



Dura UK Limited

Annual report and financial statements
for the year ended 31 December 2000

Registered number: 3535821



Directors' report

For the year ended 31 December 2000

The directors present their annual report on the affairs of the group, together with the financial statements and auditors' report, for the year ended 31 December 2000.

Principal activities

The principal activities of the group comprise the design and manufacture of shift systems, cable assemblies and engine controls for the global automotive industry.

Subsequent event

On 26 March 2002, the trade, assets and liabilities of the steering gear business, a division of Dura Automotive Limited, were transferred to Adwest Engineering Limited, a new subsidiary, at book value of £3.8m. On 27 April 2002, Dura Automotive Limited disposed of its interest in Adwest Engineering Limited.

Results and dividends

During the year the group performed a reorganisation of the entities within its group structure. This process was undertaken to simplify the corporate structure within the United Kingdom Dura group and resulted in certain impairments to the carrying value of goodwill and investments.

The audited accounts for the year ended 31 December 2000 are set out on pages 5 to 27. The loss for the year after taxation was £213,635,000 (1999 - £86,997,000).

No dividend can be paid.

Directors and their interests

The directors who served during the year, and subsequently, were as follows:

D Bovee (USA)
K Storrie (USA)
K G Lowen (appointed 1 August 2001, resigned 26 April 2002)
D G Brooks (appointed 1 August 2001)
B Twyman (resigned 28 August 2001)
S Graham (USA) (resigned 11 February 2000)

None of the directors who held office during the year had any interests requiring disclosure under Schedule 7 of the Companies Act 1985.

Directors' report (continued)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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; and
- 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 of the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Payments to suppliers

The group agrees terms and conditions for its business transactions with suppliers. Payment is made on these terms subject to the terms and conditions being met by the supplier.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Directors' report (continued)

Employee consultation

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and team briefings. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

47 Castle Street
Reading
Berkshire
RG1 7SR

By order of the Board

A handwritten signature in black ink, appearing to be 'D Brooks', written over a horizontal line.

D Brooks

Director

22 July 2002

Independent auditors' report to the shareholders of Dura UK Limited

We have audited the financial statements of Dura UK Limited for year ended 31 December 2000 which comprise the Profit and loss account, Consolidated statement of total recognised gains and losses, Balance sheet and the related notes numbered 1 to 28. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' report. 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 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 and other members of the group 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. Our responsibilities do not extend to any other information.

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 circumstances of the company and of the group, 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 (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group at 31 December 2000 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

Four Brindleyplace
Birmingham
B1 2HZ

22 July 2002

Consolidated profit and loss account

For the year ended 31 December 2000

	Notes	2000 £'000	1999 £'000
Turnover			
Existing operations		351,231	316,226
Acquisitions		10,961	-
Continuing operations		362,192	316,226
Discontinued operations		-	9,094
	2	362,192	325,320
Cost of sales	3	(330,027)	(281,273)
Gross profit	3	32,165	44,047
Other operating expenses (net)	3, 4	(212,099)	(91,833)
Operating (loss) profit		(179,934)	(47,786)
Existing operations		(180,478)	(48,731)
Acquisitions		544	-
Continuing operations	3	(179,934)	(48,731)
Discontinued operations	3	-	945
Operating loss	3	(179,934)	(47,786)
Loss on sale of discontinued operations	4	-	(4,689)
Loss on ordinary activities before interest		(179,934)	(52,475)
Interest receivable and similar income	5	78	313
Interest payable and similar charges	6	(27,358)	(29,413)
Loss on ordinary activities before taxation	7	(207,214)	(81,575)
Tax on loss on ordinary activities	9	(6,421)	(5,422)
Loss on ordinary activities after taxation		(213,635)	(86,997)
Minority interests	19	(146)	(283)
Retained loss for the year	21	(213,781)	(87,280)

The accompanying notes are an integral part of this consolidated profit and loss account.

Consolidated statement of total recognised gains and losses

For the year ended 31 December 2000

	2000 £'000	1999 £'000
Retained loss for the year	(213,781)	(87,280)
Foreign currency translation differences	<u>(256)</u>	<u>(718)</u>
Total recognised gains and losses relating to the year	<u>(214,037)</u>	<u>(87,998)</u>

The accompanying notes are an integral part of this consolidated statement of total recognised gains and losses.

