Company number: 1615021

Dawsonrentals Temperature Control Solutions Limited

Annual Report and Accounts

Year ended 31 December 2016

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DAWSONRENTALS TEMPERATURE CONTROL SOLUTIONS LIMITED

Company number: 1615021

Directors and advisers

Directors

Michael J Williams (resigned 15 September 2016)
Stephen J Miller
Anthony Coleman, FCA
Adrian J P O'Reilly, ACMA
Roderick P Benham
David Quinn
Jonathan McKie (appointed 1 January 2017)

Secretary and registered office

Lucinda Kent, FCA
Delaware Drive, Tongwell, Milton Keynes, MK15 8JH

Auditors

Mazars LLP
The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF

Bankers

The Royal Bank of Scotland
Corporate and Institutional Banking
2nd Floor
152 Silbury Boulevard
Milton Keynes
MK9 1LT

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Strategic report
for the year ended 31 December 2016

The directors present their strategic report for Dawsonrentals Temperature Control Solutions Limited for the year ended 31 December 2016.

For further information on key performance indicators and risks and uncertainties please refer to the Dawsongroup plc financial statements (note 19).

Activities and business review

The principal activity of the company is the rental of temperature-controlled products.

The company has evolved in recent years from an equipment rental provider to become a consultative business partner, offering innovative solutions and assisting process change to bring best results for customers. The company ethos that "it's not about the box, it's how you use it" sums up the approach that has been so successful.

This consultative approach is clearly demonstrated in the pharmaceutical sector, where the company is now identified as the industry preferred supplier.

Investment is concentrated on safety and energy management, which when combined with the long product life cycle in this sector, will provide significant competitor advantage over time. With revenue growth of nearly 6% in 2016, over 60% of units delivered were brand new or new generation, energy efficient equipment. Future prospects remain strong, aided by new products under development.

Risks and uncertainties

The group operates a central finance and treasury function which is responsible for arranging and managing all of the group's financial instruments, comprising borrowings, cash and liquid resources and interest-rate swaps, in the most appropriate manner, at the lowest cost and within the risk management policies agreed upon by the board.

The company minimises credit risk by selecting blue chip companies or by taking deposits where appropriate.

Approval

This report was approved by the board on 22 March 2017 and signed on its behalf by:

Anthony Coleman
Director

Stephen J Miller
Director

Report of the directors for the year ended 31 December 2016

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016.

Directors

The current directors of the company who served throughout the year and to the date of signing this report, unless otherwise stated are set out on page 1.

Directors' indemnity

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

Results and dividends

Turnover amounted to £20,922,000 (2015: £20,899,000) and the profit before tax was £9,835,000 (2015: £9,885,000).

The following dividends have been paid during the year:

	Date payable	£ per share	2016 £'000	2015 £'000
1st Interim	6th September	£105.00 (2015:£34.00)	5,250	1,700
2nd Interim	-	£nil (2015:£300.00)	-	15,000

Employment policies

The company continues to encourage the participation of its employees in the business in which they work. Established communication and consultation procedures exist which aim to ensure that employees are informed about, and involved in, matters which are of interest and concern to them.

The company is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. The policies also allow disabled persons to compete on an equal basis. Any existing employee who becomes disabled is given the training required to ensure that, wherever possible, continuity of employment can be maintained.

The company promotes all aspects of health and safety throughout the group in the interests of its employees.

Future developments

The directors do not expect any material differences going forward.

Disclosure in the Strategic report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulation 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic report on page 2. These matters relate to activities and business review and risks and uncertainties.

Report of the directors (continued) for the year ended 31 December 2016

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditor
So far as each person who is a director is aware, there is no relevant audit information of which the Company's auditor is unaware. Each director has taken all steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
Mazars LLP has expressed its willingness to continue in office and a resolution concerning reappointment will be put to the directors at the board meeting approving these financial statements.

By order of the board on 22 March 2017.

