

# D. G. Finance Limited

Annual Report and Accounts

**Year ended 31 December 2005**



## **D. G. FINANCE LIMITED**

### **Directors and advisers**

**Company number: 2131494**

### **Directors**

Michael J Williams  
Clive Gear, FCA (resigned 31 December 2005)  
Anthony Coleman, ACA (appointed 1 January 2006)

### **Secretary and registered office**

Anthony Coleman, ACA  
Delaware Drive, Tongwell, Milton Keynes, MK15 8JH

### **Auditors**

Mazars LLP  
Sovereign Court, Witan Gate, Milton Keynes, MK9 2HP

### **Bankers**

Barclays Bank PLC  
Ashton House, 497 Silbury Boulevard, Central Milton Keynes, MK9 2LD

<b>Contents</b>	<b>Page</b>
Directors and advisers	1
Report of the directors	2
Directors' responsibilities	3
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-12

## D. G. FINANCE LIMITED

### Report of the directors For the year ended 31 December 2005

The directors present their report and the audited financial statements of the company for the year ended 31 December 2005.

#### Activities and Business review

The company's principal activity was the leasing of vehicles to fellow group undertakings.

The directors are satisfied with the current level of performance and expect it to continue for the foreseeable future.

#### Directors

The current directors of the company are set out on page 1.

No director had any interest in the share capital of the company during the year. Their interests, including those of their immediate families, in the share capital of the ultimate holding company, Dawsongroup plc, were as follows:

	31 December 2005			31 December 2004		
	25p ordinary shares	21 3/7p Zero coupon shares	£1 Preference shares	25p ordinary shares	21 3/7p Zero coupon shares	£1 Preference shares
M J Williams	-	-	-	-	-	-
C Gear	-	-	-	-	-	-

#### Results and dividends

Turnover amounted to £360,000 (2004: £340,000) and the profit before tax was £28,000 (2004: £33,000). No dividends have been paid or proposed during the year (2004: £200,000).

#### Donations

The company made no charitable or political donations during the year (2004: £nil).

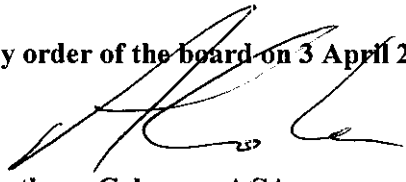
#### Creditor payment policy

The company agrees the terms and conditions under which business transactions with its suppliers are conducted. It is policy that payments to suppliers are made in accordance with these terms, provided that the supplier also complies with all relevant terms and conditions.

#### Auditors

Mazars LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment at a rate of remuneration to be fixed by the directors will be submitted to the annual general meeting.

By order of the board on 3 April 2006.

  
Anthony Coleman, ACA  
Secretary

## **D. G. FINANCE LIMITED**

### **Directors' responsibilities**

The following statement, which should be read in conjunction with the auditors' statement of their responsibilities on page 4, is made with a view to describing the responsibilities of the directors in relation to the financial statements.

The directors are required by the Companies Act 1985 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 for the financial year.

*After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements set out on pages 5 to 12. The directors consider that in preparing the financial statements the company has used appropriate accounting policies consistently applied and supported by reasonable prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed, subject to any explanations and any material departures disclosed in the notes to the financial statements.*

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## Independent auditors' report to the members of DG Finance Limited

We have audited the financial statements of DG Finance Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and related notes. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 misstatement within it.

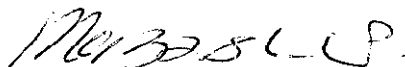
### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

### Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Mazars LLP**  
Chartered Accountants  
and Registered Auditors

3 April 2006

Mazars LLP - Sovereign Court - Witan Gate - Milton Keynes - MK9 2HP  
Tel: +44 (0)1908 664466 - Fax: +44 (0)1908 690567 - Web: [www.mazars.co.uk](http://www.mazars.co.uk)

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group, and is a limited liability partnership registered in England with registered number OC308299. A list of partners' names is available for inspection at the firm's registered office, 24 Bevis Marks, London EC3A 7NR. Mazars LLP is registered by The Institute of Chartered Accountants in England and Wales to carry out company audit work.



