

DON-BUR (HOLDINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004
COMPANY REGISTRATION NUMBER 3218454



Index	Page
Directors' report	1 - 4
Report of the auditors	5 - 6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Cashflow statement	10
Notes forming part of the financial statements	11 - 24

DON-BUR (HOLDINGS) LIMITED

DIRECTORS' REPORT

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

Activities

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

Business Review and Results

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

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

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

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

Net borrowings were again reduced, this time by some £360K to end at £1.1M (2003 - £1.5M). With net assets now standing at over £4M our gearing ratio stands at 27% (2003 - 40%).

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

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

We look forward to the challenges of the coming year.

DON-BUR (HOLDINGS) LIMITED
DIRECTORS REPORT (CONTINUED)

Director's responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and group and of the profit or loss 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Dividends

The directors recommend a dividend of **£200,000** (2003 - £403,000).

Fixed assets

Movements in tangible fixed assets are disclosed in note 9 to the financial statements.

DON-BUR (HOLDINGS) LIMITED

DIRECTORS REPORT (CONTINUED)

Directors and shareholdings

The directors who held office during the year and their beneficial interest in the shares of the company were as follows:

	Ordinary shares of £1 each 2004	Ordinary shares of £1 each 2003
D Burton	91,500	91,500
D J Burton	36,000	36,000
D M Burton	36,000	36,000
R J Bloomfield	-	-

The beneficial interests of D J Burton and D M Burton are double counted as they have a joint interest in a discretionary trust that holds a total of 36,000 shares.

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 company 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 thank everyone for all their efforts.

Employment of disabled persons

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

Charitable and political contributions

During the year, the group made donations to UK charities of **£2,197** (2003 - £300). No political contributions were made.

DON-BUR (HOLDINGS) LIMITED
DIRECTORS REPORT (CONTINUED)

Auditors

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

By order of the board

A handwritten signature in black ink, appearing to be 'D Burton', with a long horizontal stroke extending to the right.

D Burton
Director

Registered Office
Mossfield Road
Adderley Green
Longton
Stoke on Trent
ST3 5BW

15 December 2004

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

DON-BUR (HOLDINGS) LIMITED

We have audited the financial statements of Don-Bur (Holdings) Limited for the year ended 30 September 2004 set out on pages 7 to 24. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 11 and 12.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

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

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

BASIS OF AUDIT OPINION

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

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

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF

DON BUR (HOLDINGS) LIMITED (CONTINUED)

OPINION

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

Bentley Jennison

Bentley Jennison
Chartered Accountants
Registered Auditors

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

17 December 2004

DON-BUR (HOLDINGS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2004

		2004	2003
	Note	£000's	£000's
TURNOVER	1	30,880	29,645
Cost of sales		<u>(26,848)</u>	<u>(24,994)</u>
GROSS PROFIT		4,032	4,651
Selling and distribution costs		(661)	(617)
Administrative expenses		<u>(2,230)</u>	<u>(2,041)</u>
OPERATING PROFIT	2-4	1,141	1,993
Interest payable less receivable	5	<u>(70)</u>	<u>(117)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,071	1,876
Taxation on profit on ordinary activities	6	<u>(343)</u>	<u>(548)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		728	1,328
Dividends	7	<u>(200)</u>	<u>(403)</u>
RETAINED PROFIT FOR THE PERIOD	16	<u>528</u>	<u>925</u>

All the group's activities are classed as continuing.

The group has no recognised gains or losses other than the profit for the year reported above.

The company has taken advantage of the exemption from disclosure of its own profit and loss account. The result for the year before dividends payable was **£nil** (2003 - **£nil**).

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

DON-BUR (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2004

		2004	2003
	Note	£000's	£000's
FIXED ASSETS			
Tangible assets	9	5,541	5,486
CURRENT ASSETS			
Stock and work-in-progress	10	3,240	2,525
Debtors	11	3,821	3,442
Cash at bank and in hand		<u>3</u>	<u>2</u>
		7,064	5,969
CREDITORS: amounts falling due within one year	12	(7,865)	(7,155)
NET CURRENT LIABILITIES		<u>(801)</u>	<u>(1,186)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,740	4,300
CREDITORS: amounts falling due after more than one year	13	(106)	(194)
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>(395)</u>	<u>(395)</u>
NET ASSETS		<u>4,239</u>	<u>3,711</u>
CAPITAL AND RESERVES			
Called up share capital	15	150	150
Merger reserve	16	1,636	1,636
Profit and loss account	16	2,453	1,925
SHAREHOLDERS' FUNDS	17	<u>4,239</u>	<u>3,711</u>

