Company Registration No. 3535821

DURA UK LIMITED

Report and Financial Statements

31 December 2003



DURA UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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DURA UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Bovee
F Boulanger
J Mow

SECRETARY

Philsec Limited
1 Colmore Square
Birmingham
B4 6AA

REGISTERED OFFICE

1 Colmore Square
Birmingham
B4 6AA

BANKERS

Barclays Bank plc
Napier Court
Napier Road
Reading
Berkshire
RG1 8FD

SOLICITORS

Martineau Johnson
1 Colmore Square
Birmingham
B4 6AA

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Birmingham

DIRECTORS' REPORT

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 2003.

PRINCIPAL ACTIVITY

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

The subsidiary undertakings held by the company are disclosed in note 6 to the financial statements.

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 31 December 2003 are set out on pages 5 to 12. The loss for the year after taxation was £10,575,125 (2002 – loss £106,275,000). All the loss has been transferred to reserves.

No dividend can be paid.

DIRECTORS AND THEIR INTERESTS

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

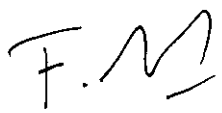
D Bovee (resigned 31 March 2005)
K Marchiando (appointed 1 April 2005)
F Boulanger
K Storrie (resigned 2 December 2003)
J Mow (appointed 3 September 2003)
A Liddell (resigned 3 September 2003)

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

AUDITORS

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.

Approved by the Board of Directors
and signed on behalf of the Board



F Boulanger

Director

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 as at the end of the financial year 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;
- 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 are also responsible for the system of internal control, 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 the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 13. 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 the statement of accounting polices, the financial statements of the company do not include consolidated financial statements for its group as required by s277 of the 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 2003 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

9 May 2005

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Administrative income	1	-	80,467
Operating profit		-	80,467
Amounts written off investments and loans		(11,611)	(187,803)
Interest receivable and similar income	2	1,036	1,061
Loss on ordinary activities before taxation	3	(10,575)	(106,275)
Tax on loss on ordinary activities	5	-	-
Retained loss for the year	10	(10,575)	(106,275)

All operations of the company continued throughout both years and no operations were acquired or discontinued.

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 2003

	Note	2003 £'000	2002 £'000
FIXED ASSETS			
Investments	6	-	-
CREDITORS: amounts falling due within one year	7	(24,884)	(25,920)
NET CURRENT LIABILITIES		(24,884)	(25,920)
TOTAL ASSETS LESS CURRENT LIABILITIES		(24,884)	(25,920)
NET LIABILITIES		(24,884)	(25,920)
CAPITAL AND RESERVES			
Called up share capital	8	91,995	91,995
Capital contribution reserve	9	273,381	261,770
Profit and loss account	9	(390,260)	(379,685)
EQUITY SHAREHOLDERS' DEFICIT	10	(24,884)	(25,920)

These financial statements on pages 5 to 12 were approved by the Board of Directors on 3rd May 2005

Signed on behalf of the Board of Directors

F. M

F Boulanger
Director

The accompanying notes are an integral part of this balance sheet

STATEMENT OF ACCOUNTING POLICIES
31 December 2003

A summary of the company's principal accounting policies is set out below. They have been applied consistently throughout the year and the preceding year.

BASIS OF ACCOUNTING

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

The company is the holding company for a number of businesses of the Dura Group. The 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 13). 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 2003. 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 had a loss in the year of £10,575,000 (2002 – £106,275,000 loss) and has net liabilities at 31 December 2003 of £24,884,000 (2002 - £25,920,000). 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 'Cash flow statements', the company has taken advantage of the exemption of preparing a cash flow statement on the grounds that it is a wholly owned subsidiary within the Dura Automotive Systems, Inc., group and the parent company prepares publicly available consolidated financial statements that incorporate the results of the company.

Investments

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

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.

It is the policy of the Dura UK group not to require payment for any group tax loss relief received or any group tax loss relief suffered.

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.