Balance sheet

31 December 2000

	Notes	2000 Group £'000	2000 Company £'000	1999 Group £'000	1999 Company £'000
Fixed assets					
Intangible assets	11	-	-	163,257	-
Tangible assets	12	95,751	-	83,138	-
Investments	13	-	-	57	126,733
		<u>95,751</u>	<u>-</u>	<u>246,452</u>	<u>126,733</u>
Current assets					
Stocks	14	31,970	-	26,409	-
Debtors	15	147,815	-	141,290	37,189
Cash at bank and in hand		42,982	-	5,883	-
		<u>222,767</u>	<u>-</u>	<u>173,582</u>	<u>37,189</u>
Creditors: Amounts falling due within one year	16	<u>(320,107)</u>	<u>(17,441)</u>	<u>(116,868)</u>	<u>(7,831)</u>
Net current (liabilities) assets		<u>(97,340)</u>	<u>(17,441)</u>	<u>56,714</u>	<u>29,358</u>
Total assets less current liabilities		<u>(1,589)</u>	<u>(17,441)</u>	<u>303,166</u>	<u>156,091</u>
Creditors: Amounts falling due after more than one year	17	(203,890)	(136,237)	(293,046)	(96,560)
Provisions for liabilities and charges	18	<u>(12,518)</u>	<u>-</u>	<u>(10,898)</u>	<u>-</u>
Net (liabilities) assets		<u>(217,997)</u>	<u>(153,678)</u>	<u>(778)</u>	<u>59,531</u>
Capital and reserves					
Called-up share capital	20	91,995	91,995	91,995	91,995
Profit and loss account (deficit)	21	<u>(309,992)</u>	<u>(245,673)</u>	<u>(95,955)</u>	<u>(32,464)</u>
Equity shareholders' (deficit)/funds	22	<u>(217,997)</u>	<u>(153,678)</u>	<u>(3,960)</u>	<u>59,531</u>
Minority interests	19	-	-	3,182	-
Total capital employed		<u>(217,997)</u>	<u>(153,678)</u>	<u>(778)</u>	<u>59,531</u>

The accounts on pages 6 to 27 were approved by the board of directors and signed on its behalf by:

D Brooks

 Director

22 July 2002

The accompanying notes are an integral part of these balance sheets.

Notes to financial statements

31 December 2000

1 Accounting policies

A summary of the group's principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) Basis of accounting and going concern

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounts have been prepared on the going concern basis because the ultimate parent company has undertaken to provide financial support, for the foreseeable future, to the company and the group to enable them to meet their debts as they fall due.

The group accounts consolidate the accounts of Dura UK Limited and its subsidiary undertakings drawn up for the year ended 31 December 2000. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

In accordance with Financial Reporting Standard 1 (Revised) "Cash flow statements", the company has not presented a cash flow statement as more than 90% of its voting rights are controlled within the Dura Automotive Systems, Inc. group which prepares publicly available consolidated accounts that incorporate the results of the company.

b) Intangible assets – Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over twenty years. Provision is made for any impairment.

c) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	30 years
Plant and machinery	5 – 15 years

Residual value is calculated on prices prevailing at the date of acquisition.

d) Investments

Fixed asset investments are shown at cost less provision for impairment.

Notes to financial statements (continued)

1 Accounting policies (continued)

e) *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. The cost of work in progress and finished goods comprises materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity.

Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

f) *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is provided using the liability method on all timing differences, to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

g) *Turnover*

Turnover represents invoiced value of goods and services provided, net of trade discounts, VAT and other sales related taxes.

h) *Research and development*

Expenditure on research and development is written off in the period in which it is incurred.

i) *Pensions*

For defined benefit schemes the regular cost of providing retirement and related benefits is charged to the profit and loss account over the employees service lives on the basis of a constant percentage of earnings. Variations from regular cost, arising from periodic actuarial variations, are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and expected future earnings. The difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or a liability in the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

j) *Foreign currency*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. In the case of liabilities to be settled through forward exchange contracts, these have been translated at the contracted rates. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to the profit and loss account.

