

2131494

D.G. Finance Limited

Annual Report and Accounts

Year ended 31 December 2007



D. G. FINANCE LIMITED

Directors and advisers

Company number: 2131494

Directors

Michael J Williams
Anthony Coleman, ACA

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

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D. G. FINANCE LIMITED

Report of the directors for the year ended 31 December 2007

The directors present their report and the audited financial statements of the company for the year ended 31 December 2007

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

Results and dividends

Turnover amounted to £391,000 (2006 £348,000) and the profit before tax was £37,000 (2006 £44,000) No dividends have been paid or proposed during the year (2006 £nil)

Donations

The company made no charitable or political donations during the year (2006 £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

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

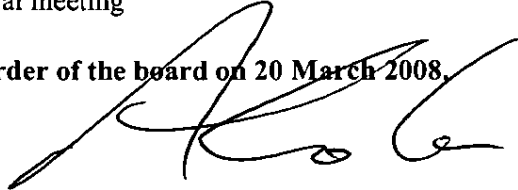
D. G. FINANCE LIMITED

**Report of the directors (continued)
for the year ended 31 December 2007**

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 20 March 2008.

A handwritten signature in black ink, appearing to read 'A Coleman', is written over the text 'By order of the board on 20 March 2008.' The signature is fluid and cursive.

**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 13. 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 D.G. Finance Limited

We have audited the financial statements of D G Finance Limited for the year ended 31 December 2007 which comprise of 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement.

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 2007 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

20 March 2008



D. G. FINANCE LIMITED

Profit and loss account for the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Turnover	1	391	348
Cost of sales		<u>336</u>	<u>305</u>
Gross profit		55	43
Administrative expenses		<u>(6)</u>	<u>(14)</u>
Operating profit	2	61	57
Net interest payable	3	<u>24</u>	<u>13</u>
Profit on ordinary activities before tax		37	44
Tax	5	12	13
Profit for the year	11	<u>25</u>	<u>31</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

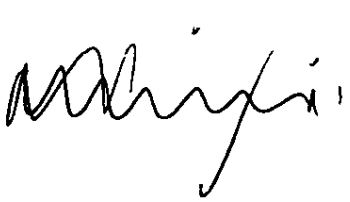
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Balance sheet as at 31 December 2007

	Notes	£'000	2007 £'000	£'000	2006 £'000
Fixed assets					
Tangible assets	6		1,000		913
Current assets					
Debtors	7	98		127	
Cash at bank and in hand		-		7	
		<u>98</u>		<u>134</u>	
Creditors due within one year					
Borrowings	8	14			
Other creditors	9	307		295	
		<u>321</u>		<u>295</u>	
Net current liabilities			223		161
Total assets less current liabilities			<u>777</u>		<u>752</u>
Net assets			<u>777</u>		<u>752</u>
Capital and reserves					
Called up share capital	10		350		350
Share premium account	12		268		268
Profit and loss account	12		159		134
Equity shareholders' funds	11		<u>777</u>		<u>752</u>

The financial statements on pages 6 to 13 were approved by the board of directors on 20 March 2008


A Coleman
Director


M Williams
Director

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2007

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 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 2007

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

	2007 £'000	2006 £'000
This is stated after charging		
Depreciation – owned assets	327	288
Auditors' remuneration – audit services	<u>2</u>	<u>2</u>
and after crediting		
Profit on disposal of fixed assets	<u>8</u>	<u>17</u>

3 Net interest payable

	2007 £'000	2006 £'000
On borrowings wholly repayable within five years		
Loan from parent company	<u>24</u>	<u>13</u>

4 Directors and employees

Employees

The company had no full-time employees during the year (2006: nil). No direct staff costs were incurred during the year (2006: £nil).

Directors' emoluments

None of the directors received any remuneration from the company during the year (2006: £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

	2007		2006	
	£'000	£'000	£'000	£'000
Tax charge for the year comprises				
Corporation tax	<u>3</u>		<u>1</u>	
Total current tax		3		1
Deferred tax				
Origination and reversal of timing differences	7		12	
Effect of decreased tax rate on opening liability	<u>2</u>		<u>-</u>	
Total deferred tax		9		12
		<u>12</u>		<u>13</u>

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2007

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

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	37	44
Tax on profit on ordinary activities at standard rate	11	13
Factors affecting charge for the period		
Capital allowances in excess of depreciation	(8)	(12)
Total actual amount of current tax	3	1

6 Tangible fixed assets

	Operating lease assets £'000
Cost	
As at 1 January 2007	1,395
Additions	653
Disposals	(468)
Transfers from group undertakings	58
Transfers to group undertakings	(152)
As at 31 December 2007	1,486
Depreciation	
As at 1 January 2007	482
Charge for the year	327
Relating to disposals	(259)
Transfers from group undertakings	32
Transfers to group undertakings	(96)
As at 31 December 2007	486
Book value	
As at 31 December 2007	1,000
As at 31 December 2006	913

7 Debtors

	2007 £'000	2006 £'000
Due within one year:		
Other debtors	15	42
Amounts owed by group undertakings	83	85
	98	127

D. G. FINANCE LIMITED

Notes to the financial statements for the year ended 31 December 2007

7 Debtors (continued)

Included within other debtors is a deferred tax asset of £15,000 (2006 £24,000)

Deferred tax (see below)		£'000
At 1 January 2007		24
Charge for the year (see note 5)		(9)
At 31 December 2007		<u>15</u>
	2007	2006
	£'000	£'000
Deferred tax		
Provided in the accounts		
Accelerated capital allowances	15	24
	<u>15</u>	<u>24</u>

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

8 Borrowings

Financial liabilities

	2007	2006
	£'000	£'000
Bank overdraft	14	-
	<u>14</u>	<u>-</u>

9 Other creditors

	2007	2006
	£'000	£'000
Other creditors	3	3
Tax payable	4	1
Other tax and social security	9	1
Loans from group undertakings	291	290
	<u>307</u>	<u>295</u>

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Notes to the financial statements for the year ended 31 December 2007

10 Called up share capital

	Authorised 2007 and 2006		Allotted, issued and fully paid 2007 and 2006	
	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

	2007 £'000	2006 £'000
Profit for the financial year	<u>25</u>	<u>31</u>
Net movement in shareholders' funds	25	31
Opening shareholders' funds	752	721
Closing shareholders' funds	<u>777</u>	<u>752</u>

12 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
As at 1 January 2007	268	134	402
Profit for the year	<u>-</u>	<u>25</u>	<u>25</u>
As at 31 December 2007	<u>268</u>	<u>159</u>	<u>427</u>

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Notes to the financial statements for the year ended 31 December 2007

13 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

14 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.