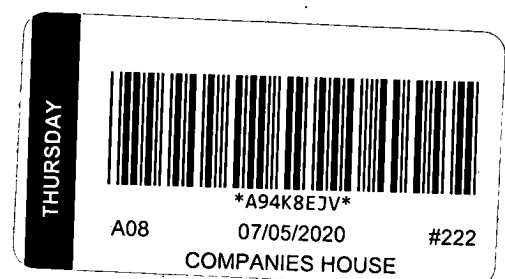


**Don-Bur (Holdings) Limited**

Directors' Report and Financial Statements

For the Year Ended 30 September 2019



## **Don-Bur (Holdings) Limited**

### **Company Information**

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**Directors**

D Burton  
D M Burton  
D J Burton

**Company secretary**

A Bushnell

**Registered number**

3218454

**Registered office**

Mossfield Road  
Adderley Green  
Longton  
Stoke on Trent  
Staffordshire  
ST3 5BW

**Independent auditors**

Dains LLP  
Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

# **Don-Bur (Holdings) Limited**

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**Group Strategic Report  
For the Year Ended 30 September 2019**

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**Business review**

2018/19 has been a real year of transition. We have embedded major investments into the business throughout the year in the form of new systems and cutting edge automated technology. We have also restructured at a senior level incurring significant but non-recurring costs to do so.

The systems development currently in progress will form the cornerstone of further developments across the whole infrastructure of the organisation as we move towards a full ERP solution.

Turnover growth and margins in the year were both held back by the disruptive effects of the various investment implementations, but we are now beginning to feel significant benefits from our efforts.

Trading conditions continue to be challenging in the face of many uncertainties, both in the industry and from a broader economic standpoint, and we will continue to make continuous improvements in order to remain not just competitive, but at the forefront of quality and on-time delivery performance.

To assist in monitoring the performance of the group, the following key performance indicators are used:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Turnover	<b>53,214</b>	51,088
Profit before tax	<b>1,740</b>	1,979
Stock levels	<b>5,258</b>	5,084
Trade debtors	<b>8,674</b>	7,179
Net cash (borrowings)	<b>3,180</b>	3,782
Staff costs	<b>14,670</b>	13,461
Number of employees	<b>468</b>	472

**Principal risks and uncertainties**

In the current market conditions our principal risks and uncertainties include our competitive position in the market place, the volatility of exchange rates and the impact these have on materials costs, the solvency of our clients, the security of our supply chain and our financing capability.

The continued development of our product range, which aims to bring both a more cost effective and environmentally friendly delivery trip to our customers helps to encourage our competitive positioning.

We take forward exchange contracts at the point of placing orders in currency so that costings are fixed and accurate.

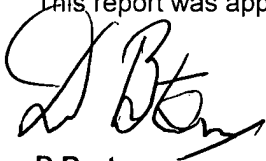
We apply strict credit control management techniques to our clients to ensure we minimise any credit offered and that the client is credit worthy.

Our supply chain is tested rigourously both for their financial strength and to ensure we have multiple supply opportunities in the event of any failures.

Our banking facilities were renewed in full in this year, which the directors believe will be more than adequate for our expected needs.

We face 2019/20 and onwards recognising there is a big challenge but believing that we are worthy challengers.

This report was approved by the board and signed on its behalf.



**D Burton**  
Director

Date: 19 December 2019

**Directors' Report  
For the Year Ended 30 September 2019**

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The directors present their report and the financial statements for the year ended 30 September 2019.

**Principal activity**

The group's principal activities are the design, manufacture, maintenance, refurbishment and repair of commercial vehicle and trailer bodies, together with the manufacture of trailer and related curtains and load restraint, large format digital printing, fibre glass fairings and sign writing with our own after market parts department. Our facilities include an Authorised Commercial Vehicle testing station. We are one of the few commercial vehicle bodybuilders to be able to offer whole life support services.

**Directors**

The directors who served during the year were:

D Burton  
D M Burton  
D J Burton

**Results and dividends**

The profit for the year, after taxation, amounted to £1,408,000 (2018 - £1,585,000).

Dividends of £650,000 have been paid during the year.

