

3928481

**DCD Finance (UK) Limited**

Report and Financial Statements

Year Ended

31 December 2007

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## **DCD Finance (UK) Limited**

### **Annual report and financial statements for the year ended 31 December 2007**

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#### **Directors**

R J Huggins  
D A Gennings  
F A Randeree  
D Stuckey

#### **Secretary and registered office**

C E Shelley  
90 Long Acre  
London  
WC2E 9RA

#### **Company number**

3928481

#### **Auditors**

Andertons  
Chartered Certified Accountants  
142 - 146 Old Street  
London  
EC1V 9BW

## **DCD Finance (UK) Limited**

### **Report of the directors for the year ended 31 December 2007**

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The directors present their report together with the audited financial statements for the year ended 31 December 2007

#### **Principal activities and review of the business**

The principal activities of the group are those of providing the services of confirming agents, trade finance, factoring and invoice discounting facilities to small and medium sized enterprises

The volume of business financed during the year was £ 95,807,415 (2006- £ 96,197,918) and turnover for the year was £ 2,987,446 (2006 - £ 3,227,582) – a reduction of 7%

During the year under review it was discovered that by early 2006 problems were arising with one of the major clients of both of the company's subsidiaries and the companies' exposure continued to increase alarmingly. The companies took appropriate legal action. A freezing injunction was applied for and granted, which stopped the client dealing or disposing of any of its assets.

As a result the companies have wound down their activities significantly.

#### **Results and dividends**

The consolidated profit and loss account is set out on page 5 and shows the loss for the year.

The directors recommended payment of a dividend of £ 25,000 in respect of the year (2006 - £ 100,000).

#### **Directors**

The directors of the company during the year were

R J Huggins	
F Baiyat	(resigned 12 September 2007)
D A Gennings	
F A Randeree	
D Stuckey	(appointed 5 October 2007)

The directors in office during the year did not have any beneficial interests, including family interests, in the share capital of the company. However, F A Randeree is also a director of the parent company, DCD London & Mutual Plc, and his interests including family interests, in the share capital of that company are shown in its financial statements.

## **DCD Finance (UK) Limited**

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

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#### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 proper accounting records that 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 1985. 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.

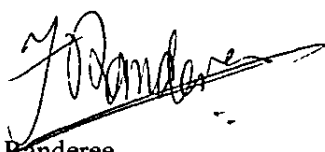
#### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors BDO Stoy Hayward resigned during the year and Andertons who were duly appointed, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The directors have taken advantage of the special exemptions in section 246 of the Companies Act 1985.

#### **On behalf of the Board**



F A Randeree  
**Director**

Date 28 October 2008

## **DCD Finance (UK) Limited**

### **Report of the independent auditors**

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#### **To the shareholders of DCD Finance (UK) Limited**

We have audited the group and parent company financial statements (the "financial statements") of DCD Finance (UK) Limited for the year ended 31 December 2007 which comprise of the group profit and loss account, the group and company balance sheets and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatement within it.

#### *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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

## DCD Finance (UK) Limited

### Report of the independent auditors (*Continued*)

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#### *Opinion*

##### In our opinion

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 December 2007 and of its loss for the year then ended,
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 December 2007,
- 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

#### *Emphasis of matter*

##### *Possible outcome of lawsuits*

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the possible outcome of legal action against a major client and against the company's and group's previous auditors – the ultimate outcome of which cannot presently be determined. No provision for recoveries of any monies and / or award of damages is made in the financial statements.

