

2131494

D. G. Finance

Annual Report and Accounts

Year ended 31 December 2002



Sovereign Court, Witan Gate, Milton Keynes,
Buckinghamshire, MK9 2HP
Tel 01908 664466 Fax 01908 690567

D. G. FINANCE LIMITED

Directors and advisers

Michael J Williams
Clive Gear, FCA

Company number: 2131494

Secretary and registered office

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

Auditors

Mazars
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 2002

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

Activities and Business review

The company's principal activity was the leasing of vehicles to fellow group undertakings. Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained 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, Dawsonsgroup plc, were as follows:

	31 December 2002			31 December 2001		
	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 £303,000 (2001: £289,000) and the profit before tax was £48,000 (2001: £52,000). No dividend was paid during the year (2001: £nil) and the directors do not recommend any final dividend.

Donations

The company made no charitable or political donations during the year (2001 : £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

On 1 September 2002 our auditors Mazars Neville Russell changed their name to Mazars. Mazars 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 2003


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 SHAREHOLDERS OF D.G. FINANCE LIMITED

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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of 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.

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.

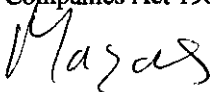
Basis of audit opinion

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS
CHARTERED ACCOUNTANTS
and Registered Auditors
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Witan Gate
Milton Keynes
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D. G. FINANCE LIMITED

Profit and loss account For the year ended 31 December 2002

	Notes	2002 £'000	2001 £'000
Turnover	1	303	289
Cost of sales		<u>235</u>	<u>226</u>
Gross profit		68	63
Administrative expenses		<u>10</u>	<u>(4)</u>
Operating profit	2	58	67
Net interest payable	3	<u>10</u>	<u>15</u>
Profit on ordinary activities before tax		48	52
Tax	5	<u>14</u>	<u>16</u>
Retained profit for the year	12	<u>34</u>	<u>36</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 2002

	Notes	2002 £'000	2001 £'000
Fixed assets			
Tangible assets	6	806	603
Current assets			
Debtors	7	110	201
Cash at bank and in hand		17	6
		<u>127</u>	<u>207</u>
Creditors due within one year			
Other creditors	8	184	137
		<u>184</u>	<u>137</u>
Net current (liabilities) / assets		(57)	70
Total assets less current liabilities		<u>749</u>	<u>673</u>
Provisions for liabilities and charges	9	95	137
Net assets		<u>844</u>	<u>810</u>
Capital and reserves			
Called up share capital	10	350	350
Share premium account	12	268	268
Profit and loss account	12	226	192
Equity shareholders' funds	11	<u>844</u>	<u>810</u>

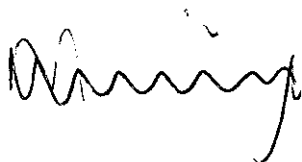
The financial statements on pages 5 to 12 were approved by the board of directors on 20 March 2003.

C Gear



Director

M Williams



D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2002

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 in respect of the tax effect of all timing differences at the rates of tax expected to apply when the timing differences reverse.

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 2002

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

	2002	2001
	£'000	£'000
This is stated after charging:		
Depreciation – owned assets	234	220
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

	2002	2001
	£'000	£'000
On borrowings wholly repayable within five years:		
Loan from parent company	<u>10</u>	<u>15</u>

4 Directors and employees

Employees

The company had no full-time employees during the year (2001: nil). No direct staff costs were incurred during the year (2001: £nil).

Directors' emoluments

None of the directors received any remuneration from the company during the year (2001: £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

	2002		2001	
	£'000	£'000	£'000	£'000
Tax charge for the year comprises:				
Corporation tax	(28)		(29)	
Adjustments in respect of prior periods	<u>-</u>		<u>-</u>	
Total current tax		(28)		(29)
Deferred tax				
Origination and reversal of timing differences	<u>42</u>		<u>45</u>	
Total deferred tax		42		45
		<u>14</u>		<u>16</u>

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2002

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:

	2002 £'000	2001 £'000
Profit on ordinary activities before tax	48	52
Tax on profit on ordinary activities at standard rate	14	16
Factors affecting charge for the period		
Capital allowances in excess of depreciation	(42)	(45)
Total actual amount of current tax	<u>(28)</u>	<u>(29)</u>

6 Tangible fixed assets

	Operating lease assets £'000
Cost	
As at 1 January 2002	950
Additions	545
Sales	(27)
Transfers to group undertakings	(277)
As at 31 December 2002	<u>1,191</u>
Depreciation	
As at 1 January 2002	347
Charge for the year	234
Relating to sales	(15)
Transfers to group undertakings	(181)
As at 31 December 2002	<u>385</u>
Book value	
As at 31 December 2002	<u>806</u>
As at 31 December 2001	<u>603</u>

7 Debtors

	2002 £'000	2001 £'000
Due within one year:		
Trade debtors	-	6
Other debtors	8	-
Prepayments	1	1
Tax recoverable	28	29
Amounts owed by group undertakings	73	165
	<u>110</u>	<u>201</u>

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2002

8 Other creditors

	2002 £'000	2001 £'000
Other tax and social security	-	7
Other creditors	2	3
Loans from group undertakings	176	127
Amounts owed to group undertakings	6	-
	<u>184</u>	<u>137</u>

9 Provisions for liabilities and charges

	2002 £'000	2001 £'000
Deferred tax (see below)		£'000
At 1 January 2002		(137)
Charge for the year (see note 5)		42
At 31 December 2002		<u>(95)</u>
	2002 £'000	2001 £'000
Deferred tax		
Provided in the accounts:		
Accelerated capital allowances	(95)	(137)
Other timing differences	-	-
	<u>(95)</u>	<u>(137)</u>

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

10 Called up share capital

	Authorised 2002 and 2001		Allotted, issued and fully paid 2002 and 2001	
	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 2002

11 Reconciliation of movements in shareholders' funds

	2002 £'000	2001 £'000
Profit for the financial year	34	36
Opening shareholders' funds	810	774
Closing shareholders' funds	<u>844</u>	<u>810</u>

12 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
As at 1 January 2002	268	192	460
Retained profit for the year	<u>-</u>	<u>34</u>	<u>34</u>
As at 31 December 2002	<u>268</u>	<u>226</u>	<u>494</u>

13 Financial commitments

Future capital expenditure

	2002 £'000	2001 £'000
Outstanding contracts for capital expenditure	<u>-</u>	<u>12</u>

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2002

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.