Dura UK Limited

Annual report and financial statements
for the year ended 31 December 2001

Registered number: 3535821



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Directors' report

For the year ended 31 December 2001

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the year ended 31 December 2001.

Principal activities

The principal activity of the company is that of an intermediate holding company. The directors anticipate no change in the principal activity for the foreseeable future.

Results and dividends

The audited financial statements for the year ended 31 December 2001 are set out on pages 6 to 16. The loss for the year after taxation was £27,737,000 (2000 - £213,209,000 loss).

No dividend can be paid.

Going concern

The directors have prepared the financial statements on the going concern basis because Dura Automotive Systems Inc., the ultimate parent company, has undertaken to provide such financial support as the company may require to enable it to continue to meet its liabilities as they fall due for the foreseeable future.

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, resigned 8 November 2002)
B Twyman (resigned 28 August 2001)
S Graham (USA) (resigned 11 February 2000)
F Boulanger (France) (appointed 8 November 2002)
J Mow (appointed 3 September 2003)
A Liddell (USA) (appointed 8 November 2002, resigned 3 September 2003)

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

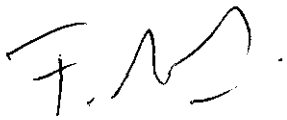
Auditors

Arthur Andersen resigned as auditors on 31 July 2002. The directors appointed Deloitte & Touche to fill the resulting casual vacancy.

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

47 Castle Street
Reading
Berkshire
RG1 7SR

By order of the Board



F Boulanger

Director

22 December 2003

Statement of directors' responsibilities

United Kingdom 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 profit or loss of the company 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 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Dura UK Limited

We have audited the financial statements of Dura UK Limited for year ended 31 December 2001, which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility 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 the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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.

Qualified opinion arising from disagreement about accounting treatment

As explained in note 1, the financial statements of the company do not include consolidated financial statements for its group as required by s227 Companies Act 1985 and Financial Reporting Standard 2 "Accounting for subsidiary undertakings". As a consequence, the financial statements do not give the information required by generally accepted accounting practice about the economic activities of the group of which the company is the parent. It is not practicable to quantify the effects of this departure. Accordingly, in our opinion, a true and fair view of the group is not given.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its loss for the year then ended and, except for the fact that consolidated financial statements have not been prepared, the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

29 December 2003

Profit and loss account

For the year ended 31 December 2001

	Notes	2001 £'000	2000 £'000
Administrative expenses (net)	2	(4,856)	(50,621)
Operating loss		(4,856)	(50,621)
Amounts written off fixed asset investments		(17,184)	(156,110)
Interest receivable and similar income	3	3,720	3,541
Interest payable and similar charges	4	(9,417)	(10,019)
Loss on ordinary activities before taxation	5	(27,737)	(213,209)
Tax on loss on ordinary activities	7	-	-
Loss for the year	12	(27,737)	(213,209)

Operating loss is derived entirely from continuing activities.

There are no recognised gains or losses in either year other than the loss for that year.

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

Balance sheet

31 December 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Investments	8	-	-
Creditors: Amounts falling due within one year	9	(26,985)	(17,441)
Net current liabilities		(26,985)	(17,441)
Total assets less current liabilities		(26,985)	(17,441)
Creditors: Amounts falling due after more than one year	10	(128,510)	(136,237)
Net liabilities		(155,495)	(153,678)
Capital and reserves			
Called-up share capital	11	91,995	91,995
Capital contribution	12	25,920	-
Profit and loss account (deficit)	12	(273,410)	(245,673)
Equity shareholders' deficit	13	(155,495)	(153,678)

The financial statements on pages 6 to 16 were approved by the board of directors and signed on its behalf by:

F Boulanger Director

22 December 2003

The accompanying notes are an integral part of this balance sheet.

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, with the exception of the policy for deferred tax which has been changed as explained in note 7 to comply with Financial Reporting Standard 19 "Deferred Tax".

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, and present the results of the company only.

The company is the holding company for a number of European and Brazilian businesses of the Dura group. The ultimate parent company is Dura Automotive Systems Inc, a company incorporated in the USA. Dura Automotive Systems Inc prepares group financial statements which are publicly available (note 17). The directors have considered the time and expense necessary to prepare and have audited consolidated UK GAAP financial statements at the Dura UK Limited level for the year ended 31 December 2001, taking into account complications arising from the change in auditors in August 2002. After careful consideration, they have decided not to prepare such financial statements and accordingly present the financial statements of Dura UK Limited as an individual company only. This is a departure from United Kingdom Accounting Standards and the Companies Act 1985, and the auditors report is qualified in this respect.

The company has suffered a loss in the year of £27,737,000 (2000 - £213,209,000) and has net liabilities at 31 December 2001 of £155,495,000 (2000 - £153,678,000). The directors have prepared the financial statements on the going concern basis because Dura Automotive Systems Inc., the ultimate parent company, has undertaken to provide such financial support as the company may require to enable it to continue to meet its liabilities as they fall due for the foreseeable future.

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 financial statements that incorporate the results of the company.

a) Investments

Fixed asset investments are shown at cost less provision for impairment. Also included within fixed asset investments are certain long-term loan balances with other group undertakings, net of any provision.

b) 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. 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.