Lucinda Kent, FCA
Secretary

Independent auditor's report to the members of Dawsonrentals Temperature Control Solutions Limited

We have audited the financial statements of Dawsonrentals Temperature Control Solutions Limited for the year ended 31 December 2016 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor:
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

Scope of the audit of the financial statements:
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements:
In our opinion the financial statements:

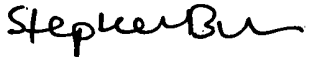
- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006:
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stephen Brown (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes MK9 1FF
Date: 22nd March 2017

Statement of comprehensive income for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Turnover	1	20,922	20,899
Cost of sales		6,538	6,598
Gross profit		14,384	14,301
Other operating income		-	-
Administrative expenses		4,341	4,238
Operating profit	2	10,043	10,063
Interest receivable and similar income	3	18	-
Interest payable and similar charges	4	226	178
Profit on ordinary activities before tax		9,835	9,885
Tax	6	1,687	1,762
Profit for the year attributable to owners		8,148	8,123
Total comprehensive income attributable to owners		8,148	8,123

The notes on pages 9 to 22 are an integral part of these financial statements.

DAWSONRENTALS TEMPERATURE CONTROL SOLUTIONS LIMITED

Company number: 1615021

Statement of financial position as at 31 December 2016

	Notes	£'000	2016 £'000	£'000	2015 £'000
Fixed assets					
Intangible assets	8		-		-
Tangible assets	9		39,825		34,909
			39,825		34,909
Current assets					
Inventory	10	395		372	
Debtors	11	12,747		10,361	
Cash at bank and in hand		5		4	
		13,147		10,737	
Creditors due within one year					
Borrowings	12	3,248		2,104	
Creditors	13	11,496		10,347	
		14,744		12,451	
Net current liabilities			1,597		1,714
Total assets less current liabilities			38,228		33,195
Creditors due after one year					
Borrowings	12	7,591		5,528	
			7,591		5,528
			30,637		27,667
Provisions for liabilities and charges	14		3,417		3,345
Net assets			27,220		24,322
Capital and reserves					
Called up share capital	15		50		50
Profit and loss account			27,170		24,272
Equity shareholders' funds			27,220		24,322

The financial statements on pages 6 to 22 were approved and authorised for issue by the board of directors on 22 March 2017.

A Coleman
Director

S J Miller
Director

The notes on pages 9 to 22 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital	Profit and loss account	Equity shareholders ' funds
	£'000	£'000	£'000
At 1 January 2015	50	32,849	32,899
Profit for the financial year	-	8,123	8,123
Other comprehensive income	-	-	-
Total comprehensive income	-	8,123	8,123
Dividends paid	-	(16,700)	(16,700)
At 31 December 2015	50	24,272	24,322
Profit for the financial year	-	8,148	8,148
Other comprehensive income	-	-	-
Total comprehensive income	-	8,148	8,148
Dividends paid	-	(5,250)	(5,250)
At 31 December 2016	50	27,170	27,220

Reserves

Profit and loss account
The profit and loss account reserve represents cumulative profits and losses of the company.

The notes on pages 9 to 22 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2016

Accounting policies

General information
Dawsonrentals Temperature Control Solutions Limited ("the company") is a private limited company incorporated in the United Kingdom. The address of its registered office is Delaware Drive, Tongwell, Milton Keynes, MK15 8JH and the principal place of business is Fulwood Industrial Estate, Sutton-In-Ashfield, Nottinghamshire, NG17 6AF. The principal activity of the company is the rental of temperature-controlled products.

These financial statements have been presented in Pounds Sterling as this is the company's functional currency, being the primary economic environment in which the company operates. The level of rounding used throughout the financial statements is to the nearest thousand.

Basis of preparation
These financial statements have been prepared in accordance with FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* ("FRS 102") and applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and derivative financial instruments.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including the notification of and no objection to, the use of exemptions by the company's shareholders. In preparing the financial statements, the company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 *Related Party Disclosures*;
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 *Statement of Financial Position*; and
- from presenting a statement of cash flows, as required by Section 7 *Statement of Cash Flows*.

On the basis that equivalent disclosures are given in the consolidated financial statements the company has also taken advantage of the exemption not to provide:

- certain disclosure requirements of Section 11 *Basic Financial Instruments*.

