is a QA inspector at TR's North-East Division.

Thrash metal band Caution!, whose guitarist, Tom Diamond is another member of TR's Uckfield Division.

Guitarist, vocalist and songwriter John Ward, a former TR director based in Scotland.

If you wish to support Barnado's and buy a copy of the CD, contact Group's Marketing Division, telephone +44 (0)1825 747275 or email keithg@trifast.com

Scalextric is to produce a limited edition model racing car featuring the TR logo which is based on the Paragon Porsche Carerra 996 sponsored by both companies. The model could become highly collectible in years to come!

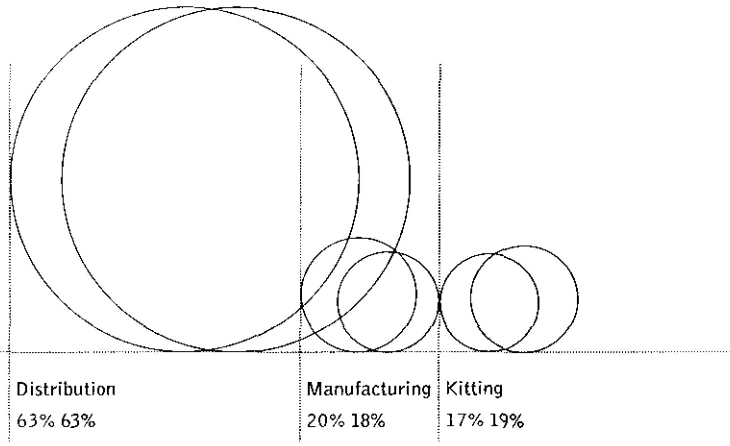
In recognition of the help the local Citizens Advice Bureau in Uckfield gives to the Community, TR has donated a Laptop computer which has been specifically formatted by Trifast Systems to suit the needs of the Bureau.

TRIFAST

REVENUE ANALYSIS

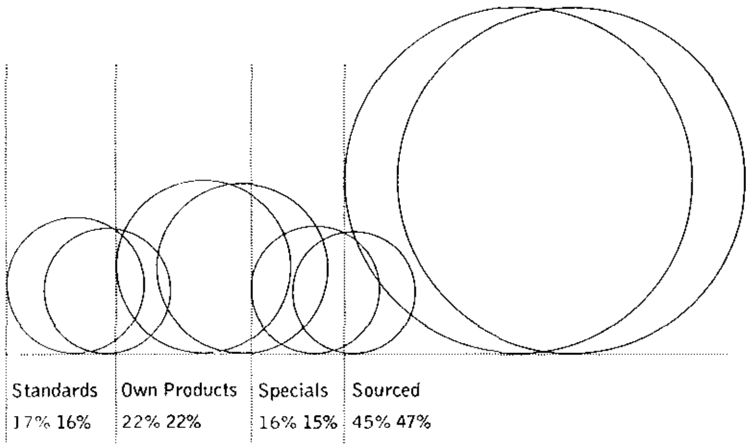
THE BUSINESS

1999 2000



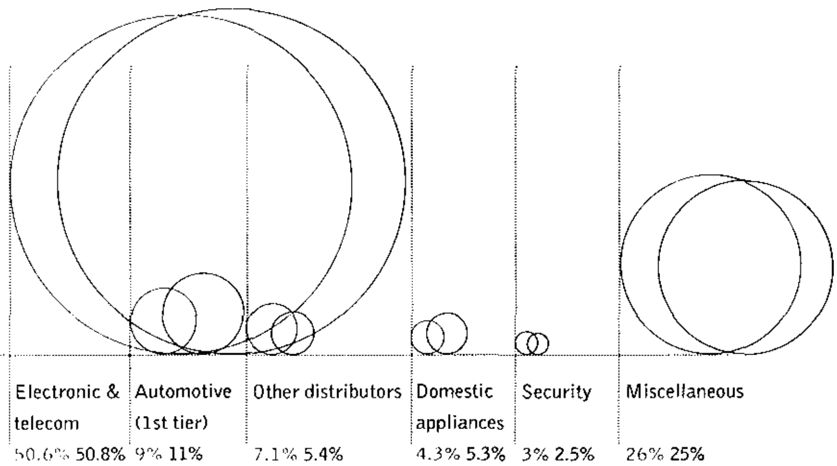
PRODUCT SPLIT

1999 2000

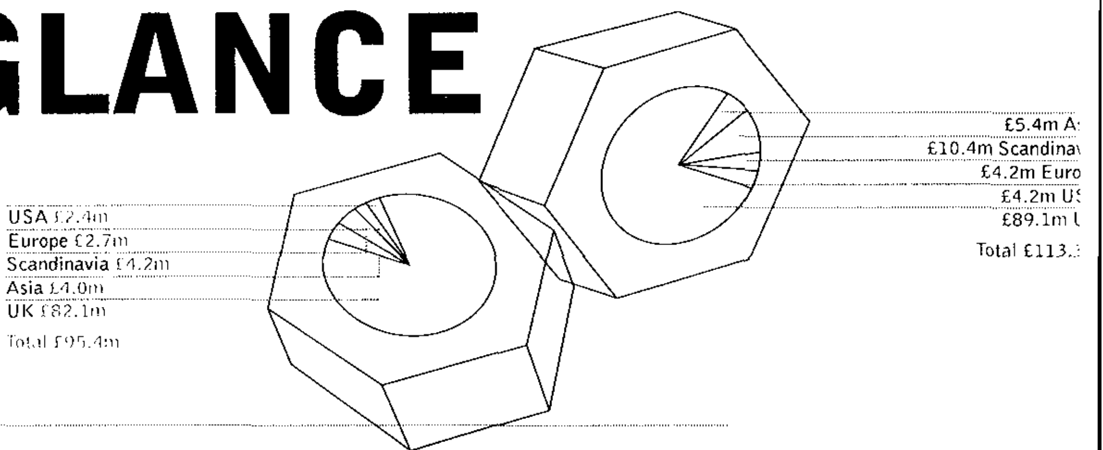


CUSTOMER SECTOR

1999 2000



At a **GLANCE**



GEOGRAPHIC ANALYSIS

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2000.

RESULTS AND DIVIDENDS

Total Group turnover was £113.313m (1999: £95.429m) and the profit for the year before goodwill amortisation and taxation was £11.118m (1999: £9.632m), and after goodwill but before tax was £10.801m (1999: £9.484m).

The Directors recommend a final dividend of 9.14p net of tax (1999: 8.33p) per ordinary share to be paid on 5 September 2000 to shareholders registered at the close of business on 30 June 2000 making, with the interim of 4.57p (1999: 4.17p) per ordinary share, a total of 13.71p (1999: 12.50p) per ordinary share for the year.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Group during the financial year has been that of the manufacture and distribution of industrial fastenings.

A review of the business activity, recent acquisitions and future prospects of the Group are covered in the statements by the Chairman, Chief Executive and Finance Director on pages 1 to 13.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out in the document enclosed, together with explanatory notes.

MARKET VALUE OF LAND AND BUILDINGS

All freehold land and buildings as at 31 March 2000, with the exception of TR Formac Pte Ltd and TR Scandinavia AB, were valued at their open market value at that date and are included in the financial statements at those amounts (See note 12).