#### *Going concern*

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in note 1 concerning the group's ability to continue as a going concern. The group incurred a net loss of £ 3,835,553 during the year ended 31 December 2007 and at that date its current liabilities exceeded its current assets by £ 2,441,101. These conditions along with other matters explained in note 1 to the financial statements, indicate the existence of material uncertainty which casts doubt upon the company's ability to continue as a going concern. This would depend largely on the outcome of the above mentioned lawsuits and the continued availability of funds from its shareholders and other group companies. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

  
Andertons

Chartered Certified Accountants  
Registered auditors  
142 - 146 Old Street  
London  
EC1V 9BW

Date 28 October 2008

**DCD Finance (UK) Limited****Consolidated profit and loss account for the year ended 31 December 2007**

	<b>Note</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>As restated</b> <b>£</b>
<b>Value of business financed</b>	2	95,807,415	96,197,918
<b>Turnover</b>	2	2,987,446	3,227,582
Operating expenses		(5,165,198)	(3,109,239)
<b>Operating (loss)/profit</b>	5	(2,177,752)	118,343
Interest payable and similar charges	6	(1,657,801)	(1,469,404)
<b>Loss on ordinary activities before taxation</b>		(3,835,553)	(1,351,061)
Taxation	7	140,440	(74,384)
<b>Loss on ordinary activities after taxation</b>		(3,695,113)	(1,425,445)

There are no gains or losses for the year other than those recognised in the profit and loss account

The notes on pages 9 to 19 form part of these financial statements

**DCD Finance (UK) Limited****Statement of total recognised gains and losses for the year ended 31 December 2007**

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	Note	2007 £	2006 As restated £
Loss for the financial year		(3,695,113)	(1,425,445)
Prior year adjustment	15	(1,558,767)	-
		<hr/>	<hr/>
		(5,253,880)	(1,425,445)
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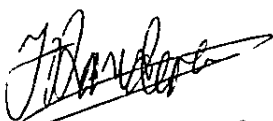


**DCD Finance (UK) Limited**

**Consolidated balance sheet at 31 December 2007**

	Note	2007 £	2007 £	2006 As restated £	2006 As restated £
<b>Fixed assets</b>					
Intangible assets	9		-		130,519
Tangible assets	10		29,425		108,488
			<u>29,425</u>		<u>239,007</u>
<b>Current assets</b>					
Debtors	12	20,179,706		19,870,433	
Cash at bank and in hand		1,054,625		754,430	
			<u>21,234,331</u>	<u>20,624,863</u>	
<b>Creditors: amounts falling due within one year</b>	13	23,675,432		19,555,433	
			<u>(2,441,101)</u>		<u>1,069,430</u>
<b>Net current assets</b>					
			<u>(2,411,676)</u>		<u>1,308,437</u>
<b>Total assets less current liabilities</b>					
<b>Capital and reserves</b>					
Called up share capital	14		2,007,209		2,007,209
Profit and loss account	15		(4,418,885)		(698,772)
			<u>(2,411,676)</u>		<u>1,308,437</u>
<b>Shareholders' funds - equity</b>	16				
			<u>(2,411,676)</u>		<u>1,308,437</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 October 2008

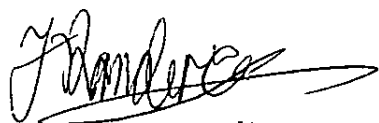
  
F A Randeree  
Director

The notes on pages 9 to 19 form part of these financial statements

**DCD Finance (UK) Limited****Company balance sheet at 31 December 2007**

	Note	2007 £	2006 As restated £
<b>Fixed assets</b>			
Investments	11	-	2,610,577
<b>Current assets</b>			
Amount due from related company	12	107,209	107,209
<b>Net assets</b>		107,209	2,717,786
<b>Creditors: amounts falling due within one year</b>	13	714,215	710,577
<b>Total assets less current liabilities</b>		(607,006)	2,007,209
<b>Capital and reserves</b>			
Called up share capital	14	2,007,209	2,007,209
Profit and loss account	15	(2,614,215)	-
<b>Shareholders' funds - equity</b>	16	(607,006)	2,007,209

The financial statements were approved by the Board of Directors and authorised for issue on 28 October 2008



F A Randeree  
Director

The notes on pages 9 to 19 form part of these financial statements

## DCD Finance (UK) Limited

### Notes forming part of the financial statements for the year ended 31 December 2007

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#### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied.

##### *Basis of consolidation*

The consolidated financial statements incorporate the results of DCD Finance (UK) Limited and all of its subsidiaries as at 31 December 2007 using the acquisition method of accounting whereby the results of the subsidiaries are included from the date of acquisition.

