

DON-BUR (BODIES & TRAILERS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004
COMPANY REGISTRATION NUMBER 1571914



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DON-BUR (BODIES & TRAILERS) LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 30 September 2004.

Activities

The company's principal activities are the manufacture and repair of commercial vehicle and trailer bodies, together with the manufacture of trailer and related curtains, large format digital printing, fibre glass fairings and sign writing.

Business review and results

We report on another financially sound but mixed year. The early part of the year was slow to start but picked up towards the end.

Turnover increased by £1.2M (4.1%) to £30.9M whilst gross margins suffered from a combination of a less than optimal product mix and significant maintenance costs at the main plant to keep our facility up to standard.

We invested £689K in additions to fixed assets being a combination of new plant and extensions to the main site. An additional workshop at one of our Service facilities will further expand our capacity in trailer after-market support. The New Year will also see expansion of our trailer curtain making facilities. Progress continues in the development of our 3D Engineering CAD system that will aid product refinement and production planning.

We ended the year with a good order book and a build up of stocks to support that future activity.

Net borrowings were again reduced, this time by some £360K to end at £1.1M (2003 - £1.5M). With net assets now standing at £3.9M our gearing ratio stands at 27% (2003 - 40%).

Profit on ordinary activities before taxation achieved £1,071K (2003 - £1,876K).

Our thanks must of course go to our customers, staff, suppliers and bankers for their support in our endeavours.

We look forward to the challenges of the coming year.

DON-BUR (BODIES & TRAILERS) LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Dividends

The directors do not recommend a dividend (2003 - £nil).

Fixed assets

Movements in tangible fixed assets are disclosed in note 6 to the financial statements.

Employee involvement

It is company policy to maintain and develop employee involvement.

The directors are conscious that the expertise and dedication of our staff is the primary asset of the company. Regular meetings are held with employee representatives to discuss all aspects of the business and opportunities are given at these meetings for senior executives of the company to be questioned about matters which concern the employees.

Without the loyalty and commitment of all the people working in the company it would not have been possible to achieve the progress that has been made. The board is highly appreciative of this fact and would thank everyone for all their efforts.

Employment of disabled persons

The company gives full and fair consideration to applications for employment made by disabled persons, to the continued employment of existing staff who become disabled and to the training, career development and promotion of disabled persons having regard to the possible hazards associated with the work involved and to an individual's particular disability.

DON-BUR (BODIES & TRAILERS) LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors

The directors who held office during the year, together with their shareholdings, were as follows:

D Burton
D J Burton
D M Burton
R J Bloomfield
A Richardson

A Richardson held no shares either in the company or its ultimate holding company.

With the exception of A Richardson, all other directors were also directors of the company's ultimate holding company and their share interests therein are shown in that company's directors' report.

Donations

The company made charitable donations of £2,197 (2003- £300) during the year.

Auditors

A resolution to reappoint Bentley Jennison as auditors of the company will be proposed at the annual general meeting.

By order of the board



D Burton
Director

Registered office
Mossfield Road
Longton
Stoke on Trent
ST3 5BW

15 December 2004

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

DON-BUR (BODIES & TRAILERS) LIMITED

We have audited the financial statements of Don-Bur (Bodies & Trailers) Limited for the year ended 30 September 2004 set out on pages 6 to 18. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 8 and 9.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

DON-BUR (BODIES & TRAILERS) LIMITED

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bentley Jennison

Bentley Jennison
Chartered Accountants
Registered Auditors

5 Ridge House
Ridge House Drive
Festival Park
Stoke on Trent
ST1 5SJ

17 December 2004

DON-BUR (BODIES & TRAILERS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2004

		2004	2003
	Note	£000's	£000's
TURNOVER	1	30,880	29,645
Cost of sales		<u>(26,848)</u>	<u>(24,994)</u>
GROSS PROFIT		4,032	4,651
Selling and distribution costs		(661)	(617)
Administrative expenses		<u>(2,230)</u>	<u>(2,041)</u>
OPERATING PROFIT	2	1,141	1,993
Interest payable less receivable	4	<u>(70)</u>	<u>(117)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,071	1,876
Taxation on profit on ordinary activities	5	<u>(343)</u>	<u>(548)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION RETAINED FOR THE YEAR	13	<u>728</u>	<u>1,328</u>

All operations were classed as continuing during the year.