DIRECTORS AND DIRECTORS' INTERESTS

The Directors who held office throughout the year were as follows:

D J Dugdale	J Wilson	J C Barker	J Budgen
M M Diamond	C A Hill	G P Budd	

The interests in the ordinary shares of 5p each in the Company of the Directors who held office at the end of the financial year were as follows:

	Number of shares Interest at end of year Beneficial	Number of shares Interest at beginning of year or date of appointment Beneficial
D J Dugdale	20,000	20,000
M M Diamond	173,450	200,000
J Wilson	200,000	233,900
G P Budd	93,450	120,000
C A Hill	103,350	164,400
J Budgen	17,500	17,500
J C Barker	59,500	85,700

There were no non-beneficial interests.

The Directors retiring by rotation are Malcolm Diamond and Geoffrey Budd, who hold two year rolling service contracts with the Company and John Budgen, who does not have a service contract with the Company, but whose appointment is reviewed on an annual basis.

The rights of the Directors to subscribe for ordinary shares of 5p each in the Company, including SAYE options, are as follows:

Director	Date granted	At 31 March 1999	Number of options: Options granted in the year	Options exercised in the year	At 31 March 2000
M M Diamond	20 July '98	50,000	-	-	50,000
	17 Dec '99	-	38,000	-	38,000
	SAYE options	6,900	484	3,450	3,934
J Wilson	20 Sept '94	81,580	-	81,580	-
	20 July '98	40,000	-	-	40,000
	17 Dec '99	-	30,500	-	30,500
	SAYE options	8,150	1,265	-	9,415
G P Budd	20 July '98	30,000	-	-	30,000
	17 Dec '99	-	23,000	-	23,000
	SAYE options	4,620	843	3,450	2,013
C A Hill	20 July '98	30,000	-	-	30,000
	17 Dec '99	-	23,000	-	23,000
	SAYE options	3,450	1,210	3,450	1,210
J C Barker	20 July '98	30,000	-	-	30,000
	17 Dec '99	-	23,000	-	23,000
	SAYE options	9,750	1,265	-	11,015

The SAYE options were granted between 21 April 1994 and 1 October 1999. They are exercisable between November 2000 and October 2006 at exercise prices between £3.00 and £8.00 (weighted average price £3.39).

The options granted on 20 July 1998 are exercisable between July 2001 and July 2008 at an exercise price of £6.07 per share.

The options granted on 17 December 1999 are exercisable between December 2002 and December 2009 at an exercise price of £10.025 per share.

The options granted in July 1998 and December 1999 can only be exercised if the Company's growth based on annualised earnings per share in the period or any three consecutive financial years after the grant exceeds RPI plus an average of 2% per annum.

The market price of the ordinary shares at 31 March 2000 was £11.525 (1999: £6.525) and the range during the year was £6.525 to £12.00.

During the year the following options were exercised:

Director	Number of shares exercised	Exercise price	Market price at exercise date	Gains made per share	Total gains made £000
M M Diamond	3,450	200p	670p	470p	16
J Wilson	81,580	210p	1005p	795p	649
C A Hill	3,450	200p	670p	470p	16
G P Budd	3,450	200p	670p	470p	16
					697

(During 1999: nil)

The Company's register of Directors' interests, which is open to inspection, contains full details of Directors' shareholdings and options to subscribe.

There has been no change in the interests or rights to subscribe for shares of the Directors in the ordinary share capital of the Company since the end of the financial year.

DIRECTORS' REMUNERATION

The Remuneration Committee is responsible for ensuring that the Group's remuneration package is fair and reasonable in all respects. The Committee will ensure that pay scales are set at current market levels and take into account skills and ability. All bonus schemes are based on performance criteria, and all other staff benefits are reviewed annually to ensure they reflect current market trends and are attractive to new employees.

It is the policy for the Executive Directors' salary increases to be related to the annual rate of inflation, with the upper limit restricted to no more than the average pay increase for the employees as a whole, except where they fall below salaries in comparable companies when an appropriate adjustment will be made.

March 2000 Name	Fees £000	Salaries £000	Bonus £000	Benefits in kind £000	Total £000	Pension £000
D Dugdale	40	--	--	--	40	
M M Diamond	-	190	90	16	296	38
J Wilson	--	140	66	10	216	28
J C Barker	–	130	62	13	205	26
G P Budd		120	57	12	189	18
C A Hill	--	130	62	13	205	26
J Budgen	21	–	–	–	21	--
	61	710	337	64	1,172	136

March 1999 Name	Fees £000	Salaries £000	Bonus £000	Benefits in kind £000	Total £000	Pension £000
D Dugdale	31	--	–	–	31	
M M Diamond	--	160	40	16	216	28
J Wilson		120	30	2	152	22
J C Barker	--	92	23	7	122	14
G P Budd		92	23	10	125	14
C A Hill		92	23	12	127	18
J Budgen	21	--	--	--	21	-
	52	556	139	47	794	96

THE EXECUTIVE DIRECTORS' SALARIES

The compensation of all Directors is set by the Remuneration Committee of the Board, which currently comprises both the Non-Executive Directors, and is chaired by John Budgen. It meets as required during the year to review and agree the terms and conditions of remuneration and other benefits.

EXECUTIVE DIRECTORS' BONUSES

The basis for paying bonuses is to reward overperformance and is based upon the growth in adjusted diluted earnings per share (EPS).

The bonus is set so that an adjusted diluted EPS growth of 15% will pay a bonus of 10% of salary.

For every 1% of adjusted diluted EPS growth above 15% the bonus will be increased by 2.5 points. For every 1% below a growth of 15% in EPS, the bonus will be reduced by 5 points.

Performance related bonus amounts shown in the tables above represent the amount payable for the years ended 31 March 2000 and 1999 respectively.

LONG TERM INCENTIVE SCHEME

The Company recognises the value of good incentive schemes as an aid to improved performance, and in particular incentive schemes of a longer term nature.

The Company operates an Inland Revenue approved share option scheme for executives which was set prior to flotation. Details of existing options are set out above.

In addition the Company operates an approved SAYE scheme for eligible staff.

PENSION SCHEME

A defined contribution pension scheme is provided to the Directors. Contributions of 15% of basic salary are made for Directors aged 45 and under and 20% for those aged over 45.

SERVICE CONTRACTS

The Board hold service contracts which provide for two years notice of termination on a rolling basis, although this can be reduced to one year if 75% of the Board are in agreement. There is no pre-determined compensation for the loss of office.

With acquisitions, it is Company policy to offer the retained senior executives continuing employment based on existing contracts, once these have been reviewed by the Board.

Malcolm Diamond and Geoffrey Budd, who are proposed for re-election at the next Annual General Meeting, hold two year rolling service contracts with the Company and all contain the clause relating to one year. John Budgen, also up for re-election, does not have a service contract with the Company but has his appointment reviewed on an annual basis.

SUBSTANTIAL SHAREHOLDINGS

As at 31 May 2000, the Company is aware of the following material interests, representing 3% or more of the issued share capital of the Company:

	Number of shares held	% of shares held
Hendersons Investors Limited	2,242,971	12.59
Michael C Timms	1,566,060	8.79
Michael J Roberts	1,490,000	8.37
The Equitable Life Assurance Society	1,485,000	8.34
Schroder Investment Management Limited	1,260,000	7.07
Morley Fund Management	833,500	4.68
Legal & General Investment Management Limited	688,693	3.87
Baring Asset Management Limited	611,200	3.43
Robert Fleming & Co Limited	547,607	3.07

ISSUE OF SHARES

Details of the issues of ordinary shares during the year, and their purpose, are shown in note 20 to the financial statements.

EMPLOYEES

The Group has a policy of offering equal opportunities to employees at all levels in respect of the conditions of work. Throughout the Group it is the Board's intention to provide possible employment opportunities and training for disabled people and to care for employees who become disabled having regard to aptitude and abilities.