##### *Turnover*

Turnover represents commissions, interest earned, discount charges, factoring fees on value of business financed together with recoveries of certain direct charges and miscellaneous income, at invoiced amounts less value added tax.

The financial statements have been prepared on the going concern basis notwithstanding the material uncertainty of the possible outcome of legal action against its subsidiary companies clients owing £ 16,386,023 including a major client owing £ 14,476,448 at the year end. Provisions for bad debts amounted to £ 5,259,857. Detailed cash flows after December 2008 are not available. However, out of loans owed at the year end amounting to £ 5,291,273, £ 1,500,000 have been settled by the guarantor total and the balance is potentially payable by the lenders and / or loan guarantors.

##### *Depreciation*

Depreciation is provided on fixed assets at the following annual rates which are estimated to write off their cost over their expected useful lives.

Fixtures, fittings and equipment	-	10% on cost
Computer equipment	-	33⅓% on cost

##### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

Deferred tax liabilities and assets are not discounted.

##### *Foreign currency*

All transactions in foreign currencies are converted at the rates prevailing on the date of the transactions. Current assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the date of the balance sheet.

##### *Contribution to pension funds*

The company operates a defined contribution pension scheme via the ultimate holding company. The assets of the scheme are held separately from those of the company in independently administered funds. Pension payments are charged against the profits in the year to which they relate.

## **DCD Finance (UK) Limited**

### **Notes forming part of the financial statements for the year ended 31 December 2007**

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#### **1 Accounting policies (*Continued*)**

##### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by DCD London & Mutual Plc and the company is included in consolidated financial statements

##### *Leased assets*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the term of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the term of the lease.

##### *Goodwill*

Goodwill arising on an acquisition of a subsidiary undertaking, is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years on a straight line basis. Impairment tests on the carrying value of goodwill are undertaken

- at the end of the first full financial year following acquisition,
- in other years if events or changes in circumstances indicate that the carrying value may not be recoverable

##### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

#### **2 Turnover**

Turnover represents commissions, interest earned, discount charges and factoring fees on the value of business financed together with recoveries of certain direct charges and miscellaneous income.

In the directors' opinion the disclosure of an analysis of results by class of business or geographical region would be prejudicial to the interests of the company. This information has therefore not been disclosed.

**DCD Finance (UK) Limited****Notes forming part of the financial statements for the year ended 31 December 2007****3 Employees**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Staff costs consist of		
Wages and salaries	546,202	580,423
Social security costs	60,057	62,791
Other pension costs	19,668	19,578
Medical insurance	9,128	9,291
	<u>635,055</u>	<u>672,083</u>

The average monthly number of employees, including directors,  
for the year were as follows

	<b>Number</b>	<b>Number</b>
Management	7	7
Administration	12	14
	<u>19</u>	<u>21</u>

**4 Directors**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Directors' emoluments consist of		
Fees and remuneration for management services	172,716	189,300
Payments to defined contribution pension scheme	13,059	14,021
Amounts paid to third parties	3,363	3,181
Director's fees – (non-executive director)	4,000	4,200
	<u>193,138</u>	<u>210,702</u>

**DCD Finance (UK) Limited****Notes forming part of the financial statements for the year ended 31 December 2007****5 Operating (loss) / profit**

	2007 £	2006 £
This has been arrived at after charging		
Amortisation charge/ (credit) of goodwill	130,519	6,870
Depreciation on tangible fixed assets	29,233	32,540
Loss on disposal of tangible fixed assets	78,309	-
Auditors' remuneration	17,000	17,870
Directors' fees	193,139	210,702
Operating leases - Hire of plant and machinery	7,739	5,288
- Other operating leases	90,888	90,208
Exchange (gains)/losses	76,621	(204,007)
	<u>          </u>	<u>          </u>