Details of where the consolidated financial statements, in which the company is included, can be obtained as set out in note 19.

Going concern
The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The directors have reviewed cash flow forecasts for a period of not less than 12 months from the date of the audit opinion and are confident that the company will be able to pay its liabilities as they fall due. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Turnover
Turnover is measured at the fair value of the consideration received or receivable and represents amounts for the provision of services and the sale of goods in the normal course of business, net of discounts and other sales-related taxes.

Rental income from operating leases and contract hire activities is recognised on a straight line basis over the term of the relevant lease.

Notes to the financial statements (continued) for the year ended 31 December 2016

Accounting policies

Income from the sale of vehicles and equipment is recognised when the company has transferred the significant risks and rewards of ownership to the buyer, which is usually the date that delivery of the vehicles and equipment is taken.

Taxation
The tax expense for the year comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write down the cost of fixed assets by equal instalments, which for widespan units includes capitalised direct labour and directly attributable overheads, to their estimated residual values over the period of their estimated useful lives with the company in accordance with the table below:

	Useful life	Residual value
Hire fleet:		
Purpose built portable cold stores	15 years	25%
Other temperature-controlled products	3 - 12.5 years	0% - 15%
Other:		
Commercial vehicles	5 years	20% - 25%
Trailers	12.5 years	15%
Plant and equipment	5 - 10 years	Nil
Portable office buildings	7-12.5 years	15%
Computer hardware	4 years	Nil
Cars	4 years	25% - 40%

Tangible assets are tested for impairment where an indication of impairment exists at the reporting date.

Notes to the financial statements (continued) for the year ended 31 December 2016

Accounting policies

Impairment of assets
At each reporting date, the company reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent year if, and only if, the reasons for the impairment loss have ceased to apply.

Inventory
Inventory is stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell.

Financial instruments
Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The company holds basic financial instruments, which comprise cash at bank and in hand, trade and other debtors, borrowings, trade and other creditors and derivative financial instruments. The company has chosen to apply the measurement and recognition provisions of Section 11 *Basic Financial Instruments.*

Financial assets – classified as basic financial instruments
The Company has chosen to apply the measurement and recognition provisions of Section 11 *Basic Financial Instruments.*

Cash and Cash equivalents
Cash and cash equivalents include cash at bank and in hand and other short-term highly liquid investments with original maturities of three months or less which are classified as current asset investments.

Trade and other debtors
Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the amount expected to be receivable, net of any impairment. The company has chosen to apply the measurement and recognition provisions of Section 11 *Basic Financial Instruments.*

Financial liabilities – classified as basic financial instruments
Trade and other creditors and borrowings
Short term trade and other creditors and borrowings are measured at the transaction price. Other financial liabilities which constitute financing transactions are initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Notes to the financial statements (continued) for the year ended 31 December 2016

Accounting policies

Employee benefits

Retirement benefits

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in funds administered by insurance companies. Contributions to the defined contribution pension scheme are charged to the profit or loss in the year to which the contributions relate.

Long-term incentive schemes

The company operates a long-term incentive scheme for certain employees. Liabilities for the scheme are recognised when the company has an obligation to make payments as a result of a past event, and are measured at the present value of the obligation at the end of each reporting date. The scheme is an unfunded scheme.

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases

The company as a lessee

Fixed assets obtained under finance leases are treated in the same way as hire purchase contracts, that is as though they were purchased outright and depreciated accordingly. The outstanding capital element of such leases is included within borrowings in the statement of financial position. The interest element of leasing payments is charged to profit and loss over the period of the finance lease in accordance with the "sum of digits" method. Interest costs on fixed rate hire purchase contracts are also accounted for by this method.

Operating leases

The company as a lessor

Amounts due from lessees under operating leases are credited to income on a straight-line basis over the term of the relevant lease.

The company as a lessee

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the term of the relevant lease. Any benefits receivable as an incentive to enter into an operating lease are spread on a straight-line basis over the lease term.