Regular consultation and meetings, formal or otherwise, are held with all levels of employees to discuss problems and opportunities. Information on matters of concern to employees is presented in the in-house newspapers and publications.

PROFIT RELATED PAY

The Group operated an Inland Revenue approved profit related pay scheme enabling employees to participate in the success of the Group.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the Group made no political donations (1999: £nil) and various charitable contributions totalling £6,064 (1999: £7,940).

CREDITOR PAYMENT POLICY

The Group does not follow any code or standard on payment practice as it is the Group's policy to settle creditors promptly on mutually agreed terms. The terms will vary from supplier to supplier and suppliers will be aware of the terms of payment.

For smaller suppliers where no terms are agreed, payment will normally be made in the month following receipt of goods or services.

The number of days billings from service suppliers outstanding at the end of the Financial Year for the Company was 35 and 70 for the Group.

EUROPEAN MONETARY UNION

All entities required to trade in Euros have systems capable of processing these transactions. The Trifast Group does not anticipate significant future costs relating to the Euro.

YEAR 2000

The Trifast Group was well prepared for the Millennium date change and no material problems arose. This does not mean the Group will become complacent. By continuing to monitor and review the systems, relevant changes, if necessary, will be made.

In addition, the Directors are not aware of any major issues that arose at the Group's customers/suppliers as a result of the Millennium date change.

The Group incurred no material costs in preparation for the Year 2000.

QUEST

During the year, Trifast plc established a Qualifying Employee Share Ownership Trust ("the QUEST") under a trust deed dated 12 May 1999.

The purpose of the QUEST is to acquire shares in the Company for employees, including Executive Directors, in satisfaction of their options under the Trifast plc Employees' Save As You Earn Share Option Scheme.

On 25 May 1999 the QUEST subscribed, at a market price of 670p per share, for 95,389 ordinary shares of 5p each. The cost of financing has been transferred by the Group directly to profit and loss account reserves. The excess of the subscription price over the exercise price amounted to £448,328.

AUDITORS

In accordance with s384 of The Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

STUART LAWSON

Trifast House

CORPORATE GOVERNANCE

Following the issue of the Code of Best Practice of the Committee (the "Combined Code") on the Financial Aspects of Corporate Governance, the Board has carried out a full review of the Group's compliance for the year ended 31 March 2000.

In the opinion of the Directors the Group has complied throughout the period with Section 1 of the Code of Best Practice with the exception of the following items (references in brackets are to paragraphs in the Combined Code):

a) The code indicates that a Board should have a minimum of one third of its Board as Non-Executive Directors. The Company has two Non-Executive Directors, which the Board considers sufficient for the size of the Group (A5.1).

b) Composition of the Audit Committee. The Audit Committee comprises three Directors, two of whom are Non-Executives. The Board considers that two Non-Executive Directors, both of whom are independent, are adequate for a Group of this size (D.31).

c) Directors' training. No Director received specific training during the year, but the Board will arrange training where it is considered appropriate (A.16).

d) Composition of the Remuneration Committee. The Remuneration Committee comprises two Non-Executive Directors (B.2.2).

e) Directors' contracts. The Executive Directors are on two year rolling contracts, although these can be reduced to one year if 75% of the Board are in agreement (B.1.7).

f) Nominations Committee. The Board considers that it is not of sufficient size to warrant a Nominations Committee (A.5.1).

The structure of the Board and its standing committees are as follows:

THE BOARD

During the year the Board consisted of five Executive and two Non-Executive Directors and met monthly throughout the year. A formal schedule of matters reserved for the decision of the Board covers key areas of the Company's affairs. The Board has delegated specific responsibilities to Committees, as described below:

THE AUDIT COMMITTEE

The Audit Committee currently comprises both the Non-Executive Directors and John Wilson, the Group Finance Director. It is chaired by David Dugdale and meets at least twice a year. The Committee reviews the Group's interim and annual financial statements before submission for approval by the Board and considers any matters raised by the auditors.

The Committee meets with the auditors at least once a year without any Executive Directors present.

RELATIONS TO SHAREHOLDERS

The Group has a website; www.trifast.com, which is continually updated to ensure that shareholders are fully aware of the Group's activities.

The Directors of the Audit and Remuneration Committee will normally be available to speak to shareholders at the AGM. In addition, shareholders can contact them at any time by writing to the Group's address.

THE REMUNERATION COMMITTEE

The Remuneration Committee currently comprises both the Non-Executive Directors. It is chaired by John Budgen, and meets as required during the year to review and agree the terms and conditions of employment of the Executive Directors and senior management, including levels of remuneration and other benefits.

GOING CONCERN REPORT

After making enquiries, the Directors have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

INTERNAL CONTROL

The Combined Code requires that Directors review the effectiveness of the Group's system of internal controls which will extend the requirements in respect of internal financial controls to cover all controls including operational, compliance and risk management. Guidance for Directors - Internal Control Guidance for Directors on the Combined Code (the Turnbull Report) was published in September 1999, however the Directors have taken advantage of the UK Listing Authority transitional rules and have continued to review and report upon internal financial controls in accordance with the ICAEW 1994 guidance. The Turnbull recommendations will be implemented for the year ended 31 March 2001.

INTERNAL FINANCIAL CONTROL

The Directors acknowledge their responsibility for ensuring that the Group has in place a system of internal financial controls. However, they are aware that such a system can only provide reasonable, and not absolute, assurance against material mis-statement or loss.

The key elements of the system are as follows:-

- There is an organisational structure with clearly defined lines of responsibility and delegation of authority.
- Group policies for financial reporting, accounting, financial risk management, information security, capital expenditure appraisal and corporate governance are all well documented.
- Detailed annual budgets are prepared for all operating units.
- Performance against budget is monitored closely and material variances reported to the Board on a monthly basis.
- The control system is operated with the full co-operation of all Company Directors in a controlled manner. The final report was approved by the Main Board.
- The Audit Committee deals with significant control issues raised by the external auditors.

The Board has considered the need for internal audit, but has decided that because of the size of the Company it cannot be justified at present. The Board will review this decision next year.

The Board has reviewed the effectiveness of the Group's internal financial control systems for the period from 1 April 1999 to the date of approval of the financial statements.

The Board will review the operation and effectiveness of its financial control assessment system on a regular basis.

STATEMENT OF DIRECTORS' RESPONSIBILITY

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 Group and of the profit or loss 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 Group 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF TRIFAST PLC

We have audited the financial statements on pages 24 to 38.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the Annual Report. As described on page 22 this includes responsibility for preparing 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, the Listing Rules of the Financial Services Authority, and by 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 or the Listing Rules regarding Directors' remuneration and transactions with the Group is not disclosed.

We review whether the statement made on page 22 reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Financial Services Authority and we report if it does not. We are not required to consider whether the Board's statements on internal control covers all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the financial statements.

