

D. G. Finance Limited

Annual Report and Accounts

Year ended 31 December 2006

SATURDAY



A4VV2TDD

A11

29/09/2007

96

COMPANIES HOUSE

D. G. FINANCE LIMITED

Directors and advisers

Company number: 2131494

Directors

Michael J Williams
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

Contents	Page
Directors and advisers	1
Report of the directors	2-3
Directors' responsibilities	4
Report of the auditors	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8-12

D. G. FINANCE LIMITED

Report of the directors For the year ended 31 December 2006

The directors present their report and the audited financial statements of the company for the year ended 31 December 2006.

Activities and Business review

The company's principal activity is 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.

Risks and uncertainties

The directors do not consider there to be any significant risks or uncertainties that require separate disclosure in the financial statements.

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 2006		31 December 2005	
	25p ordinary shares	21 3/7p Zero coupon shares	25p ordinary shares	21 3/7p Zero coupon shares
M J Williams	-	-	-	-
A Coleman	-	-	-	-

Directors' indemnity

Appropriate directors' and officers' liability insurance cover is in place in respect of all the Company's directors.

Results and dividends

Turnover amounted to £348,000 (2005: £360,000) and the profit before tax was £44,000 (2005: £28,000). No dividends have been paid or proposed during the year (2005: £nil).

Donations

The company made no charitable or political donations during the year (2005: £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.

D. G. FINANCE LIMITED

**Report of the directors (continued)
For the year ended 31 December 2006**

Statement as to disclosure of information to auditors


The directors have taken all necessary steps to make them aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

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 21 March 2007.



**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 5, 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 6 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 2006 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, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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.

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 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Mazars LLP
Chartered Accountants
and Registered Auditors
21 March 2007



D. G. FINANCE LIMITED

Profit and loss account For the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Turnover	1	348	360
Cost of sales		<u>305</u>	<u>320</u>
Gross profit		43	40
Administrative expenses		<u>(14)</u>	<u>(11)</u>
Operating profit	2	57	51
Net interest payable	3	<u>13</u>	<u>23</u>
Profit on ordinary activities before tax		44	28
Tax	5	13	8
Profit for the year	11	<u>31</u>	<u>20</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 2006

	Notes	£'000	2006 £'000	£'000	2005 £'000
Fixed assets					
Tangible assets	6		913		830
Current assets					
Debtors	7	127		133	
Cash at bank and in hand		7		7	
		<u>134</u>		<u>140</u>	
Creditors due within one year					
Other creditors	8	295		249	
		<u>295</u>		<u>249</u>	
Net current liabilities			161		109
Total assets less current liabilities			<u>752</u>		<u>721</u>
Net assets			<u>752</u>		<u>721</u>
Capital and reserves					
Called up share capital	9		350		350
Share premium account	11		268		268
Profit and loss account	11		134		103
Equity shareholders' funds	10		<u>752</u>		<u>721</u>

The financial statements on pages 6 to 12 were approved by the board of directors on 21 March 2007.


A Coleman
Director


M Williams
Director

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2006

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:

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less 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:

	Useful life with the company	Residual value
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 2006

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

	2006 £'000	2005 £'000
This is stated after charging:		
Depreciation – owned assets	288	308
Auditors' remuneration – audit services	<u>2</u>	<u>2</u>
and after crediting:		
Profit on disposal of fixed assets	<u>17</u>	<u>12</u>

3 Net interest payable

	2006 £'000	2005 £'000
On borrowings wholly repayable within five years:		
Loan from parent company	<u>13</u>	<u>23</u>

4 Directors and employees

Employees

The company had no full-time employees during the year (2005: nil). No direct staff costs were incurred during the year (2005: £nil).

Directors' emoluments

None of the directors received any remuneration from the company during the year (2005: £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

	2006		2005	
	£'000	£'000	£'000	£'000
Tax charge for the year comprises:				
Corporation tax	<u>1</u>		<u>2</u>	
Total current tax		1		2
Deferred tax				
Origination and reversal of timing differences	<u>12</u>		<u>6</u>	
Total deferred tax		12		6
		<u>13</u>		<u>8</u>

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2006

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:

	2006 £'000	2005 £'000
Profit on ordinary activities before tax	44	28
Tax on profit on ordinary activities at standard rate	13	8
Factors affecting charge for the period		
Capital allowances in excess of depreciation	(12)	(6)
Total actual amount of current tax	<u>1</u>	<u>2</u>

6 Tangible fixed assets

	Operating lease assets £'000
Cost	
As at 1 January 2006	1,307
Additions	556
Disposals	(402)
Transfers from group undertakings	85
Transfers to group undertakings	(151)
As at 31 December 2006	<u>1,395</u>
Depreciation	
As at 1 January 2006	477
Charge for the year	288
Relating to disposals	(227)
Transfers from group undertakings	41
Transfers to group undertakings	(97)
As at 31 December 2006	<u>482</u>
Book value	
As at 31 December 2006	<u>913</u>
As at 31 December 2005	<u>830</u>

7 Debtors

	2006 £'000	2005 £'000
Due within one year:		
Other debtors	42	36
Amounts owed by group undertakings	85	97
	<u>127</u>	<u>133</u>

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2006

7 Debtors (continued)

Included within other debtors is a deferred tax asset of £24,000 (2005: £36,000).

	£'000	
Deferred tax (see below)		
At 1 January 2006		36
Charge for the year (see note 5)		(12)
At 31 December 2006		<u>24</u>
	2006	2005
	£'000	£'000
Deferred tax		
Provided in the accounts:		
Accelerated capital allowances	24	36
	<u>24</u>	<u>36</u>

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

8 Other creditors

	2006	2005
	£'000	£'000
Other creditors	3	2
Tax payable	1	2
Other tax and social security	1	15
Loans from group undertakings	290	230
	<u>295</u>	<u>249</u>

9 Called up share capital

	Authorised 2006 and 2005		Allotted, issued and fully paid 2006 and 2005	
	Number	£'000	Number	£'000
Ordinary shares of £1 each	<u>500,000</u>	<u>500</u>	<u>350,000</u>	<u>350</u>

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2006

10 Reconciliation of movements in shareholders' funds

	2006 £'000	2005 £'000
Profit for the financial year	31	20
Net movement in shareholders' funds	31	20
Opening shareholders' funds	721	701
Closing shareholders' funds	<u>752</u>	<u>721</u>

11 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
As at 1 January 2006	268	103	371
Profit for the year	-	31	31
As at 31 December 2006	<u>268</u>	<u>134</u>	<u>402</u>

12 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

13 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.