Asset purchase rebates

Rebates and bonuses from manufacturers and distributors are credited to the statement of comprehensive income over a three to five year period from the date of installation of the relevant assets to coincide with their expected life within the company.

Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the date of the statement of financial position. Differences arising on translation of such items are dealt with in the statement of comprehensive income.

Notes to the financial statements (continued) for the year ended 31 December 2016

Accounting policies

Critical accounting judgements and key sources of estimation uncertainty
In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

The critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below.

(i) Assessing indicators of impairment
In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

(ii) Classifying lease arrangements
The directors classify lease arrangements as finance leases where substantially all of the risks and rewards incidental to ownership pass to the lessee. In making this judgement the directors have considered the substance of the arrangement, taking into account various factors including; legal ownership, options to purchase the asset, the term of the lease, the useful economic life of the asset and the present value of the minimum lease payments. Arrangements which are not classified as a finance lease are classified as an operating lease.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Residual values and useful economic lives of tangible assets
The company depreciates tangible assets over their estimated useful lives. In determining appropriate useful lives of assets, the directors have considered historic performance as well as future expectations for factors such as the expected usage of the asset, physical wear and tear, technical and commercial obsolescence and legal limitations on the usage of the asset such as lease terms. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied to determine the residual values for tangible assets. When determining the residual values, the directors have assessed the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. At each reporting date, the directors also assess whether there have been any indicators, such as a change in how the asset is used, significant unexpected wear and tear and changes in market prices, which suggest previous estimates may differ from current expectations. Where this is the case, the residual value and/or useful life is amended and accounted for on a prospective basis.

Notes to the financial statements (continued) for the year ended 31 December 2016

Accounting policies

(ii) Recoverability of debtors
A provision for debtors is established where it is estimated that the debtors are not considered to be fully recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

(iii) Employee benefits – long-term incentive schemes
The company operates a long-term incentive scheme in respect of directors and certain senior employees.

The company's obligation under this scheme at the reporting date is calculated using a number of assumptions including expected retention rates, achievement of annually set targets and estimated salary increases. The directors have estimated these assumptions based on historical experience and future expectations of market conditions.

1 Turnover

The turnover is attributable to the principal activity of rental and contract hire of temperature-controlled products. The company operates in the UK and substantially the whole of its turnover is to the UK market.

Analysis by category
An analysis of turnover by category is as follows:

	2016 £'000	2015 £'000
Operating lease rental income	20,340	19,272
Sale of equipment	582	1,627
	20,922	20,899

2 Operating profit

	2016 £'000	2015 £'000
This is stated after charging:		
Depreciation – owned assets	3,691	3,497
Repairs and maintenance	1,937	1,979
Auditors' remuneration – audit services	20	20
Assets hired in	291	269
Operating lease – rental of property	43	43
Exchange loss	-	11
and after crediting:		
Profit on disposal of fixed assets	418	480
Manufacturers' rebates	2	-
Exchange gain	54	-

Notes to the financial statements (continued) for the year ended 31 December 2016

3 Interest receivable and similar income

	2016 £'000	2015 £'000
Group interest receivable	18	-
	18	-

4 Interest payable and similar charges

	2016 £'000	2015 £'000
On borrowings wholly repayable within five years:		
Asset finance arrangements	226	178
	226	178

All asset finance arrangements are repayable by instalments.

5 Directors and employees

Employees

Average number of employees, including directors, during the year was as follows:

	2016 Number	2015 Number
Management	4	3
Sales and administration	52	50
Fitters and others	54	57
	110	110

The payroll costs of these employees amounted to:

	2016 £'000	2015 £'000
Wages and salaries	3,320	3,206
Social security costs	324	312
Pension contributions	222	228
	3,866	3,746

Pension scheme

The Dawsongroup of companies operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension contributions above represent amounts paid by the company to the fund.

No contributions have been prepaid at the year-end (2015: £nil).

The number of directors to whom benefits were accrued under money purchase schemes was 2 (2015: 2).