BASIS OF AUDIT 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 Group'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 affairs of the Company and the Group as at 31 March 2000 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG AUDIT PLC

1 Forest Gate, Brighton Road, Crawley, West Sussex RH11 9PT

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
TURNOVER - CONTINUING OPERATIONS					
Existing operations		**105,998**		95,429	
Acquisitions		**7,315**		-	
			113,313		95,429
Cost of sales			**(80,774)**		(68,676)
GROSS PROFIT			**32,539**		26,753
Distribution costs			**(2,624)**		(1,812)
Administrative expenses (before goodwill)		**(18,434)**		(15,030)	
Goodwill		**(317)**		(148)	
Total administrative expenses			**(18,751)**		(15,178)
Other operating expenses			**(20)**		(16)
OPERATING PROFIT - CONTINUING OPERATIONS					
Existing operations		**10,706**		9,747	
Acquisitions		**438**		-	
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST			**11,144**		9,747
Interest receivable			**191**		146
Interest payable and similar charges			**(534)**		(409)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			**10,801**		9,484
Tax on profit on ordinary activities			**(3,317)**		(3,093)
PROFIT FOR THE FINANCIAL YEAR			**7,484**		6,391
Dividends paid and proposed			**(2,451)**		(2,206)
RETAINED PROFIT FOR THE FINANCIAL YEAR			**5,033**		4,185
EARNINGS PER SHARE:					
Basic			**42.21p**		36.58p
Diluted (after goodwill amortisation)			**41.77p**		36.12p
Adjusted diluted (before goodwill amortisation)			**43.54p**		36.96p

There is no material difference in profit on ordinary activities before taxation and profit for the financial year stated above and the historical cost equivalents and therefore no separate note of historical cost profits and losses has been presented.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2000

	2000 £000	1999 £000
PROFIT FOR THE FINANCIAL YEAR	**7,484**	6,391
Currency translation differences on foreign currency net investments	**(192)**	23
Unrealised surplus on revaluation of land and buildings	**1,017**	-
TOTAL RECOGNISED GAINS RELATING TO THE FINANCIAL YEAR	**8,309**	6,414

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
FIXED ASSETS					
Intangible assets - goodwill	11	6,068		4,039	
Tangible assets	12	13,621		10,700	
			19,689		14,739
CURRENT ASSETS					
Stocks	14	19,627		16,253	
Debtors	15	26,331		20,850	
Cash at bank and in hand		5,051		2,767	
		51,009		39,870	
Creditors: amounts falling due within one year	16	(29,566)		(22,011)	
NET CURRENT ASSETS			21,443		17,859
TOTAL ASSETS LESS CURRENT LIABILITIES			41,132		32,598
Creditors: amounts falling due after more than one year	17		(7,038)		(5,424)
Provisions for liabilities and charges	19		(874)		(786)
NET ASSETS			33,220		26,388
CAPITAL AND RESERVES					
Called up share capital	20		891		876
Share premium account	21		5,872		5,008
Revaluation reserve	21		1,017		-
Merger reserve	21		947		721
Profit and loss account	21		24,493		19,783
EQUITY SHAREHOLDERS' FUNDS	22		33,220		26,388

These financial statements were approved by the Board of Directors on 19 June 2000 and were signed on its behalf by:

MALCOLM DIAMOND
Director

JOHN WILSON
Director

COMPANY BALANCE SHEET

AT 31 MARCH 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
FIXED ASSETS					
Tangible assets	12	4,784		3,850	
Investments in subsidiary undertakings	13	13,346		10,085	
			18,130		13,935
CURRENT ASSETS					
Debtors	15	7,861		6,969	
Cash at bank and in hand		11,886		12,557	
		19,747		19,526	
Creditors: amounts falling due within one year	16	(4,198)		(3,387)	
NET CURRENT ASSETS			15,549		16,139
TOTAL ASSETS LESS CURRENT LIABILITIES			33,679		30,074
Creditors: amounts falling due after more than one year	17		(5,731)		(4,753)
Provisions for liabilities and charges	19		(5)		(44)
NET ASSETS			27,943		25,277
CAPITAL AND RESERVES					
Called up share capital	20		891		876
Share premium account	21		5,872		5,008
Revaluation reserve	21		945		-
Merger reserve	21		2,287		1,744
Profit and loss account	21		17,948		17,649
EQUITY SHAREHOLDERS' FUNDS	22		27,943		25,277

These financial statements were approved by the Board of Directors on 19 June 2000 and were signed on its behalf by:

MALCOLM DIAMOND
Director

JOHN WILSON
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
CASH INFLOW FROM OPERATING ACTIVITIES	26		**11,071**		8,277
Return on investments and servicing of finance	27	**(338)**		(275)	
Taxation		**(3,553)**		(2,935)	
Capital expenditure	28	**(2,913)**		(1,608)	
Acquisitions and disposals	29	**(1,863)**		(4,014)	
Equity dividends paid		**(2,290)**		(2,042)	
			(10,957)		(10,874)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING			**114**		(2,597)
FINANCING	30				
Issue of ordinary share capital		**425**		17	
Increase in debt		**1,641**		3,293	
NET CASH FLOW FROM FINANCING			**2,066**		3,310
INCREASE IN CASH IN THE YEAR	32		**2,180**		713

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2000 £000	2000 £000	1999 £000	1999 £000
Increase in cash in the year	32	**2,180**		713	
Cash inflow from increase in debt and lease financing	32	**(1,641)**		(3,293)	
Change in net debt resulting from cash flows	32		**539**		(2,580)
Loans and finance leases acquired with subsidiaries	32		**(365)**		(504)
Translation difference	32		**(2)**		12
MOVEMENT IN NET DEBT IN THE YEAR			**172**		(3,072)
Net debt at beginning of year	32		**(3,850)**		(778)
NET DEBT AT END OF THE YEAR	32		**(3,678)**		(3,850)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified to include the revaluation of certain land and buildings.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings all of which have been made up to 31 March 2000.

Where the acquisition method of accounting is required to be adopted the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In the Company's accounts, investments in subsidiary undertakings are stated at cost less amounts written off for any impairment in value.

Under section 230(4) of the Companies Act 1985, Trifast plc is exempt from the requirement to present its own profit and loss account.

The amount of profit for the year dealt with in the financial statements of Trifast plc is disclosed in note 21 to these financial statements.

Goodwill

Purchased goodwill (both positive and negative) arising on consolidation in respect of acquisitions before 1 April 1998, when FRS 10 Goodwill and intangible assets was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given plus any related costs over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 April 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

On the subsequent disposal or termination of a business acquired since 1 April 1998, the profit or loss on disposal or termination is calculated after charging/(crediting) the unamortised amount of any related goodwill.

Employee share schemes

No cost is recognised in respect of SAYE schemes that are offered on similar terms to all eligible employees.

Fixed assets and depreciation

During the year the Group adopted FRS 15. Details regarding the revaluation are set out in note 12.

Depreciation is provided by the Group to write off the cost or valuation less the estimated residual value of tangible fixed assets over their estimated useful economic lives. The rates in use are as follows:

Freehold and long leasehold buildings	2% per annum straight line or the period of the lease
Short leasehold properties	period of lease
Motor vehicles	25% on straight line basis
Plant, machinery and fixtures	10-20% per annum on straight line basis
Fixtures, fittings and office equipment	10-25% per annum on reducing balance basis

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

For consolidation purposes, the assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Exchange differences arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pensions

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value with provision being made for obsolete and slow moving items. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods manufactured by the Group, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

Provision is made for deferred tax only to the extent that it is probable that a liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) receivable by the Group in the ordinary course of business from sales to outside customers for goods supplied.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

2 GEOGRAPHICAL SEGMENTS

The Group's turnover, analysed by geographical market of destination, is as follows:

	2000 £000	1999 £000
United Kingdom	82,547	77,055
European Union (excluding UK)	15,963	6,594
Europe - other	4,878	5,759
North and South America	5,240	2,817
Far East	4,509	3,060
Other	176	144
	113,313	95,429

The Group's turnover, profit before tax and net assets, analysed by geographical market of origin, are as follows:

	UK 2000 £000	UK 1999 £000	Asia 2000 £000	Asia 1999 £000	Rest of World 2000 £000	Rest of World 1999 £000	Group 2000 £000	Group 1999 £000
TURNOVER								
Total sales	92,895	85,749	7,653	5,457	20,309	10,155	120,857	101,361
Inter segment sales	(3,769)	(3,665)	(2,293)	(1,437)	(1,482)	(830)	(7,544)	(5,932)
Sales to third parties	89,126	82,084	5,360	4,020	18,827	9,325	113,313	95,429
PROFIT BEFORE TAXATION								
Segment profit before goodwill	9,040	8,194	1,647	1,026	774	675	11,461	9,895
Goodwill amortisation	(88)	(66)	-	-	(229)	(82)	(317)	(148)
Profit before interest	8,952	8,128	1,647	1,026	545	593	11,144	9,747
Net interest							(343)	(263)
Profit on ordinary activities before taxation							10,801	9,484
SEGMENT NET ASSETS	28,499	22,196	3,918	1,869	803	2,323	33,220	26,388

Turnover is predominantly derived from the manufacture and logistical supply of industrial fasteners

3 OPERATING PROFIT

Operating profit is analysed as follows:

	Existing operations 2000 £000	Existing operations 1999 £000	Acquisitions 2000 £000	Acquisitions 1999 £000	Continuing operations 2000 £000	Continuing operations 1999 £000
TURNOVER	105,998	95,429	7,315	-	113,313	95,429
Cost of sales	(75,272)	(68,676)	(5,502)	-	(80,774)	(68,676)
GROSS PROFIT	30,726	26,753	1,813	-	32,539	26,753
Distribution costs	(2,266)	(1,812)	(358)	-	(2,624)	(1,812)
Administrative expenses (before goodwill)	(17,469)	(15,030)	(965)	-	(18,434)	(15,030)
Goodwill amortisation	(208)	(148)	(109)	-	(317)	(148)
Other operating expenses	(77)	(16)	57	-	(20)	(16)
OPERATING PROFIT	10,706	9,747	438	-	11,144	9,747

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £000	1999 £000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION IS STATED AFTER CHARGING AND (CREDITING):		
Auditors' remuneration:		
Audit	106	96
Other fees paid to the auditors and their associates	186	166
Depreciation and other amounts written off tangible fixed assets:		
Owned	1,439	1,146
Leased	35	34
Hire of plant and machinery - operating leases	47	9
Hire of other assets - operating leases	1,061	1,017
Loss on disposal of fixed assets	192	117
Rents receivable from property	(44)	(2)
Net exchange gains	(67)	(172)
Goodwill amortisation	317	148

The total amount charged for the hire of plant and machinery amounted to £51,000 (1999: £11,000). This comprises rentals payable under operating leases as well as depreciation on plant and machinery held under finance leases together with the related finance charges.

The audit fee included for the Company was £30,000 (1999: £29,000). The auditors also received £14,000 (1999: £112,000) which has been capitalised as part of the cost of the acquisition.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5 REMUNERATION OF DIRECTORS

	2000 £000	1999 £000
Non-Executive Directors		
Fees	**61**	52
Executive Directors		
Salaries	**710**	556
Bonuses	**337**	139
Pension Contributions	**136**	96
Benefits in kind	**64**	47
	1,308	890

The emoluments of the highest paid Director are shown in the Directors' Report on pages 20.

The number of Directors for whom benefits are accruing under the defined contribution pension scheme is 5 (1999: 5).

Details of the basis for the bonus calculation of Directors' share options and gains made by Directors' on exercise of share options during the year are set out in the Directors' report on page 20 (1999: £nil).

6 STAFF COSTS AND NUMBERS

	2000 £000	1999 £000
Wages and salaries	**17,184**	14,942
Social security costs	**1,566**	1,270
Other pension costs	**787**	619
	19,537	16,831

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees 2000	Number of employees 1999
Office and management	**90**	81
Manufacturing	**205**	198
Sales and distribution	**598**	521
	893	800

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £000	1999 £000
On bank overdraft	**46**	40
Finance charges payable in respect of finance leases and hire purchase contracts	**10**	15
Loans and mortgages	**476**	346
Other	**2**	8
	534	409

8 TAXATION

	2000 £000	1999 £000
UK corporation tax at 30% (1999: 31%)	**2,793**	2,652
Overseas taxes	**608**	261
Deferred taxation	**(55)**	59
Adjustment relating to an earlier year	**(29)**	121
	3,317	3,093

9 DIVIDENDS

	2000 £000	1999 £000
ORDINARY SHARES:		
Interim - 2000: 4.57p per share (1999: 4.17p)	**810**	739
Final proposed - 2000: 9.14p per share (1999: 8.33p)	**1,641**	1,467
TOTAL DIVIDEND	**2,451**	2,206

10 EARNINGS PER SHARE

	2000 £000	1999 £000
EARNINGS PER SHARE		
Post tax profit for the financial year	7,484	6,391
Goodwill amortisation charge	317	148
POST TAX PROFIT FOR THE YEAR BEFORE GOODWILL AMORTISATION	7,801	6,539

	No. of shares 2000	No. of shares 1999
Weighted average number of ordinary shares in issue - basic	17,727,819	17,475,875
Adjustment in respect of share options	186,881	220,855
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES IN ISSUE - DILUTED	17,914,700	17,696,730

	2000	1999
Basic (after goodwill amortisation)	**42.21p**	36.58p
Diluted (after goodwill amortisation)	**41.77p**	36.12p
Adjusted diluted (before goodwill amortisation)	**43.54p**	36.96p

The 'Adjusted Diluted' earnings per share is calculated after adding back the goodwill amortisation of £317,000 (1999: £148,000). In the Directors' opinion this best reflects the underlying performance of the Group and assists in the comparison with the results of earlier years.

11 INTANGIBLE ASSETS - GOODWILL

During the year, the Group acquired 100% of the share capital of the company listed below:

Company acquired	Date	Consideration Shares £000	Consideration Cash £000	Goodwill £000
FCF Management AB (now TR Scandinavia AB)	19 May 1999	657	2,776	2,346
Acquisition costs			45	
		657	2,821	2,346

An amount of £586,000 cash consideration and £109,000 consideration in shares has been deferred for periods up to 2 1/2 years from the date of acquisition.

Group	Goodwill £000
COST	
At beginning of year	4,187
Additions	2,346
At end of year	6,533
AMORTISATION	
At beginning of year	148
Charge for year	317
At end of year	465
NET BOOK VALUE AT 31 MARCH 2000	**6,068**
At 31 March 1999	4,039

Goodwill is being amortised over 20 years. It is the Directors' opinion that this represents the minimum period of an acquisition's life, and that all acquisitions made by the Group are made with the intention of being retained for the long term.