1 Accounting policies (continued)

c) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Group relief is applied across the group and in the current year no payments between companies will be made for the relief received or surrendered.

2 Administrative expenses (net)

	2001 £'000	2000 £'000
Administrative expenses (net)		
- gain on foreign currency translation	-	(2,147)
- provision against intercompany debtor	4,856	52,768
	4,856	50,621

3 Interest receivable and similar income

	2001 £'000	2000 £'000
Interest receivable and similar income	3,720	3,541

4 Interest payable and similar charges

	2001 £'000	2000 £'000
Amounts owed to group undertakings	9,399	10,019
Loss on foreign currency translation	18	-
	9,417	10,019

5 Loss on ordinary activities before taxation

Audit costs are borne on the company's behalf by other group undertakings.

6 Staff costs

Apart from directors, there are no other employees. The remuneration of the directors is paid by other group undertakings for both periods and no part of their remuneration is specifically attributable to their services to this company.

7 Tax on loss on ordinary activities

There is no UK corporation tax charge in either year.

The differences between the current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before taxation is as follows:

	2001 £'000	2000 £'000
Loss on ordinary activities before taxation	(27,737)	(213,209)
Tax credit on loss on ordinary activities at standard UK corporation tax rate of 30% (2000 – 30%)	(8,321)	(63,963)
Effects of:		
Expenses not deductible for tax purposes	6,568	62,666
Other timing differences not recognised	2,864	3,006
Group tax loss relief	(1,111)	(1,709)
Total current tax	-	-

The company's policy for accounting for deferred tax has changed to comply with Financial Reporting Standard 19 "Deferred tax". Previously deferred tax was only provided to the extent that timing differences were expected to reverse in the future without being replaced. Deferred tax is now provided in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. The statement of accounting policies describes the full deferred tax policy.

The effect of the change in accounting policy in the current year and in the prior year is £nil.

Deferred tax provided and not provided is as follows:

	Provided		Not provided	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Other timing differences	-	-	8,096	5,232

The deferred tax asset on other timing differences relates to accrued interest expenses not currently paid. In the interest of prudence this has not been provided on the basis that it is not known with reasonable certainty that the company will generate sufficient taxable profits in the future.

8 Fixed asset investments

Principal group investments

The company and the group has investments in the following subsidiary undertakings and associates.

	Country of incorporation	Principal activity	Holding
Subsidiary undertakings			
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 Systems 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*	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%
Adwest Dauphinoise Thomson SA*	France	Manufacture of automotive systems and components	100%
Dura Holdings France SA*	France	Holding company	90.6%
Sermeca Sarl*	France	Manufacture of automotive systems and components	100%
Adwest Heidemann Gruppe GmbH und Co. KG*	Germany	Holding company	100%

8 Fixed asset investments (continued)

	Country of incorporation	Principal activity	Holding
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*	England and Wales	Manufacture of automotive systems and components	100%
Dura Cables Limited*	England and Wales	Manufacture of automotive systems and components	100%
Adwest Heidemann do Brazil Ltda*	Brazil	Manufacture of car gear shifters	100%
Dura Automotive SL* (formerly Adwest Heidemann Novell Iberica SA)	Spain	Manufacture of car gear shifters	100%
Associates			
Western Thomson (India) Limited*	India	Manufacture of automotive components	49%

* Held by intermediate group undertaking

8 Fixed asset investments (continued)

Subsidiary undertakings	£'000
Cost	
At 1 January 2001	156,119
Additions	17,184
At 31 December 2001	173,303
Amounts written off	
At 1 January 2001	156,119
Impairment provision	17,184
At 31 December 2001	173,303
Net book value	
At 31 December 2001	-
At 31 December 2000	-

During the year the company increased its involvement in Trident Automotive Limited. In view of the continuing losses in that company and the net liabilities position, the directors consider it appropriate to impair the increase.

9 Creditors: Amounts falling due within one year

	2001 £'000	2000 £'000
Amounts owed to group undertakings	26,985	17,441

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.

10 Creditors: Amounts falling due after more than one year

	2001 £'000	2000 £'000
Amounts owed to group undertakings	128,510	136,237

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 and not within one year of the balance sheet date.

11 Called-up share capital

	2001 £'000	2000 £'000
Authorised, allotted, called-up and fully-paid		
91,994,565 ordinary shares of £1 each	91,995	91,995

12 Reserves

	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2001	-	(245,673)	(245,673)
Capital contribution	25,920	-	25,920
Loss for the year	-	(27,737)	(27,737)
At 31 December 2001	25,920	(273,410)	(247,490)

13 Reconciliation of movements in shareholders' deficit

	2001 £'000	2000 £'000
Loss for the year	(27,737)	(213,209)
Capital contribution	25,920	-
Net increase in shareholders' deficit	(1,817)	(213,209)
Opening shareholders' (deficit) / surplus	(153,678)	59,531
Closing shareholders' deficit	(155,495)	(153,678)

14 Financial commitments

The company had no financial commitments at either year end.

15 Contingent liabilities

The company had no contingent liabilities at either year-end.

16 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 financial statements, which incorporate the results of the company, are publicly available.

17 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 financial statements are drawn up. Copies of the financial statements are available from 4508 IDS Center, Minneapolis, Minnesota 55405.