## D. G. FINANCE LIMITED

### Profit and loss account For the year ended 31 December 2005

	Notes	2005 £'000	2004 £'000
Turnover	1	360	340
Cost of sales		<u>320</u>	<u>315</u>
<b>Gross profit</b>		40	25
Administrative expenses		<u>(11)</u>	<u>(20)</u>
<b>Operating profit</b>	2	51	45
Net interest payable	3	<u>23</u>	<u>12</u>
<b>Profit on ordinary activities before tax</b>		28	33
Tax	5	<u>8</u>	<u>10</u>
<b>Profit for the financial year</b>		20	23
Dividends	6	-	200
<b>Retained profit / (loss) for the year</b>	13	<u>20</u>	<u>(177)</u>

The result for the year has been calculated on the historical cost basis.

Turnover and expenses all relate to continuing operations.

There are no other recognised gains or losses other than those passing through the profit and loss account.

**D. G. FINANCE LIMITED****Balance sheet as at 31 December 2005**

	Notes	£'000	2005 £'000	£'000	Restated 2004 £'000
<b>Fixed assets</b>					
Tangible assets	7		830		844
<b>Current assets</b>					
Debtors	8	133		177	
Cash at bank and in hand		7		2	
		<u>140</u>		<u>179</u>	
<b>Creditors due within one year</b>					
Other creditors	9	249		322	
		<u>249</u>		<u>322</u>	
<b>Net current liabilities</b>			109		143
<b>Total assets less current liabilities</b>			<u>721</u>		<u>701</u>
<b>Net assets</b>			<u>721</u>		<u>701</u>
<b>Capital and reserves</b>					
Called up share capital	10		350		350
Share premium account	12		268		268
Profit and loss account	12		103		83
<b>Equity shareholders' funds</b>	11		<u>721</u>		<u>701</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 3 April 2006.

  
A Coleman  
Director

  
M Williams  
Director

## **D. G. FINANCE LIMITED**

### **Notes to the financial statements for the year ended 31 December 2005**

#### **Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

The company is a wholly owned subsidiary of Dawsonrentals Limited, a fellow wholly owned subsidiary of Dawsongroup plc which has prepared group financial statements in accordance with applicable accounting standards and which has published a consolidated cash flow statement in accordance with the requirements of FRS 1 (Revised). The company has therefore taken advantage of the exemption not to publish its own cash flow statement.

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards using the following principal accounting policies:

##### **Depreciation**

Depreciation is provided to write down the cost or valuation of fixed assets by equal instalments to their estimated residual values over the period of their estimated useful lives with the company in accordance with the table below:

	<b>Useful life with the company</b>	<b>Residual value</b>
Cars	4 years	25% - 40%

##### **Deferred tax**

Deferred tax is provided in respect of the tax effect of all timing differences at the rates of tax expected to apply when the timing differences reverse. Deferred tax assets and liabilities are not discounted.

##### **Turnover**

Turnover is the amount receivable in the ordinary course of business for services provided during the year, excluding value added tax.

##### **Operating leases**

Rental income from operating leases is recognised on a straight-line basis over the period of the lease.



## D. G. FINANCE LIMITED

### Notes to the financial statements for the year ended 31 December 2005

#### 1 Segmental information

The turnover, profit before tax and net assets are attributable to the principal activity of leasing vehicles to fellow group undertakings. The company operates in the UK and the whole of its turnover is to the UK market.

#### 2 Operating profit

	2005 £'000	2004 £'000
This is stated after charging:		
Depreciation – owned assets	308	294
Auditors' remuneration – audit services	<u>2</u>	<u>2</u>
and after crediting:		
Profit on disposal of fixed assets	<u>12</u>	<u>22</u>

#### 3 Net interest payable

	2005 £'000	2004 £'000
On borrowings wholly repayable within five years:		
Loan from parent company	<u>23</u>	<u>12</u>

#### 4 Directors and employees

##### Employees

The company had no full-time employees during the year (2004: nil). No direct staff costs were incurred during the year (2004: £nil).

##### Directors' emoluments

None of the directors received any remuneration from the company during the year (2004: £nil). The emoluments of those directors who are also directors of the parent company are disclosed in the financial statements of Dawsongroup plc.