12 TANGIBLE FIXED ASSETS

Group	Land and buildings £000	Leasehold improvements £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
COST OR VALUATION						
At beginning of year	5,176	247	8,705	3,840	286	18,254
Exchange difference	-	2	4	(24)	(2)	(20)
Acquisition of subsidiary	632	-	173	-	6	811
Additions	1,475	121	1,288	758	54	3,696
Disposals	(909)	(45)	(222)	(71)	(107)	(1,354)
Transfers	-	(9)	21	(1)	(11)	-
Revaluation	1,017	-	-	-	-	1,017
At end of year	7,391	316	9,969	4,502	226	22,404
DEPRECIATION						
At beginning of year	671	90	4,237	2,373	183	7,554
Exchange difference	1	-	-	(8)	(2)	(9)
Acquisition of subsidiary	26	-	111	-	6	143
Charge for year	117	35	816	468	38	1,474
Disposals	(105)	(16)	(110)	(48)	(100)	(379)
Transfers	-	(1)	11	-	(10)	-
At end of year	710	108	5,065	2,785	115	8,783
NET BOOK VALUE AT 31 MARCH 2000	**6,681**	**208**	**4,904**	**1,717**	**111**	**13,621**
At 31 March 1999	4,505	157	4,468	1,467	103	10,700

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12 TANGIBLE FIXED ASSETS CONTINUED

Land and buildings are analysed as follows:

	Freehold £000	Long leasehold £000	Short leasehold £000	Total £000
COST OR VALUATION				
At beginning of year	4,284	890	2	5,176
Exchange difference	(20)	20	-	-
Acquisition of subsidiary	632	-	-	632
Additions	90	1,385	-	1,475
Disposals	-	(909)	-	(909)
Revaluation	1,017	-	-	1,017
At end of year	6,003	1,386	2	7,391
DEPRECIATION				
At beginning of year	570	100	1	671
Exchange difference	(1)	2	-	1
Acquisition of subsidiary	26	-	-	26
Charge for year	89	28	-	117
Disposals	-	(105)	-	(105)
At end of year	684	25	1	710
NET BOOK VALUE AT 31 MARCH 2000	**5,319**	**1,361**	**1**	**6,681**
At 31 March 1999	3,714	790	1	4,505

Company	Land and buildings £000	Fixtures and fittings £000	Total £000
COST OR VALUATION			
At beginning of year	4,179	677	4,856
Additions	2	120	122
Revaluation	945	-	945
At end of year	5,126	797	5,923
DEPRECIATION			
At beginning of year	559	447	1,006
Charge for year	66	67	133
At end of year	625	514	1,139
NET BOOK VALUE AT 31 MARCH 2000	**4,501**	**283**	**4,784**
At 31 March 1999	3,620	230	3,850

Land and buildings are analysed as follows:

	Freehold £000	Short leasehold £000	Total £000
COST OR VALUATION			
At beginning of year	4,177	2	4,179
Additions	2	-	2
Revaluation	945	-	945
At end of year	5,124	2	5,126
DEPRECIATION			
At beginning of year	558	1	559
Charge for year	66	-	66
At end of year	624	1	625
NET BOOK VALUE AT 31 MARCH 2000	**4,500**	**1**	**4,501**
At 31 March 1999	3,619	1	3,620

COMPANY AND GROUP

Freehold land and buildings as at 31 March 2000 were valued at their open market value at that date and are included in the financial statements at those amounts. The freehold land and buildings held in TR Formac Pte Ltd and TR Scandinavia AB were not revalued, these buildings have recently been acquired and their current market value does not materially differ from that stated. The full valuations were performed by Weatherall Green and Smith, External Chartered Surveyors (RICS) and have resulted in a revaluation gain of £1,017,000.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12 TANGIBLE FIXED ASSETS CONTINUED

Land and buildings would have been included on an historical cost basis at:

Group	2000 £000	1999 £000
Cost	**5,632**	4,930
Depreciation	**(720)**	(606)
	4,912	4,324

Company	2000 £000	1999 £000
Cost	**4,155**	4,153
Depreciation	**(610)**	(544)
	3,545	3,609

COMPANY AND GROUP

The cost of freehold land on which no depreciation is charged amounts to £2,398,000 (1999: £888,000).

The net book value of fixtures and fittings includes amounts of £nil (1999: £46,505) in respect of fixed assets held under hire purchase obligations. Depreciation charged for the year on these assets amounted to £nil (1999: £15,502).

13 FIXED ASSET INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company	£000
At beginning of year	10,085
Additions (including costs of acquisition of £45,000)	3,478
Investments written off	(217)
AT END OF YEAR	**13,346**

Details of principle subsidiary undertakings, country of registration and principle activity are included on page 38.

The fair value of the net assets of the subsidiary acquired during the year is set out below:

	Book value £000
FIXED ASSETS	
Tangible assets	668
CURRENT ASSETS	
Stock	839
Debtors	767
Cash	372
TOTAL ASSETS	2,646
CREDITORS	
Trade creditors	797
Other creditors	274
Loans	365
Taxation	(47)
Deferred tax	125
TOTAL LIABILITIES	1,514
NET ASSETS	1,132

The Directors are of the opinion that the book value of the net assets acquired is equal to the fair value to the Group.

14 STOCKS

	Group 2000 £000	Group 1999 £000
Raw materials and consumables	**530**	362
Work in progress	**381**	385
Finished goods and goods for resale	**18,716**	15,506
	19,627	16,253

The Group consignment stock held from suppliers at the year end, which was not included on the balance sheet, was £504,000 (1999: £260,000). This stock will be invoiced to the Group as it is drawn down.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15 DEBTORS

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Trade debtors	**25,288**	20,075	**5**	-
Amounts owed by subsidiary undertakings	**-**	-	**7,790**	6,887
Other debtors	**328**	134	**-**	-
Prepayments and accrued income	**715**	628	**66**	82
	26,331	20,837	**7,861**	6,969
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
ACT recoverable	**-**	13	**-**	-
	26,331	20,850	**7,861**	6,969

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
Mortgages (see note 17)	**250**	115	**36**	35
Bank loans and overdrafts (see note 17)	**1,358**	983	**1,025**	803
Obligations under finance leases and hire purchase contracts (see note 17)	**82**	95	**-**	27
Trade creditors	**18,340**	12,132	**109**	101
Amounts owed to subsidiary undertakings	**-**	-	**974**	292
Other creditors including taxation and social security:				
Corporation tax	**2,460**	2,711	**(804)**	183
Other taxes and social security	**1,705**	1,658	**54**	39
Deferred consideration	**697**	2	**697**	2
Accruals and deferred income	**3,046**	2,848	**479**	438
Dividend proposed	**1,628**	1,467	**1,628**	1,467
	29,566	22,011	**4,198**	3,387

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
Obligations under finance leases & hire purchase contracts	**34**	115	**-**	-
Mortgages (see below)	**1,130**	330	**72**	111
Loans (see below)	**5,874**	4,979	**5,659**	4,642
	7,038	5,424	**5,731**	4,753

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
Within one year	**82**	95	**-**	27
In the second to fifth years	**34**	115	**-**	-
	116	210	**-**	27

Mortgages comprise:

	Company 2000 £000	Company 1999 £000
Parent undertaking	**108**	145
Subsidiary undertakings	**1,272**	300
	1,380	445

The mortgages and loans of the parent undertaking are secured on one of its freehold properties and are repayable in monthly instalments over periods of between five and ten years. The instalments which fall due for repayment after a period of more than five years from the balance sheet date amount to £2,561,000 (1999: £2,108,000). Interest is payable at between 0.9% and 1% above the HSBC Bank plc base rate or LIBOR rate.

The mortgages and loans of subsidiary undertakings are secured over premises and assets of the subsidiaries and are repayable in instalments payable over varying periods until 2004 at interest rates of between 5.0% and 5.9%. The amounts payable after a period of more than five years from the balance sheet date total £nil (1999: £nil).

Bank loans and overdrafts are repayable as follows:

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
Between one and two years	**1,046**	926	**976**	803
Between two and five years	**2,267**	1,945	**2,122**	1,731
In five years or more	**2,561**	2,108	**2,561**	2,108
	5,874	4,979	**5,659**	4,642
In one year or less	**1,358**	983	**1,025**	803
	7,232	5,962	**6,684**	5,445

Overdrafts which are secured over Company assets, are repayable on demand and have interest at between 0.9% and 1% above base rate.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18 FINANCIAL INSTRUMENTS

CURRENCY EXPOSURES

The financial assets of £4.8m include £1.5m held in a combination of Euro-Zone currencies, Asian currencies and US Dollars, the balance is held in Sterling. Of the financial liabilities (note 17) £4.4m relates to loans held in Swedish Kronor, US Dollars and Singapore Dollars.