There were no recognised gains or losses other than as stated above.

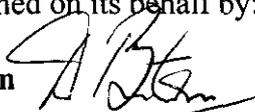
The attached notes form an integral part of the financial statements.

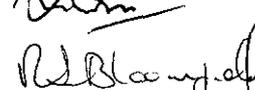
DON-BUR (BODIES & TRAILERS) LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2004

	Note	2004 £000's	2003 £000's
FIXED ASSETS			
Tangible assets	6a	5,518	5,463
CURRENT ASSETS			
Stocks	7	3,240	2,525
Debtors	8	3,821	3,442
Cash at bank and in hand		<u>3</u>	<u>2</u>
		7,064	5,969
CREDITORS: amounts falling due within one year	9	<u>(8,188)</u>	<u>(7,678)</u>
NET CURRENT LIABILITIES		<u>(1,124)</u>	<u>(1,709)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,394	3,754
CREDITORS: amounts falling due after more than one year	10	(106)	(194)
PROVISIONS FOR LIABILITIES AND CHARGES	11	<u>(395)</u>	<u>(395)</u>
NET ASSETS		<u>3,893</u>	<u>3,165</u>
CAPITAL AND RESERVES			
Called up share capital	12	63	63
Revaluation reserve	13	371	376
Profit and loss account	13	<u>3,459</u>	<u>2,726</u>
SHAREHOLDERS' FUNDS	13	<u>3,893</u>	<u>3,165</u>

These financial statements were approved by the board of directors on 15 December 2004 and were signed on its behalf by:

D Burton  Director

R Bloomfield  Director

The attached notes form an integral part of the financial statements.

DON-BUR (BODIES & TRAILERS) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)

1 ACCOUNTING POLICIES

Accounting basis

The financial statements have been prepared under historical cost accounting rules, as modified by the revaluation of land and buildings, and applicable accounting standards in the United Kingdom.

The company has also taken the exemption under S228(2) of the Companies Act 1985 not to prepare group accounts as it is included in the accounts of its ultimate parent undertaking.

Turnover

Turnover represents the amounts, excluding value added tax, derived from the provision of goods and services to UK third party customers during the year.

Fixed assets and depreciation

Depreciation has been provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	- fifty years
Short leasehold property	- over the period of the lease
Long leasehold property	- fifty years
Plant and machinery	- two to ten years
Fixtures, fittings and equipment	- two to ten years

Freehold and leasehold land have not been depreciated.

The company has adopted the transitional provisions of FRS 15 'Tangible Fixed Assets'. Whilst previous valuations have been retained, they have not been updated. From 1 October 1999, it is company policy not to revalue fixed assets.

Leases

Assets acquired under finance lease and hire purchase contracts are recorded in the balance sheet as tangible fixed assets and are depreciated as set out in the above policy. 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 that reduces the outstanding obligation for future instalments.

Operating lease rentals have been charged to the profit and loss account on a straight-line basis over the period of the lease.

DON-BUR (BODIES & TRAILERS) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

Stock and work in progress

Stock and work in progress has been valued at the lower of cost and net realisable value. Cost represents the amounts incurred in bringing each product to its present location and condition and includes an appropriate level of overheads.

Foreign currency

Profit and loss account transactions in foreign currencies are translated into sterling at the rate prevailing on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates. All revaluation and realised exchange gains and losses are taken to the profit and loss account.

Pension costs

The company contributes to defined contribution personal pension schemes of certain employees. Assets of the schemes are held separately from those of the company in independently administered funds.

The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is recognised without discounting in respect of all timing differences between the treatment of items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Investments

Fixed asset investments are stated at cost less provision for any permanent diminution in value.

DON-BUR (BODIES & TRAILERS) LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)**

3 STAFF COSTS AND DIRECTORS' EMOLUMENTS (CONTINUED)

(b) Directors' emoluments	2004	2003
	£000's	£000's
Emoluments (including pension contributions)	<u>734</u>	<u>550</u>

There are 4 directors (2003 – 4) for whom retirement benefits are accruing in money purchase schemes.

Included in the above are pension contributions of **£18,000** (2003 – £17,000).