**Future developments**

Systems and new technology remain at the core of our vision of becoming the leading provider of Bodies and Trailers into the Transport industry. We will continue to trial and adopt new technologies that, in turn, bring cost reductions and efficiencies that will enable us to provide a better service to our customers, increase capacity and enhance profitability.

**Financial instruments**

When we are exposed to currency exchange risk we apply appropriate forward contracts to secure our exposure.

**Employee involvement**

It is group 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 group. 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 group to be questioned about matters which concern the employees.

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

**Disabled employees**

The group gives full and fair consideration to applications for employment made by disabled persons, to the continued employment of existing staff who became 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.

**Directors' Report (continued)**  
**For the Year Ended 30 September 2019**

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**Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Group will continue in business.

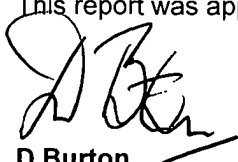
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

This report was approved by the board and signed on its behalf.



**D Burton**  
Director

Date: 19 December 2019

**Independent Auditors' Report to the Shareholders of Don-Bur (Holdings) Limited**

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**Opinion**

We have audited the financial statements of Don-Bur (Holdings) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2019, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets, the Group Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



**Independent Auditors' Report to the Shareholders of Don-Bur (Holdings) Limited (continued)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Independent Auditors' Report to the Shareholders of Don-Bur (Holdings) Limited (continued)**

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**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Jonathan Dudley (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor

Chartered Accountants

Suite 2, Albion House

2 Etruria Office Village

Forge Lane

Etruria

Stoke on Trent

ST1 5RQ

19 December 2019

**Don-Bur (Holdings) Limited**

**Consolidated Statement of Income and Retained Earnings  
For the Year Ended 30 September 2019**

	Note	2019 £000	2018 £000
Turnover	4	53,214	51,088
Cost of sales		(48,423)	(45,992)
<b>Gross profit</b>		<b>4,791</b>	<b>5,096</b>
Distribution costs		(1,160)	(745)
Administrative expenses		(1,907)	(2,365)
<b>Operating profit</b>	5	<b>1,724</b>	<b>1,986</b>
Interest receivable and similar income	9	30	10
Interest payable and expenses	10	(14)	(17)
<b>Profit before tax</b>		<b>1,740</b>	<b>1,979</b>
Tax on profit	11	(332)	(394)
<b>Profit after tax</b>		<b>1,408</b>	<b>1,585</b>
Retained earnings at the beginning of the year		11,929	10,584
		<b>11,929</b>	<b>10,584</b>
Profit for the year attributable to the owners of the parent		1,408	1,585
Dividends declared and paid	12	(650)	(240)
<b>Retained earnings at the end of the year</b>		<b>12,687</b>	<b>11,929</b>

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of income and retained earnings.

All amounts relate to continuing operations.

The notes on pages 13 to 33 form part of these financial statements.

**Don-Bur (Holdings) Limited**  
**Registered number:3218454**

**Consolidated Balance Sheet**  
**As at 30 September 2019**

	Note	2019 £000	2019 £000	2018 £000	2018 £000
<b>Fixed assets</b>					
Intangible assets	14		208		-
Tangible assets	15		8,712		7,411
			<u>8,920</u>		<u>7,411</u>
<b>Current assets</b>					
Stocks	17	5,258		5,084	
Debtors: amounts falling due within one year	18	9,307		7,570	
Cash at bank and in hand		4,067		4,102	
		<u>18,632</u>		<u>16,756</u>	
Creditors: amounts falling due within one year	19	(11,813)		(9,779)	
<b>Net current assets</b>			<u>6,819</u>		<u>6,977</u>
<b>Total assets less current liabilities</b>			<u>15,739</u>		<u>14,388</u>
Creditors: amounts falling due after more than one year	20		(656)		(132)
<b>Provisions for liabilities</b>					
Deferred taxation	23	(130)		(48)	
Other provisions	24	(480)		(493)	
			<u>(610)</u>		<u>(541)</u>
<b>Net assets</b>			<u>14,473</u>		<u>13,715</u>
<b>Capital and reserves</b>					
Called up share capital	25		128		128
Capital redemption reserve	26		22		22
Merger reserve	26		1,636		1,636
Profit and loss account	26		12,687		11,929
			<u>14,473</u>		<u>13,715</u>

**Don-Bur (Holdings) Limited**  
**Registered number:3218454**

**Consolidated Balance Sheet (continued)**  
**As at 30 September 2019**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**D Burton**  
Director

Date: 19 December 2019

The notes on pages 13 to 33 form part of these financial statements.