FAIR VALUE

There is no material difference between the fair value and book value of short term borrowings, cash and deposits due to their short maturities. The loans and other borrowings payat after one year generally attract variable interest rates. Thus the fair value of these instruments at 31 March 2000 also approximates to their book value as set out in note 17.

19 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation Group £000	Deferred taxation Company £000
At beginning of year	786	44
Deferred tax acquired on acquisition	125	-
Adjustment relating to an earlier year	18	-
Credit for the year	(55)	(39
At end of year	874	5

The amounts provided for deferred taxation and the amounts not provided are set out below:

Group	2000 Provided £000	2000 Unprovided £000	1999 Provided £000	1999 Unprovided £000
Difference between accumulated depreciation and capital allowances	795	-	653	-
Chargeable gains rolled over	-	800	-	495
Other timing differences	79	-	133	-
	874	800	786	495

Company	2000 Provided £000	2000 Unprovided £000	1999 Provided £000	1999 Unprovided £000
Difference between accumulated depreciation and capital allowances	8	-	44	-
Chargeable gains rolled over	-	779	-	495
Other timing differences	(3)	-	-	-
	5	779	44	495

20 CALLED UP SHARE CAPITAL

	2000 £000	1999 £000
AUTHORISED		
Ordinary shares of 5p each	2,000	2,000
ALLOTTED, CALLED UP AND FULLY PAID		
Ordinary shares of 5p each	891	876

On 4 May 1999 95,389 ordinary shares of 5p were issued as a result of the exercise of options under the Group's SAYE scheme. Details of the QUEST are included in the Directors' report on page 21.

On 19 May 1999 80,495 ordinary shares of 5p were issued as part consideration in respect of the acquisition of FCF Management AB (now TR Scandinavia AB) (see note 31).

Also 107,399 ordinary shares of 5p were issued during the year upon the exercising of employee share options. The options were granted on 1 May 1993, 20 September 1994, 1 October 1995, 1 October 1996, 1 October 1997, 1 October 1998 and 1 October 1999 and were issued at their exercise prices of £2.00, £2.10, £3.00, £4.00, £5.00, £6.00 an £8.00 per share respectively.

At 31 March 2000, Directors and employees had options for a total of 794,093 ordinary shares, exercisable between October 2000 and December 2009 at option prices ranging from £2.00 to £10.025.

21 RESERVES

Group	Share premium account £000	Revaluation reserve £000	Merger reserve £000	Profit and loss account £000
At beginning of year	5,008	-	721	19,783
Retained profit for the year	-	-	-	5,033
Capitalisation of reserves on issue of shares to QUEST	-	-	-	(448)
Issue of shares	864	-	543	-
Transfer (see below)	-	-	(317)	317
Exchange differences	-	-	-	(192)
Revaluation	-	1,017	-	-
AT END OF YEAR	**5,872**	**1,017**	**947**	**24,493**

Company	Share premium account £000	Revaluation reserve £000	Merger reserve £000	Profit and loss account £000
At beginning of year	5,008	-	1,744	17,649
Retained profit for year	-	-	-	299
Issue of shares	864	-	543	-
Revaluation	-	945	-	-
AT END OF YEAR	**5,872**	**945**	**2,287**	**17,948**

The merger reserve arises under s131 Companies Act 1985 and is a non-distributable reserve. An amount equal to the goodwill amortisation charged in the profit and loss account during the year was transferred from the merger reserve to the profit and loss account.

As at 31 March 2000 the cumulative amount of goodwill which has been written off on acquisitions prior to 1 April 1998 amounted to £4,593,000 (1999: £4,593,000). This amount is net of goodwill attributable to subsidiary undertakings or businesses disposed of prior to the balance sheet date.

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
PROFIT FOR THE FINANCIAL YEAR	**7,484**	6,391	**2,750**	4,468
Dividends	**(2,451)**	(2,206)	**(2,451)**	(2,206)
RETAINED PROFIT FOR THE YEAR	**5,033**	4,185	**299**	2,262
Capitalisation of reserves on issue of shares to QUEST	**(448)**	-	-	-
Issue of ordinary shares	**1,422**	892	**1,422**	892
Exchange gains/(losses)	**(192)**	23	**-**	-
Revaluation	**1,017**	-	**945**	-
NET ADDITION TO SHAREHOLDERS' FUNDS	**6,832**	5,100	**2,666**	3,154
Opening shareholders' funds	**26,388**	21,288	**25,277**	22,123
CLOSING SHAREHOLDERS' FUNDS	**33,220**	26,388	**27,943**	25,277

23 CONTINGENT LIABILITIES

(i) The Company has cross guarantees on overdrafts with four subsidiaries. The amount outstanding at the end of the year was £8,584,000 (1999: £10,868,000). The amount outstanding in Group subsidiaries of £8,584,000 is offset by funds held centrally in Trifast plc of £11,886,000.

(ii) Guarantee for the liabilities of the Irish subsidiary undertakings.

In accordance with the provisions of Section 17 of the Republic of Ireland Companies (Amendment) Act 1986, Trifast plc has given irrevocable guarantees in respect of the financial year from 1 April 1999 to 31 March 2000, in respect of the liabilities, as are referred to in Section 5(c) of that Act, for the subsidiary companies TR Southern Fasteners Limited (formerly Southern Industrial Fasteners Ltd), Ferreus Precision Limited and Ferreus Limited.

24 COMMITMENTS

(i) Capital commitments at the end of the financial year for which no provision has been made.

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
Contracted	781	494	600	-

(ii) Annual commitments under non-cancellable operating leases are as follows:

Group	2000 Land and buildings £000	2000 Other £000	1999 Land and buildings £000	1999 Other £000
Operating leases which expire:				
Within one year	229	379	-	96
In the second to fifth years inclusive	391	510	355	1,101
Over five years	442	-	678	-
	1,062	889	1,033	1,197

Company	2000 Land and buildings £000	2000 Other £000	1999 Land and buildings £000	1999 Other £000
Operating leases which expire:				
Within one year	-	9	-	15
In the second to fifth years inclusive	17	28	-	7
Over five years	-	-	17	-
	17	37	17	22

25 PENSION SCHEME

The Group operates defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the Group to the funds and amounted to £786,000 (1999: £619,000).

At the end of the financial year there were outstanding pensions contributions of £78,000 (1999: £65,000).

