

Company number 2131494

D.G. FINANCE LIMITED

Annual Report and Accounts

31 December 2001



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 2001

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001.

Activities and Business review

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

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 2001			31 December 2000 Ordinary shares of 25p each		
	25p ordinary shares	21 3/7p Zero coupon shares	£1 Preference shares	Beneficial interests	Under option	ESOP awards
M J Williams	-	-	-	-	-	-
C Gear	-	-	-	-	-	-

Results and dividends

Turnover amounted to £289,000 (2000: £340,000) and the profit before tax was £52,000 (2000: £40,000). No dividend was paid during the year (2000: £nil) and the directors do not recommend any final dividend.

Donations

The company made no charitable or political donations during the year (2000:£nil).

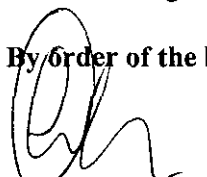
Creditor payment policy

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 on 20 March 2002



Clive Gear, FCA
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 11. 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 11. 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. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

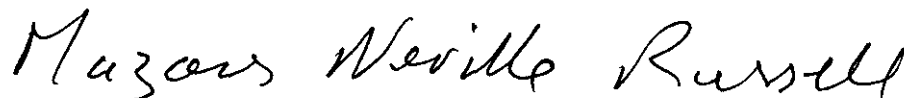
Basis of audit opinion

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 2001 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

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D. G. FINANCE LIMITED

**Profit and loss account
For the year ended 31 December 2001**

	Notes	2001 £'000	2000 £'000
Turnover	1	289	340
Cost of sales		<u>226</u>	<u>251</u>
Gross profit		63	89
Administrative expenses		<u>(4)</u>	<u>20</u>
Operating profit	2	67	69
Net interest payable	3	<u>15</u>	<u>29</u>
Profit on ordinary activities before tax		52	40
Tax	5	<u>16</u>	<u>12</u>
Retained profit for the year	12	<u>36</u>	<u>28</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 2001

	Notes	£'000	2001 £'000	£'000	2000 £'000
Fixed assets					
Tangible assets	6		603		714
Current assets					
Debtors	7	201		222	
Cash at bank and in hand		6		5	
		<u>207</u>		<u>227</u>	
Creditors due within one year					
Other creditors	8	137		349	
		<u>137</u>		<u>349</u>	
Net current assets / (liabilities)			70		(122)
Total assets less current liabilities			<u>673</u>		<u>592</u>
Provisions for liabilities and charges	9		137		182
Net assets			<u>810</u>		<u>774</u>
Capital and reserves					
Called up share capital	10		350		350
Share premium account	12		268		268
Profit and loss account	12		192		156
Equity shareholders' funds	11		<u>810</u>		<u>774</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 20 March 2002.

C Gear



Director

M Williams



D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2001

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 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.

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 2001

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

	2001 £'000	2000 £'000
This is stated after charging:		
Depreciation – owned assets	220	247
Auditors' remuneration – audit services	<u>2</u>	<u>2</u>
and after crediting:		
Profit on disposal of fixed assets	<u>6</u>	<u>3</u>

3 Net interest payable

	2001 £'000	2000 £'000
On borrowings wholly repayable within five years:		
Loan from parent company	<u>15</u>	<u>29</u>

4 Directors and employees

Employees

The company had no full-time employees during the year (2000: nil). No direct staff costs were incurred during the year (2000: £nil).

Directors' emoluments

None of the directors received any remuneration from the company during the year (2000: £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

	2001 £'000	2000 £'000
Tax (credit)/charge for year comprises:		
Corporation tax	(29)	(66)
Deferred tax	45	78
Over provision in respect of prior years:		
Corporation tax	-	-
Deferred tax	-	-
	<u>16</u>	<u>12</u>

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2001

6 Tangible fixed assets

	Operating lease assets £'000
Cost	
As at 1 January 2001	1,147
Additions	276
Sales	(126)
Transfers to group undertakings	(347)
As at 31 December 2001	<u>950</u>
Depreciation	
As at 1 January 2001	433
Charge for the year	220
Relating to sales	(80)
Transfers to group undertakings	(226)
As at 31 December 2001	<u>347</u>
Book value	
As at 31 December 2001	<u>603</u>
As at 31 December 2000	<u>714</u>

7 Debtors

	2001 £'000	2000 £'000
Due within one year:		
Trade debtors	6	6
Prepayments	1	3
Tax recoverable	29	85
Amounts owed by group undertakings	165	128
	<u>201</u>	<u>222</u>

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2001

8 Other creditors

	2001 £'000	2000 £'000
Other tax and social security	7	19
Other creditors	3	3
Loans from group undertakings	127	327
	<u>137</u>	<u>349</u>

9 Provisions for liabilities and charges

	2001 £'000	2000 £'000
Deferred tax		
Provided in the accounts:		
Accelerated capital allowances	(137)	(182)
Other timing differences	-	-
	<u>(137)</u>	<u>(182)</u>
Not provided in the accounts:		
Accelerated capital allowances	<u>-</u>	<u>-</u>

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

10 Called up share capital

	Authorised 2001 and 2000		Allotted, issued And fully paid 2001 and 2000	
	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

	2001 £'000	2000 £'000
Profit for the financial year	36	28
Opening shareholders' funds	774	746
Closing shareholders' funds	<u>810</u>	<u>774</u>

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2001

12 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
As at 1 January 2001	268	156	424
Retained profit for the year	<u>-</u>	<u>36</u>	<u>36</u>
As at 31 December 2001	<u>268</u>	<u>192</u>	<u>460</u>

13 Financial commitments

Future capital expenditure

	2001 £'000	2000 £'000
Outstanding contracts for capital expenditure	<u>12</u>	<u>-</u>

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 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.