Notes to financial statements (continued)

1 Accounting policies (continued)

k) Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term even if the payments are not made on such a basis.

l) Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period. Convertible debt is reported as a liability unless conversion actually occurs. No gain or loss is recognised on conversion.

2 Segment information

Dura UK Limited operates internationally with specialist divisions of the world's automotive component manufacturers. Since detailed information relating to this competitor activity is not published, the directors are of the opinion that to comply fully with the requirements of SSAP 25 "Segmental reporting" would be seriously prejudicial to the interests of the group. Accordingly, no segment information is presented.

3 Cost of sales, gross profit and other operating expenses (net)

	2000			1999		
	Existing operations £'000	Acquired operations £'000	Total £'000	Continuing operations £'000	Discontinued operations £'000	Total £'000
Cost of sales	(319,610)	(10,417)	(330,027)	(273,948)	(7,325)	(281,273)
Gross profit	31,621	544	32,165	42,278	1,769	44,047
Other operating expenses (net)	(48,608)	-	(48,608)	(33,628)	(824)	(34,452)
Exceptional items – goodwill impairment	(163,491)	-	(163,491)	(46,000)	-	(46,000)
Exceptional items – restructuring	-	-	-	(11,381)	-	(11,381)
	(212,099)	-	(212,099)	(91,009)	(824)	(91,833)
Operating (loss) profit	(180,478)	544	(179,934)	(48,731)	945	(47,786)

Notes to financial statements (continued)

3 Exceptional items reported before operating loss

Due to difficult trading conditions, the directors have reconsidered the carrying value of goodwill and have recorded an exceptional impairment provision of £163,491,000 (1999 - £46,000,000) within other operating expenses (net) for the year ended 31 December 2000.

The exceptional items had no effect on the tax charge for either year.

4 Exceptional items reported after operating loss

In the prior year, the loss on sale of discontinued operations was in respect of the sale of the trade and certain assets of the group's Kentwood operation on 30 June 1999.

The exceptional item had no effect on the tax charge for either year.

5 Interest receivable and similar income

	2000 £'000	1999 £'000
Bank interest receivable	<u>78</u>	<u>313</u>

6 Interest payable and similar charges

	2000 £'000	1999 £'000
Bank loans and overdrafts	7,696	6,851
Amounts owed to group undertakings	19,662	13,829
Finance leases and hire purchase contracts	-	235
Loss on early repayment of debt	-	6,090
Loss on foreign currency translation	-	2,408
	<u>27,358</u>	<u>29,413</u>

Notes to financial statements (continued)

7 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2000 £'000	1999 £'000
Depreciation of tangible fixed assets		
- held under finance leases	459	237
- owned	27,334	13,974
Research and development	508	208
Amortisation of goodwill	11,519	8,423
Impairment of goodwill	163,491	46,000
Operating lease rentals		
- plant and machinery	733	672
- other	966	1,197
Auditors' remuneration for audit services	474	372

Amounts payable to Arthur Andersen and their associates by the company and its UK subsidiary undertakings in respect of non-audit services were £75,000 (1999 - £49,000)

8 Staff costs

The average monthly number of employees (including executive directors) was:

	2000 Number	1999 Number
Production	4,858	3,960
Sales and distribution	73	64
Administration	304	1,004
	<u>5,235</u>	<u>5,028</u>

Notes to financial statements (continued)

8 Staff costs (continued)

Their aggregate remuneration comprised:

	2000 £'000	1999 £'000
Wages and salaries	42,939	61,275
Social security costs	10,246	12,016
Other pension costs (see note 24)	273	844
	<u>53,458</u>	<u>74,135</u>

Directors' remuneration

The services of the directors are provided by other group undertakings. No part of their remuneration is specifically attributed to their services to Dura UK Limited.

9 Tax on loss on ordinary activities

The tax charge comprises:

	2000 £'000	1999 £'000
UK corporation tax	363	-
Overseas tax	-	5,422
Adjustments in respect of prior years overseas tax	6,058	-
	<u>6,421</u>	<u>5,422</u>

10 Loss attributable to Dura UK Limited

The loss for the year dealt with in the financial statements of the parent company, Dura UK Limited, was £213,209,000 (1999 - £31,692,000). As permitted by Section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of the parent company.