26 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £000	1999 £000
Operating profit	11,144	9,747
Depreciation charge	1,474	1,180
Loss on sale of tangible fixed assets	192	117
Goodwill amortisation	317	148
(Increase) in stocks	(2,642)	(2,475)
(Increase) in debtors	(4,872)	(2,638)
Increase in creditors	5,458	2,198
Net cash inflows from operating activities	11,071	8,277

27 RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2000 £000	1999 £000
Interest received	191	146
Interest paid	(520)	(406)
Interest element of finance lease rental payments	(9)	(15)
Net cash outflow for returns on investment and servicing of finance	(338)	(275)

28 CAPITAL EXPENDITURE

	2000 £000	1999 £000
Purchase of tangible fixed assets	3,696	1,927
Sale of tangible fixed assets	(783)	(319)
Net cash outflow for capital expenditure	2,913	1,608

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29 ACQUISITION

	2000 £000	1999 £000
Purchase of subsidiary undertaking	**2,235**	4,359
Net cash acquired with subsidiary	**(372)**	(372)
Deferred consideration paid	**-**	27
Net cash outflow for acquisition	**1,863**	4,014

30 FINANCING

	2000 £000	1999 £000
Issue of ordinary share capital	**425**	17
Increase in short term borrowings	**405**	533
Loan repayable between 2001 and 2007	**1,330**	2,735
Capital element of finance lease rental payments	**(94)**	25
Net cash inflow from financing	**2,066**	3,310

31 PURCHASE OF SUBSIDIARY UNDERTAKING

	2000 £000	1999 £000
Net assets acquired (see note 13)	**1,132**	1,048
Goodwill (see note 11)	**2,346**	4,187
Consideration given	**3,478**	5,235

The consideration was satisfied by:

	2000 £000	1999 £000
Cash	**2,235**	4,359
Shares allotted	**548**	876
Deferred consideration	**695**	-
	3,478	5,235

The subsidiary undertaking acquired during the year contributed £94,000 (1999: £32,000) to the Group's net operating cash flows, paid £29,000 (1999: £121,000) in respect of net returns on investments and servicing of finance, paid £111,000 (1999: £260,000) in respect of taxation and utilised £124,000 (1999: £18,000) for investing activities.

32 ANALYSIS OF NET DEBT

	At 1 April 1999 £000	Cash flow £000	Acquisition (excluding cash and overdrafts) £000	Exchange movement £000	At 31 March 2000 £000
Cash at bank and in hand	2,767	2,301	-	(17)	**5,051**
Overdrafts	(106)	(121)	-	10	**(217)**
	2,661	2,180	-	(7)	**4,834**
Debt due within one year	(992)	(405)	-	5	**(1,392)**
Debt due after one year	(5,309)	(1,330)	(365)	-	**(7,004)**
Finance leases	(210)	94	-	-	**(116)**
	(6,511)	(1,641)	(365)	5	**(8,512)**
Total	(3,850)	539	(365)	(2)	**(3,678)**

SUMMARISED GROUP PROFIT AND LOSS ACCOUNTS

	Year ended 31 March 1996 £000	Year ended 31 March 1997 £000	Year ended 31 March 1998 £000	Year ended 31 March 1999 £000	Year ended 31 March 2000 £000
TURNOVER	47,995	60,485	78,801	95,429	**113,313**
Cost of sales	(32,441)	(41,370)	(55,520)	(68,676)	**(80,774)**
GROSS PROFIT	15,554	19,115	23,281	26,753	**32,539**
Net operating expenses (before goodwill amortisation)	(9,907)	(12,203)	(14,749)	(16,858)	**(21,078)**
Goodwill amortisation	-	-	-	(148)	**(317)**
OPERATING PROFIT	5,647	6,912	8,532	9,747	**11,144**
Net interest receivable/(payable)	26	32	(108)	(263)	**(343)**
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5,673	6,944	8,424	9,484	**10,801**
Taxation	(1,928)	(2,378)	(2,622)	(3,093)	**(3,317)**
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	3,745	4,566	5,802	6,391	**7,484**
Dividends	(1,403)	(1,684)	(1,941)	(2,206)	**(2,451)**
RETAINED PROFIT FOR THE YEAR	2,342	2,882	3,861	4,185	**5,033**
EARNINGS PER ORDINARY SHARE					
Basic	23.42p	27.60p	34.11p	36.58p	**42.21p**
Diluted (after goodwill amortisation)	21.89p	26.41p	32.96p	36.12p	**41.77p**
Adjusted diluted (before goodwill amortisation)	-	-	-	36.96p	**43.54p**

Note

The adjusted diluted Earnings per Share figure is calculated taking profit after goodwill amortisation and taxation. The comparatives have not been restated under FRS 14 for the years preceding 31 March 1998.

PRINCIPAL TRADING SUBSIDIARY UNDERTAKINGS

Name	Country of incorporation or registration	Issued and fully paid share capital	Principal activity	Percentage of ordinary shares held Group	Percentage of ordinary shares held Company
TR Fastenings Limited	England and Wales	£10,200	Manufacture and distribution of fastenings	100%	100%
Trifast Systems Limited	England and Wales	£100	Supply of computer software and hardware	100%	100%
TR Southern Fasteners Limited	Republic of Ireland	IR£100	Distribution of fastenings	100%	-
Ferreus Precision Limited	Republic of Ireland	IR£100	Manufacture and distribution of fastenings	100%	-
TR Norge AS	Norway	NOK 300,000	Distribution of fastenings	100%	-
TR Formac Pte. Limited	Singapore	S$315,000	Manufacture and distribution of fastenings	100%	-
TR Formac (Malaysia) SDN BHD	Malaysia	M$480,000	Manufacture and distribution of fastenings	100%	100%
Ivor Green (Exports) Limited	England and Wales	£5,000	Distribution of fastenings	100%	100%
TR Miller BV	Holland	NLG 100,000	Distribution of fastenings	100%	100%
Lancaster Fastener Company Limited	England and Wales	£40,000	Distribution of fastenings	100%	100%
Samson Industries Inc.	USA	$1,168,063	Distribution of fastenings	100%	100%
TR Scandinavia AB	Sweden	SEK 1,500,000	Distribution of fastenings	100%	100%

A full list of group companies is included in the annual return.

BOARD OF DIRECTORS

DAVID DUGDALE

Chairman (non-executive)

Other Non-Executive Directorships include, Gerrard & King Limited, Matcon Group PLC and Dwyer Estates PLC.

MALCOLM DIAMOND

Chief Executive

Also a member of both the CBI Regional Council and National Manufacturing Council. He is also a Non-Executive Director of Sytner Group PLC.

JOHN WILSON

Group Finance Director & Deputy Chief Executive

COLIN HILL

Director

He is Managing Director of TR Fastenings in the UK.

JIM BARKER

Director

GEOFF BUDD

Director

JOHN BUDGEN

Director (non-executive)

Other non-executive directorships include, Cash Bases Group Ltd, dan Technology, Bond Group Ltd and Willisher & Quick Ltd.

COMPANY DETAILS

TRIFAST PLC

Head Office

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Telephone +44 (0)1825 769696

Fax +44 (0)1825 767882

Registered Number 1919797

e-mail ceooffice@trifast.com

Web site http://www.trifast.com

Company Secretary

Stuart Lawson, BA (Hons), ACA

Audit Committee

David Dugdale (Chairman)

John Budgen

John Wilson

Remuneration Committee

John Budgen (Chairman)

David Dugdale

ADVISERS

Merchant Bank and Financial Advisers

NM Rothschild & Sons Limited, New Court, St. Swithins Lane, London EC4P 4DU

Principal Bankers

HSBC Bank plc, High Street, Beckenham, Kent BR3 1BX

Registered Auditors

KPMG Audit Plc, 1 Forest Gate, Brighton Road, Crawley, West Sussex RH11 9PT

Stockbrokers

HSBC Investment Bank plc, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ

Solicitors

Charles Russell, Killowen House, Bayshill Road, Cheltenham, Gloucestershire GL50 3AW

Registrars

Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA

Financial PR Advisers

Citigate Dewe Rogerson Limited, No.1 Waterloo Street, Birmingham B2 5PG

NOTES

We would like to thank all the staff who have assisted in the preparation of this Report.

BACK COVER

The different colours of the badges indicate the length of service with Trifast

Blue (0-5 years)	Bronze (5-10 years)
Silver (10-15 years)	Gold (15-25 years)

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