**Don-Bur (Holdings) Limited**  
**Registered number:3218454**

**Company Balance Sheet**  
**As at 30 September 2019**

	Note	2019 £000	2019 £000	2018 £000	2018 £000
<b>Fixed assets</b>					
Tangible assets	15		306		-
Investments	16		899		899
			<u>1,205</u>		<u>899</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	18	689		294	
		<u>689</u>		<u>294</u>	
Creditors: amounts falling due within one year	19	(654)		(254)	
		<u></u>	<u>35</u>	<u></u>	<u>40</u>
<b>Net current assets</b>					
			<u>1,240</u>		<u>939</u>
<b>Total assets less current liabilities</b>					
			<u>1,240</u>		<u>939</u>
<b>Net assets</b>			<u>1,240</u>		<u>939</u>
<b>Capital and reserves</b>					
Called up share capital	25		128		128
Capital redemption reserve	26		22		22
Merger reserve	26		787		787
Profit and loss account	26		303		2
			<u>1,240</u>		<u>939</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**D Burton**  
 Director

Date: 19 December 2019

The notes on pages 13 to 33 form part of these financial statements.

**Don-Bur (Holdings) Limited**

**Consolidated Statement of Cash Flows  
For the Year Ended 30 September 2019**

	2019 £000	2018 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,408	1,585
<b>Adjustments for:</b>		
Depreciation of tangible assets	656	678
Loss / (profit) on disposal of tangible assets	110	(3)
Interest paid	14	17
Interest received	(30)	(10)
Taxation charge	332	394
(Increase)/decrease in stocks	(174)	2,638
(Increase) in debtors	(1,735)	(1,010)
Increase in creditors	1,637	939
(Decrease) in provisions	(12)	(89)
Corporation tax (paid)	(300)	(535)
<b>Net cash generated from operating activities</b>	<b>1,906</b>	<b>4,604</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(208)	-
Purchase of tangible fixed assets	(2,278)	(381)
Sale of tangible fixed assets	211	8
Interest received	30	10
HP interest paid	(14)	(17)
<b>Net cash from investing activities</b>	<b>(2,259)</b>	<b>(380)</b>
<b>Cash flows from financing activities</b>		
New finance leases/(repayment of finance leases)	567	(263)
Dividends paid	(250)	(480)
<b>Net cash used in financing activities</b>	<b>317</b>	<b>(743)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(36)</b>	<b>3,481</b>
Cash and cash equivalents at beginning of year	4,102	621
<b>Cash and cash equivalents at the end of year</b>	<b>4,066</b>	<b>4,102</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,066	4,102
	<b>4,066</b>	<b>4,102</b>

The notes on pages 13 to 33 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

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**1. General information**

Don-Bur (Holdings) Limited is a company limited by shares, incorporated in England and Wales. Its registered office is Mossfield Road, Adderley Green, Longton, Stoke on Trent, ST3 5BW.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

Financial statements are presented in £'000.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2015.

Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.



**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	4	years
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**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of income and retained earnings.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.7 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.10 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**2. Accounting policies (continued)**

**2.10 Financial instruments (continued)**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2. Accounting policies (continued)**

**2.12 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of income and retained earnings within 'other operating income'.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of income and retained earnings.

**2.13 Finance costs**

Finance costs are charged to the Consolidated statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.14 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.15 Operating leases**

Rentals paid under operating leases are charged to the Consolidated statement of income and retained earnings on a straight line basis over the lease term.

**2. Accounting policies (continued)**

**2.16 Leased assets**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.17 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.18 Interest income**

Interest income is recognised in the Consolidated statement of income and retained earnings using the effective interest method.