Emoluments of the highest paid director were:

	£000's	£000's
Salary and benefits in kind	186	191
Contributions to personal pension schemes	<u>4</u>	<u>7</u>
	<u>190</u>	<u>198</u>

4 INTEREST PAYABLE LESS RECEIVABLE

Payable on:	2004	2003
	£000's	£000's
Bank loans and overdrafts	27	16
Other loans	16	6
Loss arising on the early settlement of debt	-	28
Finance leases and hire purchase contracts	<u>27</u>	<u>67</u>
	<u>70</u>	<u>117</u>

DON-BUR (BODIES & TRAILERS) LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)**

5 TAXATION	2004	2003
	£000's	£000's
Corporation tax at 30%	340	660
Deferred tax at 30%	-	(86)
Adjustment re: previous years	3	(26)
	<u>343</u>	<u>548</u>

Factors affecting tax charge for the year

The tax assessed for the year is different than the marginal rate of corporation tax applicable.

The differences are explained below:

	2004	2003
	£000's	£000's
Profit on ordinary activities before tax	<u>1,071</u>	<u>1,876</u>
Profit on ordinary activities multiplied by 30% (2003 - 30%)	323	563
Expenses not deductible for tax purposes	12	-
Depreciation for year in excess of capital allowances	14	97
Small companies marginal relief	(9)	-
	<u>340</u>	<u>660</u>

DON-BUR (BODIES & TRAILERS) LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)**

**6a TANGIBLE FIXED
ASSETS**

	Land & buildings	Plant & Machinery	Fixtures, Fittings & Equipment	Total
	£000's	£000's	£000's	£000's
Cost or valuation				
At 1 October 2003	4,466	3,613	757	8,836
Additions	363	313	13	689
Disposals	-	(301)	(20)	(321)
At 30 September 2004	4,829	3,625	750	9,204
Depreciation				
At 1 October 2003	450	2,256	667	3,373
Charge for year	91	394	39	524
On disposals	-	(191)	(20)	(211)
At 30 September 2004	541	2,459	686	3,686
Net book value				
At 30 September 2004	4,288	1,166	64	5,518
At 30 September 2003	4,016	1,357	90	5,463

The net book value of land & buildings comprises:

	2004	2003
	£000's	£000's
Freehold	599	609
Long leasehold	3,276	3,174
Short leasehold	413	233
	4,288	4,016

At 30 September 2004, land & buildings include freehold land of £200,000 and long leasehold land of £69,000 (2003- £200,000 and £69,000 respectively) that are not depreciated.

The freehold land and buildings were last revalued on 30 September 1998.

The company has adopted the transitional provisions of FRS 15 'Tangible Fixed Assets'. Whilst previous valuations have been retained, they have not been updated. From 1 October 1999, it is company policy not to revalue fixed assets.

DON-BUR (BODIES & TRAILERS) LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)**

6a TANGIBLE FIXED ASSETS (CONTINUED)

Included in land and buildings is long leasehold land and buildings with a historic cost of **£3,244,000** (2003 - £3,079,000) and a net book value of **£2,907,000** (2003 - £2,806,000).

Included in the total net book value of plant and machinery is **£308,000** (2003 - £728,000) in respect of assets held under hire purchase contracts. Depreciation for the year on these assets was **£134,000** (2003 - £264,000).

6b INVESTMENTS

The company owns 100% of the issued share capital of a dormant fellow subsidiary company, Temperature Controlled Technology Limited, on the transfer of all assets, liabilities and trade of Don-Bur Service Limited. The cost of investment in the shares is **£1** (2003 - £1). The net assets of Temperature Controlled Technology Limited at 30 September 2004 is **£1** (2003 - £1).