**6 Interest payable and similar charges**

	2007 £	2006 £
Bank charges	316,061	304,046
Bank interest	1,335,847	1,154,518
Other charges	5,893	10,840
	<u>          </u>	<u>          </u>
	1,657,801	1,469,404
	<u>          </u>	<u>          </u>

**7 Taxation on profit from ordinary activities**

	2007 £	2006 £
<i>Corporation tax</i>		
UK Corporation tax of 30% (2006 – 30%)	-	(61,056)
Overprovision in respect of prior years	140,440	(13,328)
	<u>          </u>	<u>          </u>
Total current tax on ordinary activities	140,440	(74,384)
	<u>          </u>	<u>          </u>

## DCD Finance (UK) Limited

### Notes forming part of the financial statements for the year ended 31 December 2007

#### 7 Taxation on profit from ordinary activities *(Continued)*

The tax assessed for the period is different from the standard rate of corporation tax in the UK. The differences are explained below

	2007 £	2006 £
(Loss)/Profit (before restatement) on ordinary activities before tax	(3,835,553)	207,706
(Loss)/ Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2006 – 30%)	-	62,312
Effects of		
Expenses not deductible for tax purposes	17,614	2,364
Capital allowances for period in excess of depreciation	(1,452)	26
Group relief claimed	(19,800)	(5,707)
Consolidation adjustments	3,638	2,061
Current tax charge for year	-	61,056

#### *Deferred taxation*

The company's accounting policy in respect of deferred tax is set out in note 1 above. No provision has been made for deferred taxation as the directors do not expect timing differences to reverse in the foreseeable future.

#### 8 Dividends

	2007 £	2006 £
Dividend paid £0.0125 (2006 - £0.0498) per share	25,000	100,000

**DCD Finance (UK) Limited****Notes forming part of the financial statements for the year ended 31 December 2007****9 Intangible assets – group**

	<b>Positive Goodwill £</b>
<i>Goodwill</i>	
At 1 January 2007	177,557
	<hr/>
At 31 December 2007	177,557
	<hr/>
<i>Amortisation</i>	
At 1 January 2007	47,038
Charge/ (credit) for the year	130,519
	<hr/>
At 31 December 2007	177,557
	<hr/>
<i>Net book value</i>	
At 31 December 2007	-
	<hr/>
At 31 December 2006	130,519
	<hr/>



**DCD Finance (UK) Limited**

**Notes forming part of the financial statements for the year ended 31 December 2007**

**10 Tangible assets**

<b>Group</b>	<b>Computer equipment £</b>	<b>Fixtures fittings and equipment £</b>	<b>Other Assets £</b>	<b>Total £</b>
<i>Cost</i>				
At 1 January 2007	47,172	110,266	-	157,438
Additions	15,190	2,089	11,200	28,479
Disposals	(8,168)	(107,626)	-	(115,794)
At 31 December 2007	54,194	4,729	11,200	70,123
<i>Depreciation</i>				
At 1 January 2007	30,175	18,774	-	48,949
Charge for the year	16,873	11,520	840	29,233
Disposals	(8,168)	(29,316)	-	(37,484)
At 31 December 2007	38,880	978	840	40,698
<i>Net book value</i>				
At 31 December 2007	15,314	3,751	10,360	29,425
At 31 December 2006	16,997	91,491	-	108,488

**11 Investments**

	<b>Company £</b>
<i>Investments in subsidiary undertakings</i>	
At 1 January 2007	2,610,577
Impairment charges	(2,610,577)
At 31 December 2007	-

## DCD Finance (UK) Limited

### Notes forming part of the financial statements for the year ended 31 December 2007

#### 11 Investments (Continued)

The subsidiaries of the company at the balance sheet date were

Name	Activities	Holding of ordinary shares %	Nominal value £
DCD Factors Plc	Financing of receivables	100	1,900,000
DCD Trade Services Limited	Confirming and financing international trade	100	500,000

All of the above subsidiary undertakings are UK companies, and are included in the consolidated financial statements, and are subsidiary undertakings through majority shareholdings