**2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of income and retained earnings in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2. Accounting policies (continued)**

**2.20 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.21 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

**Critical judgement in applying the group's accounting policies**

The following are the critical judgements that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

**Revenue recognition and modification provision**

Expenditure was required in the year for rectification work carried out on goods supplied. In the light of the problems identified, management was required to consider whether it was appropriate to recognise the revenue of these transactions. In line with the group's general policy of recognising revenue when goods are delivered it was felt to be appropriate to recognise the revenue.

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 Revenue and, in particular, whether the group had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the group's liability in respect of rectification work, and the agreed limitation on the customers ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate modification provision totalling £480,000 for the rectification costs.

**Stock provisions**

Estimates have been made in relation to the calculation of the stock provision. The calculation requires the group to estimate the net realisable value, in order to compare to cost in assessing if any provisions against stock are required. The carrying value of stock held at the balance sheet date was £5,258,000.

Notes to the Financial Statements  
For the Year Ended 30 September 2019

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2019 £000	2018 £000
Sale of goods	45,462	44,041
Rendering of services	7,752	7,047
	<u>53,214</u>	<u>51,088</u>

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	51,063	50,552
Rest of Europe	2,151	536
	<u>53,214</u>	<u>51,088</u>

**5. Operating profit**

The operating profit is stated after charging:

	2019 £000	2018 £000
Exchange differences	4	(15)
Other operating lease rentals	207	78
Depreciation of tangible fixed assets	656	678
Defined contribution pension cost	279	175
	<u>1,146</u>	<u>926</u>

**6. Auditors' remuneration**

	2019 £000	2018 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>28</u>	<u>25</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	<u>3</u>	<u>3</u>
	<u>3</u>	<u>3</u>



## Don-Bur (Holdings) Limited

### Notes to the Financial Statements For the Year Ended 30 September 2019

#### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Wages and salaries	13,077	12,119	-	-
Social security costs	1,268	1,142	-	-
Cost of defined contribution scheme	279	175	-	-
	<u>14,624</u>	<u>13,436</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Number of production staff	409	409
Number of administrative staff	59	63
	<u>468</u>	<u>472</u>

#### 8. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	217	216
Company contributions to defined contribution pension schemes	15	14
	<u>232</u>	<u>230</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £88,000 (2018 - £88,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2018 - £10,000).

**Don-Bur (Holdings) Limited**

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

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**9. Interest receivable**

	<b>2019 £000</b>	<b>2018 £000</b>
Other interest receivable	<b>30</b>	10
	<u><b>30</b></u>	<u>10</u>

**10. Interest payable and similar expenses**

	<b>2019 £000</b>	<b>2018 £000</b>
Finance leases and hire purchase contracts	<b>14</b>	17
	<u><b>14</b></u>	<u>17</u>

**11. Taxation**

	<b>2019 £000</b>	<b>2018 £000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>269</b>	424
Adjustments in respect of previous periods	<b>(19)</b>	(15)
<b>Total current tax</b>	<u><b>250</b></u>	<u>409</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>82</b>	(15)
<b>Total deferred tax</b>	<u><b>82</b></u>	<u>(15)</u>
<b>Taxation on profit on ordinary activities</b>	<u><b>332</b></u>	<u>394</u>

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

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**11. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	<b>2019 £000</b>	<b>2018 £000</b>
Profit on ordinary activities before tax	<b>1,740</b>	1,979
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>331</b>	376
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>30</b>	34
Adjustments to tax charge in respect of prior periods	<b>(19)</b>	(15)
Additional deduction for land remediation expenditure	-	(2)
Effect of deferred tax rate	<b>(10)</b>	1
<b>Total tax charge for the year</b>	<b>332</b>	394

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**12. Dividends**

	<b>2019 £000</b>	<b>2018 £000</b>
Dividends paid	<b>650</b>	240
	<b>650</b>	240

**13. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements. The profit after tax of the parent Company for the year was £950,000 (2018 - £240,000).