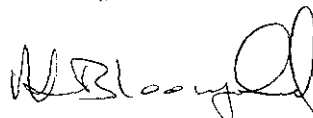
These financial statements were approved by the board of directors on 15 December 2004 and were signed on its behalf by:

D Burton



Director

R Bloomfield



Director

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

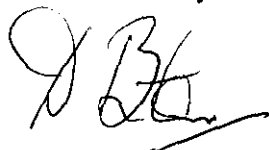
DON-BUR (HOLDINGS) LIMITED

COMPANY BALANCE SHEET AT 30 SEPTEMBER 2004

	Note	2004 £000's	2003 £000's
FIXED ASSETS			
Investments	8	899	899
CURRENT ASSETS			
Debtors	11	448	931
Cash at bank and in hand		<u>448</u>	<u>931</u>
CREDITORS: amounts falling due within one year	12	(200)	(483)
NET CURRENT ASSETS		248	448
NET ASSETS		<u>1,147</u>	<u>1,347</u>
CAPITAL AND RESERVES			
Called up share capital	15	150	150
Merger relief reserve	16	787	787
Profit and loss account	16	<u>210</u>	<u>410</u>
SHAREHOLDERS' FUNDS	17	<u>1,147</u>	<u>1,347</u>

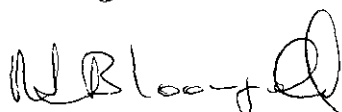
These financial statements were approved by the board of directors on 15 December 2004 and were signed on its behalf by:

D Burton



Director

R Bloomfield



Director

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

DON-BUR (HOLDINGS) LIMITED

**CONSOLIDATED CASHFLOW STATEMENT FOR THE
YEAR ENDED 30 SEPTEMBER 2004**

	Note	2004	2003
		£000's	£000's
Cash flow from operating activities	20	2,168	2,224
Returns on investment and servicing of finance	21	(70)	(117)
Taxation paid		(664)	(383)
Capital expenditure and financial investment	22	(502)	(1,074)
Dividends paid		(483)	(302)
		<hr/>	<hr/>
Net cash inflow before financing		449	348
Financing	23	(306)	(382)
		<hr/>	<hr/>
Increase/(decrease) in cash in the year		143	(34)

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

DON-BUR (HOLDINGS) LIMITED

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

1 ACCOUNTING POLICIES

Accounting basis

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

In accordance with the exemption allowed under section 230 of the Companies Act 1985, as amended, the company's profit and loss account has not been presented.

Basis of consolidation

The consolidated financial statements have been prepared using the acquisition method of consolidation and incorporate the results of subsidiary undertakings from the effective dates of acquisition.

The difference between the fair values of net assets acquired and cost at the date of acquisition is written off against reserves.

All subsidiary undertakings are included in the consolidated financial statements.

Turnover

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

As the group's turnover with UK customers accounts for 99% of the total by destination and 100% by source, further segmental information has been deemed immaterial.

Fixed assets and depreciation

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

Freehold buildings	- fifty years
Leasehold property	- fifty years or over period of lease
Plant and machinery	- two to ten years
Fixtures, fittings and equipment	- two to ten years

Freehold and leasehold land have not been depreciated.

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

DON-BUR (HOLDINGS) LIMITED

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

1 ACCOUNTING POLICIES (CONTINUED)

Stock and work in progress

Stock and work in progress has been valued at the lower of cost and net realisable value.

Cost represents the amounts incurred in bringing each product to its present location and condition and includes an appropriate level of overheads.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised without discounting in respect of all timing differences between the treatment of items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Leases

Assets acquired under finance lease and hire purchase contracts are recorded in the balance sheet as tangible fixed assets and are depreciated as set out in the above policy. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element that reduces the outstanding obligation for future instalments.

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

Foreign currency

Profit and loss account transactions in foreign currencies are translated into sterling at the rate prevailing on the date of transaction.

Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates. All revaluation and realised exchange gains and losses are taken to the profit and loss account.

