

Company number 2131494

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

### **Annual Report and Accounts**

31 December 2000



Sovereign Court Witan Gate  
Milton Keynes MK9 2HP

**D.G. FINANCE LIMITED**

**Directors and advisers**

**Company number: 2131494**

Michael J Williams  
Clive Gear, FCA

**Secretary and registered office**

Clive Gear, FCA  
Delaware Drive, Tongwell, Milton Keynes, MK15 8JH

**Auditors**

Mazars Neville Russell  
Sovereign Court, Witan Gate, Milton Keynes, MK9 2HP

**Bankers**

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

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## D.G. FINANCE LIMITED

### Report of the directors For the year ended 31 December 2000

The directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

#### Activities and Business review

The company's principal activity was the leasing of vehicles and co-ordinating vehicle sales finance.

#### 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 2000 Ordinary shares of 25p each			31 December 1999 Ordinary shares of 25p each		
	Beneficial interests	Under option	ESOP awards	Beneficial interests	Under option	ESOP awards
M J Williams	-	-	-	128,421	20,547	-
C Gear	-	-	-	137,973	-	-

#### Results and dividends

Turnover amounted to £340,000 (1999: £403,000) and the profit before tax was £40,000 (1999: £109,000). No dividend was paid during the year (1999: £nil) and the directors do not recommend any final dividend.

#### Donations

The company made no charitable or political donations during the year (1999:£nil).

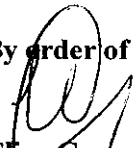
#### Creditor payment policy

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 Neville Russell 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

  
Clive Gear, FCA  
Secretary  
26 March 2001

## **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 SHAREHOLDERS OF D.G. FINANCE LIMITED**MAZARS NEVILLE RUSSELL  
Chartered Accountants

We have audited the financial statements on pages 5 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

**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. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company had 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

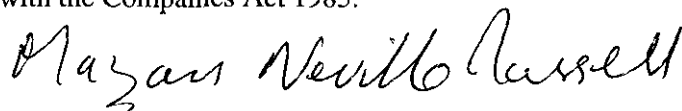
**Basis of audit opinion**

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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**MAZARS NEVILLE RUSSELL**  
CHARTERED ACCOUNTANTS  
and Registered Auditors

27 March 2001  
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**D.G. FINANCE LIMITED**

**Profit and loss account  
for the year ended 31 December 2000**

	Notes	2000 £'000	1999 £'000
<b>Turnover</b>	1	340	403
Cost of sales		<u>251</u>	<u>249</u>
<b>Gross profit</b>		89	154
Administrative expenses		<u>20</u>	<u>4</u>
<b>Operating profit</b>	2	69	150
Net interest payable	3	<u>29</u>	<u>41</u>
<b>Profit on ordinary activities before tax</b>		40	109
Tax	5	<u>12</u>	<u>33</u>
<b>Retained profit for the year</b>	13	<u>28</u>	<u>76</u>

The profit 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 2000**

	Notes	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Tangible assets	6	714	747
<b>Current assets</b>			
Finance receivables	7	-	94
Debtors	8	222	91
Cash and bank and in hand		5	2
		<u>227</u>	<u>187</u>
<b>Creditors due within one year</b>			
Other creditors	9	349	448
		<u>349</u>	<u>448</u>
<b>Net current liabilities</b>		122	261
<b>Total assets less current liabilities</b>		<u>592</u>	<u>486</u>
<b>Provisions for liabilities and charges</b>	10	182	260
<b>Net assets</b>		<u>774</u>	<u>746</u>
<b>Capital and reserves</b>			
Called up share capital	11	350	350
Share premium account	13	268	268
Profit and loss account	13	156	128
<b>Equity shareholders' funds</b>	12	<u>774</u>	<u>746</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 26 March 2001.

C Gear



**Director**

M Williams



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

### **Notes to the financial statements for the year ended 31 December 2000**

#### **Accounting policies**

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

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

The financial statements present information about the company as an individual undertaking and not about its' group.

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 of motor vehicles to their estimated residual values over a period of four years.

##### **Deferred tax**

Deferred tax is provided, using the liability method, at the appropriate rates of tax on all timing differences to the extent that it is probable that a liability will crystallise in the foreseeable future.

##### **Turnover**

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

##### **Finance receivables**

Income from fixed rate instalment finance business, after making a deduction for certain initial expenses, is credited to the profit and loss account in proportion to the reducing balance outstanding. These balances are stated in the balance sheet after deduction of unearned charges and interest.

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 2000

#### 1 Segmental information

The turnover, profit before tax and net assets are attributable to the principal activity of co-ordinating vehicle sales finance. The company operates in the UK and the whole of its turnover is to the UK market.