#### 5 Tax

	2005		2004	
	£'000	£'000	£'000	£'000
Tax credit for the year comprises:				
Corporation tax	2		(10)	
Adjustments in respect of prior periods	<u>-</u>		<u>-</u>	
Total current tax		2		(10)
Deferred tax				
Origination and reversal of timing differences	<u>6</u>		<u>20</u>	
Total deferred tax		6		20
		<u>8</u>		<u>10</u>

## D. G. FINANCE LIMITED

### Notes to the financial statements for the year ended 31 December 2005

#### 5 Tax (continued)

The UK standard rate of corporation tax for the year is 30%. The actual charge for the current and the previous year is less than the standard rate for the reasons set out in the following reconciliation:

	2005 £'000	2004 £'000
Profit on ordinary activities before tax	<u>28</u>	<u>33</u>
Tax on profit on ordinary activities at standard rate	8	10
Factors affecting charge for the period		
Capital allowances in excess of depreciation	(6)	(20)
Total actual amount of current tax	<u>2</u>	<u>(10)</u>

#### 6 Dividends

	2005 £'000	2004 £'000
Final paid (nil per share) (2004: 57p)	-	200
	<u>-</u>	<u>200</u>

#### 7 Tangible fixed assets

	Operating lease assets £'000
<b>Cost</b>	
As at 1 January 2005	1,249
Additions	474
Disposals	(326)
Transfers to group undertakings	(90)
As at 31 December 2005	<u>1,307</u>
<b>Depreciation</b>	
As at 1 January 2005	405
Charge for the year	308
Relating to disposals	(186)
Transfers to group undertakings	(50)
As at 31 December 2005	<u>477</u>
<b>Book value</b>	
As at 31 December 2005	<u>830</u>
As at 31 December 2004	<u>844</u>

## D. G. FINANCE LIMITED

### Notes to the financial statements for the year ended 31 December 2005

#### 8 Debtors

	2005 £'000	Restated 2004 £'000
<b>Due within one year:</b>		
Other debtors	36	51
Tax recoverable	-	10
Amounts owed by <i>group undertakings</i>	97	116
	<u>133</u>	<u>177</u>

Included within other debtors is a deferred tax asset of £36,000 (2004: £42,000).

	2005 £'000	2004 £'000
Deferred tax (see below)		£'000
At 1 January 2005		42
Charge for the year (see note 5)		(6)
At 31 December 2005		<u>36</u>
	2005 £'000	2004 £'000
Deferred tax		
Provided in the accounts:		
Accelerated capital allowances	36	42
	<u>36</u>	<u>42</u>

Amounts provided and the full potential asset has been calculated at future expected rates of corporation tax.

The restatement above has been to reclassify £42,000 from provisions for liabilities and charges to debtors due within one year.

#### 9 Other creditors

	2005 £'000	2004 £'000
Other creditors	2	2
Tax payable	2	-
Other tax and social security	15	20
Loans from group undertakings	230	300
	<u>249</u>	<u>322</u>

## D. G. FINANCE LIMITED

### Notes to the financial statements for the year ended 31 December 2005

#### 10 Called up share capital

	Authorised 2005 and 2004		Allotted, issued and fully paid 2005 and 2004	
	Number	£'000	Number	£'000
Ordinary shares of £1 each	<u>500,000</u>	<u>500</u>	<u>350,000</u>	<u>350</u>

#### 11 Reconciliation of movements in shareholders' funds

	2005 £'000	2004 £'000
Profit for the financial year	20	23
Dividends paid	<u>-</u>	<u>(200)</u>
Net movement in shareholders' funds	20	(177)
Opening shareholders' funds	701	878
Closing shareholders' funds	<u>721</u>	<u>701</u>

#### 12 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
As at 1 January 2005	268	83	351
Retained profit for the year	<u>-</u>	<u>20</u>	<u>20</u>
As at 31 December 2005	<u>268</u>	<u>103</u>	<u>371</u>

#### 13 Financial commitments

##### Future capital expenditure

	2005 £'000	2004 £'000
Outstanding contracts for capital expenditure	<u>-</u>	<u>-</u>

## **D. G. FINANCE LIMITED**

### **Notes to the financial statements for the year ended 31 December 2005**

#### **14 Parent undertakings**

The ultimate parent company is Dawsongroup plc and the immediate parent company is Dawsonrentals Limited. Both of the directors of D.G. Finance Limited, during the year were also directors of Dawsongroup plc.

Throughout the year D.G. Finance Limited was ultimately under the control of trusts the beneficiary of which is P M Dawson, Chairman of Dawsongroup plc, including his immediate family, the controlling shareholders of that company.

The largest and smallest group for which the results of the company are consolidated is that headed up by Dawsongroup plc. The consolidated financial statements of Dawsongroup plc can be obtained from:

Dawsongroup plc  
Delaware Drive  
Tongwell  
Milton Keynes  
Bucks  
MK15 8JH

#### **15 Related party transactions**

Advantage has been taken of the exemption conferred by FRS 8 to subsidiary undertakings, 90 percent or more of whose voting rights are controlled within the group, not to disclose transactions with other group entities.