7 STOCKS AND WORK IN PROGRESS	2004	2003
	£000's	£000's
Raw materials and consumables	1,262	1,077
Work in progress	1,943	1,385
Finished goods and goods for resale	<u>35</u>	<u>63</u>
	<u>3,240</u>	<u>2,525</u>

8 DEBTORS	2004	2003
	£000's	£000's
Trade debtors	3,571	3,212
Prepayments and accrued income	<u>250</u>	<u>230</u>
	<u>3,821</u>	<u>3,442</u>

DON-BUR (BODIES & TRAILERS) LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)**

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2004	2003
	£000's	£000's
Bank loans and overdrafts	923	1,065
Obligations under hire purchase agreements	114	244
Trade creditors	4,397	3,352
Amounts owed to group undertakings	523	1,005
Corporation tax	339	660
Other taxation and social security costs	435	331
Other creditors	84	76
Accruals and deferred income	<u>1,373</u>	<u>945</u>
	<u>8,188</u>	<u>7,678</u>

The company operates an invoice discounting scheme with a commercial finance company which was secured on the trade debtors of the company. At 30 September 2004, £469,000 (2003 - £273,000) was due to the commercial finance company under this scheme and is included in bank loans and overdrafts.

The bank overdraft is secured with a fixed and floating charge over the company's assets.

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2004	2003
	£000's	£000's
Obligations under hire purchase contracts repayable:		
between two and five years	<u>106</u>	<u>194</u>
	<u>106</u>	<u>194</u>

DON-BUR (BODIES & TRAILERS) LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)**

11 PROVISION FOR LIABILITIES AND CHARGES

	2004 Full potential	2004 Amount provided	2003 Full Potential	2003 Amount provided
	£000's	£000's	£000's	£000's
Deferred taxation				
Accelerated capital allowances	<u>340</u>	340	<u>340</u>	340
Warranty Provision		<u>55</u>		<u>55</u>
		<u>395</u>		<u>395</u>

	2004	2003
	£000's	£000's
Deferred Taxation		
Balance at the start of the year	340	426
Transfer (from)/to profit and loss account	<u>-</u>	<u>(86)</u>
Balance at the end of the year	<u>340</u>	<u>340</u>

The warranty provision relates to the expected cost of warranty work on products supplied to customers. Full information has not been disclosed as the directors consider this information to be commercially sensitive and may prejudice any future actions.

DON-BUR (BODIES & TRAILERS) LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)**

12 CALLED UP SHARE CAPITAL	2004	2003
	£000's	£000's
Authorised		
Redeemable preference shares	50	50
Ordinary shares of £1 each	50	50
Preferred ordinary shares of £1 each	13	13
	<u>113</u>	<u>113</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	50	50
Preferred ordinary shares of £1 each	13	13
	<u>63</u>	<u>63</u>

The preferred ordinary shares have the same rights as the ordinary shares except that they are entitled to a participating dividend, being the higher of 11% net and 5% of the profit on ordinary activities before taxation, as adjusted for directors' emoluments less £50,000. All such shares are held by Don-Bur (Holdings) Limited, the ultimate parent undertaking.

**13 RECONCILIATION OF MOVEMENT
IN SHAREHOLDERS' FUNDS**

	Share Capital	Revaluation Reserve	Profit And loss Account
	£000's	£000's	£000's
Opening shareholders' funds	63	376	2,726
Profit for the financial year	-	-	728
Depreciation on revaluation reserve	-	(5)	5
	<u>63</u>	<u>371</u>	<u>3,459</u>
		2004	2003
		£000's	£000's
Opening shareholders' funds		3,165	1,837
Profit for the financial year		728	1,328
Dividends		-	-
		<u>3,893</u>	<u>3,165</u>

DON-BUR (BODIES & TRAILERS) LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)**

14 OTHER FINANCIAL COMMITMENTS	2004		2003	
	Land & Buildings	Plant & machinery	Land & Buildings	Plant & machinery
Operating leases	£000's	£000's	£000's	£000's
Expiring:				
In one year or less	-	2	-	7
Between two and five years	23	39	23	28
Over five years	92	-	89	138
	<u>115</u>	<u>41</u>	<u>112</u>	<u>173</u>

Leases on land and buildings are subject to periodical rent reviews. Capital commitments at 30 September 2004 are £96,000 (2003 – £61,000) either contracted but not provided or authorised but not contracted.

15 ULTIMATE HOLDING COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER

The company is a wholly owned subsidiary undertaking of Don-Bur (Holdings) Limited, which is the ultimate holding company and is incorporated in England and Wales.

The company has taken advantage of the exemption not to disclose related party transactions with group undertakings.

Copies of the consolidated financial statements of the ultimate holding company can be obtained from the registered office.