Notes to the Financial Statements  
For the Year Ended 30 September 2019

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14. Intangible assets

Group

	Development expenditure £000
<b>Cost</b>	
Additions	208
At 30 September 2019	<u>208</u>
<b>Net book value</b>	
At 30 September 2019	<u><u>208</u></u>
At 30 September 2018	<u><u>-</u></u>

**Notes to the Financial Statements**  
**For the Year Ended 30 September 2019**

**15. Tangible fixed assets****Group**

	Freehold property £000	Short leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>					
At 1 October 2018	8,036	564	7,091	613	16,304
Additions	445	-	1,650	183	2,278
Disposals	-	-	(665)	-	(665)
At 30 September 2019	<u>8,481</u>	<u>564</u>	<u>8,076</u>	<u>796</u>	<u>17,917</u>
<b>Depreciation</b>					
At 1 October 2018	1,902	538	5,987	466	8,893
Charge for the year	124	1	477	54	656
Disposals	-	-	(344)	-	(344)
At 30 September 2019	<u>2,026</u>	<u>539</u>	<u>6,120</u>	<u>520</u>	<u>9,205</u>
<b>Net book value</b>					
At 30 September 2019	<u>6,455</u>	<u>25</u>	<u>1,956</u>	<u>276</u>	<u>8,712</u>
At 30 September 2018	<u>6,134</u>	<u>26</u>	<u>1,104</u>	<u>147</u>	<u>7,411</u>

Land and buildings include freehold land of £1,965,000 (2018 - £1,659,000) that is not depreciated.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £000	2018 £000
Plant and machinery	1,133	505
	<u>1,133</u>	<u>505</u>

15. Tangible fixed assets (continued)

Company

	Freehold property £000
<b>Cost or valuation</b>	
Additions	306
At 30 September 2019	<u>306</u>
<b>Net book value</b>	
At 30 September 2019	<u><u>306</u></u>
At 30 September 2018	<u><u>-</u></u>

Notes to the Financial Statements  
For the Year Ended 30 September 2019

16. Fixed asset investments

Company

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 October 2018	1,771
At 30 September 2019	1,771
<b>Impairment</b>	
At 1 October 2018	872
At 30 September 2019	872
<b>Net book value</b>	
At 30 September 2019	899
At 30 September 2018	899

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Don-Bur (Bodies and Trailers) Limited	Commercial vehicle body builder and repairer, trailer manufacturer	Ordinary	100%
Don-Bur Service Limited	Dormant	Ordinary	100%
Temperature Controlled Technology Limited	Dormant	Ordinary	100%

The aggregate of the share capital and reserves as at 30 September 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Don-Bur (Bodies and Trailers) Limited	14,727	1,727
Don-Bur Service Limited	-	-
Temperature Controlled Technology Limited	-	-

**Notes to the Financial Statements**  
**For the Year Ended 30 September 2019**

**17. Stocks**

	<b>Group</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>2018</b> <b>£000</b>	<b>Company</b> <b>2019</b> <b>£000</b>	<b>Company</b> <b>2018</b> <b>£000</b>
Raw materials and consumables	2,403	2,206	-	-
Work in progress (goods to be sold)	2,854	2,877	-	-
Finished goods and goods for resale	1	1	-	-
	<u>5,258</u>	<u>5,084</u>	<u>-</u>	<u>-</u>

Stock recognised in cost of sales during the year as an expense was £32,550,000 (2018: £33,025,000).

**18. Debtors**

	<b>Group</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>2018</b> <b>£000</b>	<b>Company</b> <b>2019</b> <b>£000</b>	<b>Company</b> <b>2018</b> <b>£000</b>
Trade debtors	8,674	7,179	-	-
Amounts owed by group undertakings	-	-	689	294
Other debtors	127	20	-	-
Prepayments and accrued income	506	371	-	-
	<u>9,307</u>	<u>7,570</u>	<u>689</u>	<u>294</u>

**19. Creditors: Amounts falling due within one year**

	<b>Group</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>2018</b> <b>£000</b>	<b>Company</b> <b>2019</b> <b>£000</b>	<b>Company</b> <b>2018</b> <b>£000</b>
Trade creditors	7,615	5,551	-	-
Corporation tax	101	151	-	-
Other taxation and social security	1,118	622	-	-
Obligations under finance lease and hire purchase contracts	231	188	-	-
Other creditors	1,017	528	654	254
Accruals and deferred income	1,731	2,739	-	-
	<u>11,813</u>	<u>9,779</u>	<u>654</u>	<u>254</u>

Obligations under finance leases and hire purchase agreements are secured on the assets to which they relate.