Notes to financial statements (continued)

11 Intangible fixed assets – Goodwill

	Group £'000
Cost	
At 1 January 2000	220,520
Additions	11,753
At 31 December 2000	<u>232,273</u>
Amortisation	
At 1 January 2000	57,263
Charge for the year	11,519
Impairment provision	163,491
At 31 December 2000	<u>232,273</u>
Net book value	
At 31 December 2000	<u>-</u>
At 31 December 1999	<u>163,257</u>

Due to difficult trading conditions, the directors have reconsidered the carrying value of goodwill and have recorded an impairment provision of £163,491,000 (1999 - £46,000,000).

The company had no goodwill at either year end.

Notes to financial statements (continued)

12 Tangible fixed assets

Group	Freehold land and buildings £'000	Plant and machinery £'000	Assets in course of construction £'000	Total £'000
Cost				
At 1 January 2000	28,574	66,918	2,146	97,638
Acquisition of subsidiary undertakings	86	4,139	26	4,251
Additions	2,684	42,544	3,424	48,652
Transfers	-	1,495	(1,495)	-
Disposals	-	(8,372)	-	(8,372)
Exchange adjustment	(346)	(6,662)	587	(6,421)
At 31 December 2000	<u>30,998</u>	<u>100,062</u>	<u>4,688</u>	<u>135,748</u>
Depreciation				
At 1 January 2000	899	13,601	-	14,500
Charge for period	1,103	26,690	-	27,793
Disposals	-	(1,686)	-	(1,686)
Exchange adjustment	2	(612)	-	(610)
At 31 December 2000	<u>2,004</u>	<u>37,993</u>	<u>-</u>	<u>39,997</u>
Net book value				
At 31 December 2000	<u>28,994</u>	<u>62,069</u>	<u>4,688</u>	<u>95,751</u>
At 31 December 1999	<u>27,675</u>	<u>53,317</u>	<u>2,146</u>	<u>83,138</u>
Leased assets included above				
Net book value				
At 31 December 2000	<u>4,688</u>	<u>881</u>	<u>-</u>	<u>5,569</u>
At 31 December 1999	<u>4,281</u>	<u>1,405</u>	<u>-</u>	<u>5,686</u>

Freehold land amounting to £3,817,000 (1999 - £1,718,000) has not been depreciated.

The company had no tangible fixed assets at either year end.

Notes to financial statements (continued)

13 Fixed asset investments

	Group 2000 £'000	Company 2000 £'000	Group 1999 £'000	Company 1999 £'000
Subsidiary undertakings	-	-	-	126,733
Associates	-	-	57	-
	<u>-</u>	<u>-</u>	<u>57</u>	<u>126,733</u>

Principal group investments

The parent company and the group have investments in the following subsidiary undertakings and associates which principally affected the results or net (liabilities) assets of the group. The principal activities of all group companies is the design and manufacture of shift systems, cable assemblies and engine controls for the global automotive industry.

	Country of incorporation	Principal activity	Holding
<i>Subsidiary undertakings</i>			
Trident Automotive Limited	England and Wales	Holding company	100%
Spicebright Limited*	England and Wales	Holding company	100%
Moblan Investments BV*	Netherlands	Holding company	100%
Industrias Metalurgica Liebau Limitada*	Brazil	Manufacture of automotive systems and components	100%
Dura Automotive Systemes SA*	France	Manufacture of automotive systems and components	100%
Dura Automotive Systems France SA*	France	Manufacture of automotive systems and components	100%
Dura Holdings Limited (formerly Adwest Automotive plc)*	England and Wales	Holding company	100%
Adwest Bowden France SA*	France	Manufacture of automotive systems and components	100%
Adwest France SA*	France	Holding company	100%
Adwest OCI SA*	France	Manufacture of car gear shifters	100%

Notes to financial statements (continued)