Notes to the financial statements (continued) for the year ended 31 December 2016

5 Directors and employees (continued)

Directors' emoluments

	2016 £'000	2015 £'000
Executive remuneration and benefits:	173	256
Pension contributions	96	111
	269	367

		2016 £'000	2015 £'000
Highest paid director	- Remuneration and benefits	123	110
	- Pension contributions	61	76
		184	186

The emoluments of those directors who are also directors of the parent company are disclosed in the financial statements of Dawsongroup plc. The emoluments of A J P O'Reilly are included in the financial statements of Dawsonrentals Truck and Trailer Limited, a wholly owned subsidiary of Dawsongroup plc.

The company operates long term incentive schemes in respect of its directors and certain senior employees. In accordance with the accounting policies set out on pages 9 to 14, provision has been made in the accounts in respect of the directors as per the following table:

	2016 £'000	2015 £'000
Provision as at 1 January	79	51
Charged to profit and loss	39	28
Provision as at 31 December	118	79

6 Tax

	£'000	2016 £'000	£'000	2015 £'000
Tax charge for the year comprises:				
Corporation tax	1,691		1,805	
Adjustments in respect of prior periods	-		(1)	
Total current tax		1,691		1,804
Deferred tax				
Origination and reversal of timing differences	237		184	
Effect of decreased tax rate on deferred tax balance	(241)		(226)	
Adjustment in respect of prior periods	-		-	
Total deferred tax (see note 14)		(4)		(42)
		1,687		1,762

Notes to the financial statements (continued) for the year ended 31 December 2016

6 Tax (continued)

The UK standard rate of corporation tax for the year is 20.00% (2015: 20.25%). The actual charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	9,835	9,885
Tax on profit on ordinary activities at standard rate	1,967	2,002
Factors affecting charge for the period		
Difference in tax rates	(283)	(243)
Expenses not deductible for tax purposes	3	4
Adjustments in respect of prior periods	-	(1)
Total tax	1,687	1,762

Factors that may affect future tax charges
A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) was substantively enacted in September 2016 and has therefore been considered when calculating deferred tax at the reporting date. Deferred tax balances at the reporting date are measured at 17% (2015: 18.5%).

7 Dividends

	2016 £'000	2015 £'000
1st Interim paid (£105.00 per share) (2015: £34.00)	5,250	1,700
2nd Interim paid (£nil per share) (2015: £300.00)	-	15,000
	5,250	16,700

8 Intangible assets

	Goodwill £'000
Cost	
As at 1 January 2016	278
Additions	-
As at 31 December 2016	278
Amortisation	
As at 1 January 2016	278
Charge for the year	-
As at 31 December 2016	278
Net book value	
As at 31 December 2016	-
As at 31 December 2015	-

Notes to the financial statements (continued) for the year ended 31 December 2016

9 Tangible fixed assets

	Hire fleet £'000	Vehicles, plant and equipment £'000	Total £'000
Cost			
As at 1 January 2016	64,475	1,388	65,863
Additions	8,877	38	8,915
Disposals	(4,026)	(40)	(4,066)
Transfers from group undertakings	660	-	660
Transfers to group undertakings	(472)	-	(472)
As at 31 December 2016	69,514	1,386	70,900
Depreciation			
As at 1 January 2016	30,176	778	30,954
Charge for the year	3,587	104	3,691
Disposals	(3,541)	(37)	(3,578)
Transfers from group undertakings	220	-	220
Transfers to group undertakings	(212)	-	(212)
As at 31 December 2016	30,230	845	31,075
Net book value			
As at 31 December 2016	39,284	541	39,825
As at 31 December 2015	34,299	610	34,909

10 Inventory

	2016 £'000	2015 £'000
Raw materials and consumables	395	372

11 Debtors

Due within one year:	2016 £'000	2015 £'000
Trade debtors	950	804
Other debtors	21	2
Prepayments	117	96
Amounts owed by group undertakings	243	309
Loans to group undertakings	11,416	9,150
	12,747	10,361

Amounts owed by group undertakings are repayable on demand and unsecured.

Loans to group undertakings are unsecured, repayable on demand and receive interest paid at 0.25% below base rate.