Rentals receivable in respect of finance leases and hire purchase contracts during the year amounted to £327,000 (1999: £310,000). Rentals receivable in respect of operating leases amounted to £322,000 (1999: £302,000).

#### 2 Operating profit

	2000 £'000	1999 £'000
This is stated after charging:		
Depreciation – owned assets	247	248
Auditors' remuneration – audit services	<u>2</u>	<u>2</u>
and after crediting:		
Profit on disposal of fixed assets	<u>3</u>	<u>6</u>

#### 3 Net interest payable

	2000 £'000	1999 £'000
On borrowings wholly repayable within five years:		
Loan from parent company	<u>29</u>	<u>41</u>

#### 4 Directors and employees

##### Employees

The company had no full-time employees during the year (1999: nil). No direct staff costs were incurred during the year (1999: £nil).

##### Directors' emoluments

None of the directors received any remuneration from the company during the year (1999: £nil). The emoluments of those directors who are also directors of the parent company are disclosed in the financial statements of Dawsonsgroup plc.

## D.G. FINANCE LIMITED

### Notes to the financial statements for the year ended 31 December 2000

#### 5 Tax

	2000 £'000	1999 £'000
Tax (credit)/charge for year comprises:		
Corporation tax	(66)	(19)
Deferred tax	78	52
Over provision in respect of prior years:		
Corporation tax	-	-
Deferred tax	-	-
	<u>12</u>	<u>33</u>

#### 6 Tangible fixed assets

	<b>Operating lease assets £'000</b>
<b>Cost</b>	
As at 1 January 2000	1,175
Additions	383
Sales	(148)
Transfers from group undertakings	-
Transfers to group undertakings	(263)
As at 31 December 2000	<u>1,147</u>
<b>Depreciation</b>	
As at 1 January 2000	428
Charge for the year	247
Relating to sales	(78)
Transfers from group undertakings	-
Transfers to group undertakings	(164)
As at 31 December 2000	<u>433</u>
<b>Book value</b>	
As at 31 December 2000	<u>714</u>
As at 31 December 1999	<u>747</u>

## D.G. FINANCE LIMITED

### Notes to the financial statements for the year ended 31 December 2000

#### 7 Finance receivables

	2000 £'000	1999 £'000
Amounts receivable, net of provisions, in respect of:		
Finance lease agreements	-	28
Hire purchase agreements	-	82
	<u>-</u>	<u>110</u>
Less: income allocated to future periods	-	16
Receivable within one year	<u>-</u>	<u>94</u>

#### 8 Debtors

	2000 £'000	1999 £'000
<b>Due within one year:</b>		
Trade debtors	6	26
Prepayments	3	1
Tax recoverable	85	19
Amounts owed by group undertakings	128	45
	<u>222</u>	<u>91</u>

#### 9 Other creditors

	2000 £'000	1999 £'000
Other tax and social security	19	7
Other creditors	3	4
Loans from group undertakings	327	437
	<u>349</u>	<u>448</u>

#### 10 Provisions for liabilities and charges

	2000 £'000	1999 £'000
Deferred tax		
Provided in the accounts:		
Accelerated capital allowances	(182)	(253)
Other timing differences	-	(7)
	<u>(182)</u>	<u>(260)</u>
Not provided in the accounts:		
Accelerate capital allowances	-	-

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

## D.G. FINANCE LIMITED

### Notes to the financial statements for the year ended 31 December 2000

#### 11 Called up share capital

	Authorised 2000 and 1999		Allotted, issued and fully paid 2000 and 1999	
	Number	£'000	Number	£'000
Ordinary shares of £1 each	<u>500,000</u>	<u>500</u>	<u>350,000</u>	<u>350</u>

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

	2000 £'000	1999 £'000
Profit for the financial year	28	76
Opening shareholders' funds	746	670
Closing shareholders' funds	<u>774</u>	<u>746</u>

#### 13 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
As at 1 January 2000	268	128	396
Retained profit for the year	<u>-</u>	<u>28</u>	<u>28</u>
As at 31 December 2000	<u>268</u>	<u>156</u>	<u>424</u>

#### 14 Financial commitments

##### Future capital expenditure

	2000 £'000	1999 £'000
Outstanding contracts for capital expenditure	<u>-</u>	<u>36</u>

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

### **Notes to the financial statements for the year ended 31 December 2000**

#### **15 Parent undertakings**

The ultimate parent company is Dawsongroup plc and the immediate parent company is Dawsonrentals Limited.

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.

#### **16 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.