13 Fixed asset investments (continued)

	Country of incorporation	Principal activity	Holding
<i>Subsidiary undertakings</i>			
Adwest Dauphinoise Thomson SA*	France	Manufacture of automotive systems and components	100%
Dura Holdings France SA*	France	Holding company	100%
Sermeca Sarl*	France	Manufacture of automotive systems and components	100%
Adwest Heidemann Gruppe GmbH und Co. KG*	Germany	Holding company	100%
Adwest Heidemann Einbeck GmbH*	Germany	Manufacture of automotive systems and components	100%
Adwest Köhler GmbH*	Germany	Manufacture of automotive systems and components	100%
Adwest Heidemann Rotenburg GmbH*	Germany	Manufacture of automotive systems and components	100%
Dura Automotive Limited (formerly Adwest Western Thomson Limited)*	England and Wales	Manufacture of automotive systems and components	100%
Dura Cables Limited (formerly Adwest Bowden TSK Limited*)	England and Wales	Manufacture of automotive systems and components	100%
Adwest Heidemann do Brazil Ltda*	Brazil	Manufacture of car gear shifters	100%
Adwest Heidemann Novell Iberica SA*	Spain	Manufacture of car gear shifters	100%
<i>Associates</i>			
Western Thomson (India) Limited*	India	Manufacture of automotive components	49%

* Held by intermediate group undertaking

Notes to financial statements (continued)

13 Fixed asset investments (continued)

Subsidiary undertakings

Cost	£'000
At 1 January 2000 and 31 December 2000	150,733
Amounts written off	
At 1 January 2000	24,000
Impairment provision	126,733
At 31 December 2000	150,733
Net book value	
At 31 December 2000	-
At 31 December 1999	126,733

Due to difficult trading conditions, the directors have reconsidered the carrying value of the investments in subsidiary undertakings and have recorded an impairment provision of £126,733,000 (1999 - £24,000,000).

Acquisition of subsidiary undertakings

On 29 September 2000, the group acquired Reiche GmbH & Co. Kg. The following table sets out the provisional book and fair values of the identifiable assets and liabilities acquired.

	£'000
Tangible fixed assets	4,251
Stocks	1,880
Debtors	5,632
Cash	1,564
Creditors	(8,369)
Net assets	4,958
Goodwill	8,420
	13,378
Satisfied by:	
Deferred consideration	13,378

The company had no investments in associates at either period end.

Notes to financial statements (continued)

13 Fixed asset investments (continued)

Associates

	Fair value Group £'000
Cost	
At 1 January 2000	57
Exchange adjustment	2
At 31 December 2000	<u>59</u>
	£'000
Amounts written off	
At 1 January 2000	-
Impairment provision	59
At 31 December 2000	<u>59</u>
Net book value	
At 31 December 2000	-
At 31 December 1999	<u>57</u>

14 Stocks

	Group 2000 £'000	Company 2000 £'000	Group 1999 £'000	Company 1999 £'000
Raw materials and consumables	17,866	-	11,300	-
Work-in-progress	7,333	-	5,258	-
Finished goods and goods for resale	6,771	-	9,851	-
	<u>31,970</u>	<u>-</u>	<u>26,409</u>	<u>-</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

Notes to financial statements (continued)

15 Debtors

	Group 2000 £'000	Company 2000 £'000	Group 1999 £'000	Company 1999 £'000
Trade debtors	79,821	-	81,615	-
Amounts owed by group undertakings	40,711	-	11,055	37,189
Overseas tax recoverable	1,325	-	9,664	-
Prepayments and accrued income	16,205	-	23,679	-
Pension prepayment	9,753	-	15,277	-
	<u>147,815</u>	<u>-</u>	<u>141,290</u>	<u>37,189</u>

Pension prepayments of £9,753,000 (1999 - £15,277,000) relate to amounts recoverable after more than one year.

16 Creditors: Amounts falling due within one year

	Group 2000 £'000	Company 2000 £'000	Group 1999 £'000	Company 1999 £'000
Obligations under finance leases and hire purchase contracts	1,043	-	1,627	-
Bank loans and overdrafts	29,936	-	10,089	-
Trade creditors	85,402	-	56,591	-
Amounts owed to group undertakings	162,499	17,441	18,716	7,815
Other taxation and social security	363	-	6,804	-
Other creditors	40,864	-	23,041	16
	<u>320,107</u>	<u>17,441</u>	<u>116,868</u>	<u>7,831</u>

Amounts owed to group undertakings are unsecured, have no fixed repayment date and bear interest at varying rates. The other group undertakings have confirmed that no repayments of the amounts owed to group undertakings will be sought until the company has sufficient funds to make such a repayment.

