Tomkins

Tomkins plc
East Putney House
84 Upper Richmond Road
London SW15 2ST

Tel +44 (0)20 8871 4544
Fax +44 (0)20 8877 9700
Email comments@tomkins.co.uk
Web www.tomkins.co.uk

March 31, 2005

Jonathon G. Katz, Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549-0609

Re: File Number 4-497

Dear Mr. Katz:

Tomkins plc ("Tomkins") is encouraged that the Securities and Exchange Commission ("SEC") is soliciting feedback, and we appreciate the opportunity to submit comments, regarding the implementation of Section 404 of the Sarbanes-Oxley Act of 2002 ("Act"). Tomkins is a world class global engineering and manufacturing group with market and technical leadership across three businesses: Industrial & Automotive, Air Systems Components, and Engineered & Construction Products. Tomkins is a foreign private issuer headquartered in London, England, with annual sales of approximately £3 billion.

While the Act was a response to major control failures in prominent US companies, we strongly believe the Act fails to recognize that a far greater number of failures are caused by ineffective management of strategic risks. The focus of Section 404 ignores the value destruction that occurs when strategic risks are not identified and/or properly managed and instead assumes that failure is more likely to arise from ineffective transaction processing and the basic controls thereon.

That said, we agree with the necessity of strong internal controls over financial reporting and the importance of ensuring those controls are effective so as to minimize the risk of material misstatement. However, we believe that in practice the requirements under Section 404 are not being achieved in a cost efficient and sensible manner. Based on public comments made by the Act's sponsors (Messrs. Sarbanes and Oxley), we also question whether the spirit of the law and the subsequent rulemaking are aligned. Below are some of the significant factors contributing to an imbalance of cost versus benefit that Tomkins is facing as we implement the requirements under Section 404.

- The cost of compliance for a decentralized organization such as Tomkins is extremely high due to the multiple information systems and control environments through which the transactions that comprise a large portion of the account balances are generated. Accordingly, significantly more resources need to be allocated to the project than a centralized company as those different controls and control environments will need to be tested. In contrast to this additional testing and the related cost, the risk of material misstatement is mitigated by the fact that a company is decentralized. Systemic issues would be generally confined within a legal entity.

- Presently, there is very little guidance concerning management's requirements. The requirements for accounting firms have been defined by the Public Company Accounting Oversight Board ("PCAOB") in Auditing Standard No. 2, which has been used as a proxy for management's requirements. However, the expectation that management must test as much or more than the external auditors has driven companies to err on the side of too much testing and increases the cost of compliance.

Registered in England
Number 203531
Registered Office:
East Putney House
84 Upper Richmond Road
London SW15 2ST

- The external auditors have been put in a position to accept little or no risk, adding to the cost of compliance (both in external audit fees and internal management investment driven by the preceding point). Also, they have been put in position of applying textbook approaches rather than pragmatic approaches uniquely tailored to the company's environment; this too increases cost.

- The SEC should provide further clarity about which controls should be tested. Companies are spending the majority of their time and effort in areas of lower risk (i.e. detailed operational processes), and less time on more critical areas (i.e. entity level controls). This significantly increases the number of controls that require testing and the resultant cost of that testing. The focus should be on those areas which have the greatest risk of incurring financial misstatements as demonstrated by the failures leading up to the Sarbanes-Oxley Act. The requirement and review of strong corporate governance practices, including board independence and accountability, good ethics policy, and human resource practices are very important components for providing reliable financial reporting, but tend to represent a minor portion of the time and costs being incurred.

- The variability of accounting alternatives in complex financial reporting situations is not addressed by the Act. Companies may comply with rule-based accounting standards, implement, document and test appropriate internal controls, and yet we still do not have improved transparency and comparability.

- Tomkins, as a UK listed company, is already required to comply with the governance guidelines outlined in the Combined Code. Section 404 requires us to comply with multiple governance frameworks with the same overriding objectives but with significantly varying levels of detail and costs.

- The redundancy of full management testing **and** external auditor testing should be addressed. The external auditors have effectively dictated to management the methods and procedures management must use in conducting its assessment. Tomkins is incurring unnecessary time and expense, far in excess of what we consider appropriate for complete assessment sufficient to support the issuance of our report. The analogy can be made to the requirements for annual financial statement reporting. Management provides its assertion on the reliability of the financial statements which is inherent in its issuance of the financial statements themselves. There is no additional requirement for management to audit its own financial statements. The external auditor, in turn, opines on the financial statements. The desired level of assurance on the reliability of the financial statements is provided with the auditor's opinion directly on those financial statements.

Each of the points above speaks to the onerous cost of implementing Section 404. The estimated potential costs to our shareholders far outweigh the benefits, or even potential benefits, of this compliance. Internally, the ongoing management testing is conservatively estimated at 12 man-years of time. Externally, the ongoing increase in audit fees are expected to be 100%, due in large part to the decentralized nature of Tomkins.

We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions you may have. Please do not hesitate to contact us regarding this letter.

Sincerely,

Ken Lever
Group Finance Director & CFO