Notes to the financial statements (continued) for the year ended 31 December 2016

12 Borrowings

Financial liabilities

Due within one year:	**2016 £'000**	**2015 £'000**
Bank loans and overdrafts	211	199
Asset finance arrangements	3,037	1,905
	3,248	2,104

Due after one year:

Borrowings due after more than one year relate to asset finance arrangements which are repayable by instalments as follows:

	2016 £'000	**2015 £'000**
Between one and two years	2,996	1,905
Between two and five years	4,595	3,623
	7,591	5,528
Gross financial liabilities	10,839	7,632

Asset finance arrangements comprise hire purchase, finance lease and other similar funding effectively secured on the specific underlying assets. The interest charged on the finance during the year equated to 2.5% (2015: 2.6%).

13 Creditors

Due within one year:	**2016 £'000**	**2015 £'000**
Trade creditors	6,313	5,466
Tax payable	1,692	1,804
Other tax and social security	446	268
Accruals and other creditors	947	842
Amounts owed to group undertakings	2,098	1,967
	11,496	10,347

Amounts owed by group undertakings are repayable on demand and unsecured.

Notes to the financial statements (continued) for the year ended 31 December 2016

14 Provision for liabilities and charges

	2016 £'000	2015 £'000
Deferred tax	2,966	2,970
Other provisions	451	375
	3,417	3,345
Deferred tax		
Provided in the accounts:		
Accelerated capital allowances	3,056	3,044
Other timing differences	(90)	(74)
Provision for deferred tax	2,966	2,970

Amounts provided have been calculated at future expected rates of corporation tax. Deferred tax balances at the reporting date are measured at 17% (2015: 18.5%).

	2016 £'000	2015 £'000
Other provisions:		
Long-term incentive schemes	434	375
Miscellaneous	17	-
	451	375

Movement in the year	Deferred tax £'000	Long-term incentive schemes £'000	Miscell-aneous £'000	Total £'000
As at 1 January 2016	2,970	375	-	3,345
(Credited) / charged to profit and loss	(4)	215	17	228
Utilised in year	-	(156)	-	(156)
As at 31 December 2016	2,966	434	17	3,417

The net deferred tax liability expected to reverse in 2017 is £nil.

15 Called up share capital

Authorised:	2016 Number	2015 Number
Ordinary shares of £1 each	50,000	50,000
Allotted, issued and fully paid:	**2016 £'000**	**2015 £'000**
Ordinary shares of £1 each	50	50

The ordinary shares carry one voting right per share and no right to fixed income.

Notes to the financial statements (continued) for the year ended 31 December 2016

16 Financial commitments

Future capital expenditure

	2016 £'000	2015 £'000
Outstanding contracts for capital expenditure	1,530	3,469

Operating lease commitments

The company as lessee

The company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as at the reporting date as follows:

	2016 Land and buildings £'000	2015 Land and buildings £'000
Within one year	208	37
Between one and two years	186	21
Between two to five years	559	-
Over five years	1,615	-
	2,568	58

The company as lessor

The company leases hire fleet to third parties. The future minimum lease payments receivable under those non-cancellable leases are as follows:

	2016 Hire fleet £'000	2015 Hire fleet £'000
Within one year	8,953	8,220
Between one and two years	5,631	5,263
Between two to five years	5,701	5,769
Over five years	187	510
	20,472	19,762

The above table excludes expired contracts and those contracts that are transient in nature. These are all for less than one year.

17 Contingent liabilities

The company has entered into a cross guarantee with various other group companies to secure their banking facilities.

18 Events after the reporting date

On 1 January 2017, Jonathan David McKie was appointed director.

Notes to the financial statements (continued) for the year ended 31 December 2016

19 Parent undertakings

The immediate parent company is Dawsonrentals Limited and the ultimate parent company is Dawsongroup plc. Throughout the year Dawsongroup plc was controlled by trusts, the beneficiaries of which are P M Dawson and his immediate family.

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

20 Related party transactions

Advantage has been taken of the exemption conferred by Section 33 *Related Party Disclosures* not to disclose transactions with fellow members of the Dawsongroup plc group where 100% of the voting rights are controlled within the group.