NOTES TO THE FINANCIAL STATEMENTS

1. ADMINISTRATIVE INCOME

	2003 £'000	2002 £'000
Release of provision against intercompany debtor	-	80,467

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £'000	2002 £'000
Gain on foreign currency translation (net)	1,036	1,061

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

4. STAFF COSTS

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no UK corporation tax charge or deferred tax charge in either year.

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

	2003 £'000	2002 £'000
Loss on ordinary activities before taxation	(10,575)	(106,275)
Tax credit on loss on ordinary activities at standard UK corporation tax rate of 30% (2002 – 30%)	(3,172)	(31,883)
Effects of:		
Expenses not deductible for tax purposes	3,483	32,210
Other timing differences	(2,100)	-
Group tax loss relief	1,564	(318)
Tax losses not utilised	225	-
Total current tax	-	-

Deferred tax provided and not provided is as follows:

	Provided		Not provided	
	2003 £	2002 £	2003 £	2002 £
Other timing differences	-	-	5,839	8,096
Losses	-	-	225	-
	-	-	6,064	-

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 know with reasonable certainty that the company will generate sufficient taxable profits in the future.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. FIXED ASSET INVESTMENTS

	2003 £'000	2002 £'000
Subsidiary undertakings	-	-

The company has investments in the following entities (in order to avoid a statement of excessive length, the dormant subsidiaries have been omitted):

	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%
Dura Holdings Limited*	England and Wales	Holding company	100%
Dura Automotive Limited*	England and Wales	Manufacture of automotive components	100%
Moblan Investments BV*	The Netherlands	Holding company	100%
Dura Automotive Systems SAS*	France	Manufacture of automotive components	100%
Dura Automotive Systems Europe SAS*	France	Holding company	100%
Dura Automotive Holding GmbH & Co. KG*	Germany	Holding company	80%
Dura Automotive Systems Einbeck GmbH*	Germany	Manufacture of automotive components	100%
Dura Automotive Systems Rotenburg GmbH*	Germany	Manufacture of automotive components	100%
Dura Automotive Systems Köhler GmbH*	Germany	Manufacture of automotive components	100%
Dura Automotive Systems GmbH*	Germany	Manufacture of automotive components	100%
Dura Automotive Systems Reiche GmbH & Co. KG*	Germany	Manufacture of automotive components	100%
Dura Automotive SL*	Spain	Manufacture of automotive components	100%

* Shares not directly owned by Dura UK Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. FIXED ASSET INVESTMENTS (CONTINUED)

Subsidiary undertakings

	£'000
Cost	
At 1 January 2003	361,106
Additions	11,611
At 31 December 2003	372,717
Amounts written off	
At 1 January 2003	361,106
Impairment for the year	11,611
At 31 December 2003	372,717
Net book value	
At 31 December 2003	-
At 31 December 2002	-

During the year the company increased its investment in Trident Automotive Limited. In view of the net liabilities position of this company, the directors consider appropriate to impair the increase.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £'000	2002 £'000
Amounts owed to group undertakings	24,884	25,920

8. CALLED UP SHARE CAPITAL

	2003 £'000	2002 £'000
Authorised, allotted, called-up and fully paid		
91,994,565 ordinary shares of £1 each	91,995	91,995

9. RESERVES

	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2003	261,770	(379,685)	(117,915)
Capital contribution	11,611	-	11,611
Retained loss for the year	-	(10,575)	(10,575)
At 31 December 2003	273,381	(390,260)	(116,879)

During the year the company received a capital contribution from the parent company to further enhance the balance sheet position of the company and its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFECIT

	2003 £'000	2002 £'000
Retained loss for the year	(10,575)	(106,275)
Capital contribution	11,611	235,850
Net addition to shareholders' defecit	1,036	129,575
Opening shareholders' deficit	(25,920)	(155,495)
Closing shareholders' deficit	(24,884)	(25,920)

11. FINANCIAL COMMITMENTS

There were no capital commitments or annual commitments under non-cancellable operating leases at either year end.

12. 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.

13. ULTIMATE PARENT COMPANY 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 smallest and 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.

The immediate parent company and immediate controlling party is Dura Operating Corporation, a company incorporated in the United States of America.