Notes to financial statements (continued)

17 Creditors: Amounts falling due after more than one year

	Group 2000 £'000	Company 2000 £'000	Group 1999 £'000	Company 1999 £'000
Obligations under finance leases and hire purchase contracts	4,643	-	5,478	-
Bank loans	40,975	-	29,444	-
Amounts owed to group undertakings	142,736	136,237	240,104	96,560
Other creditors	15,536	-	18,020	-
	<u>203,890</u>	<u>136,237</u>	<u>293,046</u>	<u>96,560</u>

Amounts owed to group undertakings are unsecured, have no fixed repayment date and bear interest at varying rates. The other group undertakings have confirmed that no repayments of the amounts owed to group undertakings will be sought until the company has sufficient funds to make such a repayment.

Borrowings are repayable as follows:

	Group 2000 £'000	Group 1999 £'000
Bank loans and overdrafts		
Between one and two years	9,233	6,229
Between two and five years	31,742	23,215
	<u>40,975</u>	<u>29,444</u>
On demand or within one year	29,936	10,089
	<u>70,911</u>	<u>39,533</u>

All bank loans and overdrafts are secured by fixed and floating charges over the assets of fellow group undertakings within the Dura UK Limited group and bear interest at varying rates.

Finance leases

Between one and two years	891	1,500
Between two and five years	565	1,878
After five years	3,187	2,100
	<u>4,643</u>	<u>5,478</u>
On demand or within one year	1,043	1,627
	<u>5,686</u>	<u>7,105</u>

Notes to financial statements (continued)

18 Provisions for liabilities and charges

	Onerous contracts £'000	Property £'000	Pension £'000	Re- structuring £'000	Loss contracts £'000	Total £'000
Group						
At 1 January 2000	1,935	593	1,388	3,214	3,768	10,898
Charge for the year	-	5,523	-	-	1,689	7,212
Utilisation	(1,935)	(536)	-	(766)	(2,355)	(5,592)
At 31 December 2000	-	5,580	1,388	2,448	3,102	12,518

The property provision relates to commitments on onerous leases.

The loss contracts provision arises from operating losses expected to be incurred on certain contracts to which the group is irrevocably committed.

The group had no provided or unprovided deferred tax liability at either year end.

The company had no provisions for liabilities and charges at either year end.

19 Minority interests

The minority interests represent 35% of the ordinary share capital of Dura Cables Limited, a company incorporated in England and Wales. During the year the group acquired the ordinary share capital owned by the minority shareholders. Movements during the year are as follows:

	£'000
At 1 January 2000	3,182
Profit on ordinary activities	146
Dividends paid	(159)
Acquisition of minority interest	(3,169)
At 31 December 2000	-

Notes to financial statements (continued)

20 Called-up share capital

	2000 £	1999 £
<i>Authorised</i>		
91,994,565 ordinary shares of £1 each	<u>91,994,565</u>	<u>91,994,565</u>
<i>Allotted, called-up and fully-paid</i>		
91,994,565 ordinary shares of £1 each	<u>91,994,565</u>	<u>91,994,565</u>

21 Profit and loss account

	Group £'000	Company £'000
At 1 January 2000	(95,955)	(32,464)
Loss for the year	(213,781)	(213,209)
Foreign currency translation differences	(256)	-
At 31 December 2000	<u>(309,992)</u>	<u>(245,673)</u>

22 Reconciliation of movements in group shareholders' deficit

	2000 £'000	1999 £'000
Loss for the year	(213,781)	(87,280)
Foreign currency translation differences	(256)	(718)
New shares issued	-	91,995
Net (increase) decrease in shareholders' deficit	<u>(214,037)</u>	<u>3,997</u>
Opening shareholders' deficit	(3,960)	(7,957)
Closing shareholders' deficit	<u>(217,997)</u>	<u>(3,960)</u>