Pension costs

The group contributes to a group personal pension scheme for certain employees. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Investments

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

DON-BUR (HOLDINGS) LIMITED

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

2 OPERATING PROFIT	2004	2003
	£000's	£000's

Operating profit is stated after charging:

Depreciation:

Owned assets	390	483
Leased assets	134	272
(Profit)/loss on disposal of tangible fixed assets	(11)	65
Operating lease rentals:		
Land and buildings	173	103
Plant and machinery	83	155
Auditors' remuneration - Audit services	17	16
- Non-audit services	3	3
	<u>3</u>	<u>3</u>

3 STAFF COSTS	2004	2003
	£000's	£000's

Wages and salaries	7,156	6,433
Social security costs	645	572
Pension costs	40	36
	<u>40</u>	<u>36</u>
	<u>7,841</u>	<u>7,041</u>

The average number of persons employed by the group during the period, analysed by category, was as follows :

	2004	2003
	No	No
Production	316	301
Managerial and administration	68	68
	<u>68</u>	<u>68</u>
	<u>384</u>	<u>369</u>

DON-BUR (HOLDINGS) LIMITED

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

4 DIRECTORS' EMOLUMENTS	2004 £000's	2003 £000's
Emoluments (including pension contributions)	<u>668</u>	<u>479</u>

There are 3 directors (2003 – 3) for whom retirement benefits are accruing in money purchase schemes.

Included in the above are pension contributions of **£16,000** (2003 - £13,000).

Emoluments of the highest paid director:

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

5 INTEREST PAYABLE LESS RECEIVABLE	2004 £000's	2003 £000's
------------------------------------	----------------	----------------

Payable on:

Bank loans and overdrafts	27	16
Other loans	16	6
Loss arising on the early settlement of debt	-	28
Finance leases and hire purchase contracts	<u>27</u>	<u>67</u>
	<u>70</u>	<u>117</u>

DON-BUR (HOLDINGS) LIMITED

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

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

Factors affecting tax charge for the year

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

The differences are explained below:

	2004 £000's	2003 £000's
Profit on ordinary activities before tax	<u>1,071</u>	<u>1,876</u>
Profit on ordinary activities multiplied by the rate of corporation tax applicable	323	563
Expenses not deductible for tax purposes	12	-
Depreciation for year in excess of capital allowances	14	97
Effect of Marginal Relief	<u>(9)</u>	<u>-</u>
	<u>340</u>	<u>660</u>

7 DIVIDENDS PROPOSED	2004 £000's	2003 £000's
Proposed dividend	<u>200</u>	<u>403</u>

DON-BUR (HOLDINGS) LIMITED

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

8 FIXED ASSET INVESTMENTS

£000's

Company - Shares in subsidiary undertakings

Cost

At 1 October 2003 and 30 September 2004

1,771

Permanent diminution in value

At 1 October 2003

872

Diminution in year

-

At 30 September 2004

872

Net Book Value at 30 September 2004

899

Net Book Value at 30 September 2003

899

The principal subsidiary undertakings and their activities are listed below. All companies are wholly owned and are registered and operate in England and Wales.

Don-Bur (Bodies & Trailers) Limited

Commercial vehicle body builder and
trailer manufacturer

Don-Bur Service Limited

Dormant

Temperature Controlled Technology Limited
(a wholly owned subsidiary of
Don-Bur (Bodies & Trailers) Ltd).

Dormant

DON-BUR (HOLDINGS) LIMITED

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

**9 TANGIBLE FIXED
ASSETS**

	Land & Buildings £000's	Plant & Machinery £000's	Fixtures, Fittings & Equipment £000's	Total £000's
Group				
Cost or valuation				
At 1 October 2003	4,466	3,613	757	8,836
Additions	363	313	13	689
Disposals	-	(301)	(20)	(321)
At 30 September 2004	4,829	3,625	750	9,204
Depreciation				
At 1 October 2003	450	2,233	667	3,350
Charge for year	91	394	39	524
On disposals	-	(191)	(20)	(211)
At 30 September 2004	541	2,436	686	3,663
Net book value				
At 30 September 2004	4,288	1,189	64	5,541
At 30 September 2003	4,016	1,380	90	5,486

The net book value of land & buildings comprises:

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

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

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

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

DON-BUR (HOLDINGS) LIMITED

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

9 TANGIBLE FIXED ASSETS (CONTINUED)

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

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

10 STOCK AND WORK IN PROGRESS

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

11 DEBTORS

	2004 Group £000's	2004 Company £000's	2003 Group £000's	2003 Company £000's
Trade debtors	3,571	-	3,212	-
Amounts owed by subsidiary undertakings	-	448	-	931
Prepayments and accrued income	<u>250</u>	<u>-</u>	<u>230</u>	<u>-</u>
	<u>3,821</u>	<u>448</u>	<u>3,442</u>	<u>931</u>

DON-BUR (HOLDINGS) LIMITED

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

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2004 Group £000's	2004 Company £000's	2003 Group £000's	2003 Company £000's
Bank loans and overdrafts	923	-	1,065	-
Obligations under hire purchase agreements	114	-	244	-
Trade creditors	4,397	-	3,351	-
Corporation tax	339	-	660	-
Other taxation and social security costs	435	-	331	-
Proposed dividend	200	200	483	483
Other creditors	84	-	76	-
Accruals and deferred income	1,373	-	945	-
	<u>7,865</u>	<u>200</u>	<u>7,155</u>	<u>483</u>