**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

**20. Creditors: Amounts falling due after more than one year**

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>	<b>Company 2019 £000</b>	<b>Company 2018 £000</b>
Net obligations under finance leases and hire purchase contracts	<b>656</b>	132	-	-
	<b>656</b>	132	-	-

Obligations under finance leases and hire purchase agreements are secured on the assets to which they relate.

**21. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>
Within one year	<b>231</b>	188
Between 1-5 years	<b>656</b>	110
Over 5 years	-	22
	<b>887</b>	320

**22. Financial instruments**

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>	<b>Company 2019 £000</b>	<b>Company 2018 £000</b>
<b>Financial assets</b>				
Financial assets measured at amortised cost	<b>8,801</b>	7,199	<b>689</b>	294
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(9,138)</b>	(8,129)	<b>(654)</b>	(254)

Financial assets measured at amortised cost comprise trade, other debtors and amounts owed by group companies.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, obligations under finance leases and hire purchase contracts, and accruals.

**Notes to the Financial Statements**  
**For the Year Ended 30 September 2019**

**23. Deferred taxation****Group**

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
At beginning of year	(48)	(63)
(Charged) / utilised in year	(82)	15
<b>At end of year</b>	<b>(130)</b>	<b>(48)</b>

The provision for deferred taxation is made up as follows:

	<b>Group</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>2018</b> <b>£000</b>	<b>Company</b> <b>2019</b> <b>£000</b>	<b>Company</b> <b>2018</b> <b>£000</b>
Accelerated capital allowances	(136)	(63)	-	-
Short term timing differences	6	15	-	-
	<b>(130)</b>	<b>(48)</b>	<b>-</b>	<b>-</b>

**24. Provisions****Group**

	<b>Modification</b> <b>provision</b> <b>£000</b>
At 1 October 2018	493
Credited to profit and loss	(13)
<b>At 30 September 2019</b>	<b>480</b>

Further details regarding the provision can be found in note 3.

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

**25. Share capital**

	2019 £000	2018 £000
<b>Allotted, called up and fully paid</b>		
90,500 (2018 - 90,500) Ordinary shares of £1.00 each	91	91
1,000 (2018 - 1,000) 'B' Ordinary shares of £1.00 each	1	1
18,000 (2018 - 18,000) 'C' Ordinary shares of £1.00 each	18	18
18,000 (2018 - 18,000) 'D' Ordinary shares of £1.00 each	18	18
	<u>128</u>	<u>128</u>

All shares are eligible to receive dividends when declared and have full voting rights and full entitlement to return of capital upon winding up or other distribution.

**26. Reserves**

**Capital redemption reserve**

The capital redemption reserve records the nominal value of shares repurchased by the company.

**Merger Reserve**

The merger reserve arose on the business acquisition and presents the difference of the nominal value of shares over the shares acquired.

**Profit and loss account**

The profit and loss account reserves relate to the accumulated results of the business, less dividends declared and adjusted for transfers to/from other reserves.

**27. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £279,000 (2018 - £175,000). Contributions totalling £69,000 (2018 - £51,000) were payable to the fund at the balance sheet date.

**Notes to the Financial Statements**  
**For the Year Ended 30 September 2019**

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**28. Commitments under operating leases**

At 30 September 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>
Not later than 1 year	300	92
Later than 1 year and not later than 5 years	1,016	295
Later than 5 years	906	971
	<b>2,222</b>	<b>1,358</b>

**29. Related party transactions**

The company has taken the exemption available in Financial Reporting Standard 102 from disclosing transactions and balances with other wholly owned group companies.

Directors were owed £654,414 (2018 - £254,414) by the group at the balance sheet date. During the year dividends were declared totalling £650,000 (2018 - £240,000). Payments totalling £250,000 (2018 - £400,000) were made to Directors during the year.

A company under the common control of the Directors owed the group £10,359 (2018 - £Nil) at the balance sheet date. During the year wages of £421,500 (2018 - £443,558) and expenses of £11,155 (2018 - £6,222) were paid on behalf of that company and the group was invoiced £8,233 (2018 - £Nil) for expenses. Net receipts of £414,063 have been received during the year. No interest was charged during the year.

**30. Controlling party**

The company is ultimately controlled by D Burton.