Notes to financial statements (continued)

23 Financial commitments

Capital commitments are as follows:

	Group 2000 £'000	Company 2000 £'000	Group 1999 £'000	Company 1999 £'000
Contracted for but not provided for	<u>1,885</u>	<u>-</u>	<u>3,122</u>	<u>-</u>

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

Group	2000		1999	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date				
- within one year	-	127	112	159
- between two and five years	-	606	45	600
- after five years	<u>966</u>	<u>-</u>	<u>1,106</u>	<u>-</u>
	<u>966</u>	<u>733</u>	<u>1,263</u>	<u>759</u>

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

The company had no annual commitments under non-cancellable operating leases at either year end.

Notes to financial statements (continued)

24 Pension arrangements

The group provides pension arrangements to the majority of full time employees through various defined benefit and defined contribution schemes. The related costs are assessed in accordance with the advice of professionally qualified actuaries.

Details of the most recent actuarial valuation of the most significant group defined benefit scheme, being the Adwest Group 1998 Pension and Assurance Plan, which was conducted as at 1 October 2000 using the projected unit method, is as follows:

Main assumptions (% pa):

- rate of increase in salaries	5%
- rate of increase of pensions	3%
- return on scheme investments	6.2%

Results:

- market value of scheme's assets (£'000)	56,473
- level of funding (%)	101

In respect of this scheme, the actuaries have indicated that no company contributions are required for the twelve months ended 31 December 2000 and therefore the Trustees have not called for, and the company has not paid, any contributions during the period.

The pension credit for the year was £1,130,000 (1999 - £1,844,000). This credit represents the group's proportion of the credit on the variation from regular cost over the expected average working lifetime of the current membership less the regular cost of providing pension benefits.

The consolidated balance sheet recognises a prepayment of £9,753,000 (1999 - £15,277,000) representing the excess of the amortisation of surpluses over the accumulated regular cost of providing benefits.

In addition to the main scheme above, the company made contributions of £272,542 to certain other schemes.

Notes to financial statements (continued)

25 Contingent liabilities

At 31 December 2000, the group had contingent liabilities relating to the borrowings of its subsidiary undertakings amounting to £5,828,321 (1999 - £nil). Company at 31 December 2000 £nil (1999 - £nil).

The group is subject to various legal actions and claims incidental to its business, including those arising out of alleged defects. In the event of a product recall by an original equipment manufacturer, it is possible that the manufacturer will seek reimbursement of the costs to repair from the company. In addition, the company is currently in discussions with a significant customer regarding certain alleged product defects. All such matters are subject to many uncertainties and the outcomes of individual matters are not predictable with assurance. Management believes that the company maintains adequate insurance, including product liability coverage, to cover the claims above. Based upon the information available to management and discussions with legal counsel, it is the opinion of management that the ultimate outcome of such matters will not have a material adverse impact on the accounts of the company.

26 Subsequent event

On 26 March 2002, the trade, assets and liabilities of the steering gear business, a division of Dura Automotive Limited, were transferred to Adwest Engineering Limited, a new subsidiary, at book value of £3.8m. On 27 April 2002, Dura Automotive Limited disposed of its interest in Adwest Engineering Limited.

27 Related party transactions

In accordance with the exemption permitted by Financial Reporting Standard 8 "Related party disclosures", related party transactions between members of the group, headed by Dura Automotive Systems, Inc., are not disclosed as more than 90% of the company's voting rights are controlled within the group and consolidated accounts, which incorporate the results of the company, are publicly available.

Group undertakings with less than 90% of their voting rights controlled within the group, sold and purchased goods of £nil (1999 - £707,000) and £nil (1999 - £29,000), respectively in the ordinary course of business from Dura Operating Corporation, a subsidiary of the ultimate parent, Dura Automotive Systems, Inc.

28 Ultimate parent undertaking and controlling party

The directors regard Dura Automotive Systems, Inc., a company incorporated in the United States of America, as the ultimate parent company and the ultimate controlling party.

Dura Automotive Systems, Inc., is the parent company of the largest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from 4508 IDS Center, Minneapolis, Minnesota 55405.