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

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

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

DON-BUR (HOLDINGS) LIMITED

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

14 PROVISIONS FOR LIABILITIES AND CHARGES

Group

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

Deferred taxation

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

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

15 CALLED UP SHARE CAPITAL

	Authorised	Allotted, called up and fully paid	Authorised	Allotted called up and fully paid
	2004 £000's	2004 £000's	2003 £000's	2003 £000's
Group and Company				
Ordinary shares	478	128	478	128
'A' ordinary shares	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>
	<u>500</u>	<u>150</u>	<u>500</u>	<u>150</u>

The 'A' ordinary shares have the same rights as the ordinary shares except that they carry an entitlement to a participating dividend of 5½% of the profit on ordinary activities before taxation. Holders of the 'A' ordinary shares may at any time convert the whole of their undertaking into a like number of ordinary shares effected by notice in writing given to the company signed by the holders of 75% of the shares.

DON-BUR (HOLDINGS) LIMITED

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

16 RESERVES

	Share capital £000's	Merger reserve £000's	Profit and loss account £000's
Group			
At 1 October 2003	150	1,636	1,925
Retained profit for the year	-	-	528
At 30 September 2004	150	1,636	2,453
	Share capital £000's	Merger relief reserve £000's	Profit and loss account £000's
Company			
At 1 October 2003	150	787	410
Dividends	-	-	(200)
At 30 September 2004	150	787	210

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004 Group	2004 Company	2003 Group	2003 Company
	£000's	£000's	£000's	£000's
Opening shareholders funds	3,711	1,347	2,786	1,750
Profit for the financial year	728	-	1,328	-
Dividends	(200)	(200)	(403)	(403)
Closing shareholders funds	4,239	1,147	3,711	1,347

18 CONTINGENT LIABILITIES

Guarantees – Company

The company has cross guarantees with group companies with regard to bank loans and overdrafts and hire purchase arrangements that, at 30 September 2004 amounted to £1,143,000 (2003 - £1,503,000).

DON-BUR (HOLDINGS) LIMITED

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

19 OTHER FINANCIAL COMMITMENTS

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

20 NET CASH FLOW FROM OPERATING ACTIVITIES

	2004 £000's	2003 £000's
Operating profit	1,141	1,993
Depreciation	524	755
Loss on sale of tangible fixed assets	11	65
(Increase)/decrease in stock	(715)	479
Increase in debtors	(379)	(267)
Increase/(decrease) in creditors	<u>1,586</u>	<u>(801)</u>
Net cash inflow from operating activities	<u>2,168</u>	<u>2,224</u>

21 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2004 £000's	2003 £000's
Interest payable	27	16
Other loans	16	6
Interest payable on hire purchase agreements	27	67
Loss arising on the early settlement of debt	<u>-</u>	<u>28</u>
Net cash outflow from returns on investments and servicing of finance	<u>70</u>	<u>117</u>

DON-BUR (HOLDINGS) LIMITED

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

22 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS

	2004 £000's	2003 £000's
Purchase of tangible fixed assets	601	1,363
Sale of tangible fixed assets	<u>(99)</u>	<u>(289)</u>
Net cash outflow for capital expenditure and financial investment	<u>502</u>	<u>1,074</u>

23 FINANCING

	2004 £000's	2003 £000's
Capital element of hire purchase payments	<u>306</u>	<u>382</u>
Net cash outflow from financing	<u>306</u>	<u>382</u>

24 ANALYSIS OF CHANGES IN NET DEBT

Group

	At 1 October 2003 £000's	Cash Flow £000's	Other non-cash changes £000's	At 30 September 2004 £000's
Cash at bank and in hand	2	1	-	3
Bank overdrafts	<u>(1,065)</u>	<u>142</u>	<u>-</u>	<u>(923)</u>
	(1,063)	143	-	(920)
 Obligations under hire purchase agreements	 <u>(438)</u>	 <u>306</u>	 <u>(88)</u>	 <u>(220)</u>
Totals	<u>(1,501)</u>	<u>449</u>	<u>(88)</u>	<u>(1,140)</u>

DON-BUR (HOLDINGS) LIMITED

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

**25 RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET DEBT**

	£000's
Increase in cash	143
Cash outflow from decrease in debt	306
New finance leases	<u>(88)</u>
Movement in net debt in the year	<u>361</u>
Net debt at 1 October 2003	<u>(1,501)</u>
Net debt at 30 September 2004	<u>(1,140)</u>