#### 12 Debtors

	Group As restated		Company	
	2007 £	2006 £	2007 £	2006 £
Factor debtors	6,336,956	7,793,331	-	-
Discounted bills	13,432,453	11,755,322	-	-
Amounts due from related undertakings	162,672	159,620	107,209	107,209
Other debtors and prepayments	247,625	162,160	-	-
	<u>20,179,706</u>	<u>19,870,433</u>	<u>107,209</u>	<u>107,209</u>
Gross factored debts	14,572,605	16,434,670	-	-
Due to clients on collection	(8,235,649)	(8,641,339)	-	-
Factor debtors	<u>6,336,956</u>	<u>7,793,331</u>	<u>-</u>	<u>-</u>

All amounts fall due for repayment within one year

**DCD Finance (UK) Limited**

Notes forming part of the financial statements for the year ended 31 December 2007

**13 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Discounted bills	1,129,193	4,000,402	-	-
Trade creditors	745,471	987,336	-	-
Amount due to immediate parent undertaking	3,530,930	304,052	-	-
Amount due to subsidiary undertakings	-	-	710,577	710,577
Amount due to related undertakings	1,767,275	1,859,241	-	-
Bank overdrafts	15,372,009	11,886,276	1,038	-
Corporation tax	-	61,056	-	-
Other taxes and social security	24,948	19,517	-	-
Other creditors and accruals	1,105,606	437,553	2,600	-
	<u>23,675,432</u>	<u>19,555,433</u>	<u>714,215</u>	<u>710,577</u>

**Bank security**

As security against facilities provided, the banks hold a first charge on the property at 142-146 Old Street, London, EC1V 9BW owned by the parent company. There is also an open cross-company guarantee given by the parent company to group company bankers.

**14 Share capital**

	<b>Authorised</b>			
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Ordinary shares of £1 each	5,000,000	5,000,000	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
	<b>Allotted, called up and fully paid</b>			
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Ordinary shares of £1 each	2,007,209	2,007,209	2,007,209	2,007,209
	<u>2,007,209</u>	<u>2,007,209</u>	<u>2,007,209</u>	<u>2,007,209</u>

**DCD Finance (UK) Limited****Notes forming part of the financial statements for the year ended 31 December 2007****15 Profit and loss account**

	<b>Group £</b>	<b>Company £</b>
At 1 January 2007 as previously stated	859,995	-
Prior year adjustment	(1,558,767)	-
At 1 January 2007 as restated	(698,772)	-
Loss for the year	(3,695,113)	(2,551,715)
Dividends (see note 8)	(25,000)	(62,500)
At 31 December 2007	(4,418,885)	(2,614,215)

**15.1 Prior year adjustment**

This relates to the under provision for bad debts in the previous year's accounts in respect of one major client's defaults which is currently the subject of litigation

**16 Reconciliation of movement in shareholders' funds**

	<b>Group 2007</b>	<b>Group 2006 As restated</b>	<b>Company 2007</b>	<b>Company 2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
(Loss) for the year	(3,695,113)	(1,425,445)	(2,614,215)	-
Dividends received	-	-	25,000	100,000
Dividends (see note 8)	(25,000)	(100,000)	(25,000)	(100,000)
At 1 January 2007 (Originally £2,867,204 before deducting prior year adjustment of £1,558,767)	(3,720,113)	(1,525,445)	(2,614,215)	-
	1,308,437	2,833,882	2,007,209	2,007,209
At 31 December 2007	(2,411,676)	1,308,437	607,006	2,007,209

**17 Contingent liabilities - group**

	<b>2007 £</b>	<b>2006 £</b>
Irrevocable letters of credit and guarantees	346,001	6,420,346

Irrevocable letters of credit and guarantees are written undertakings given by our banks on our behalf to pay suppliers an amount of money within a specified time provided the supplier presents documents which conform with the terms laid down in the letter of credit

There is also a contingent liability under the open cross-company guarantees given by the subsidiaries on behalf of other group companies to Habib Bank AG Zurich

## DCD Finance (UK) Limited

### Notes forming part of the financial statements for the year ended 31 December 2007

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#### 18 Commitments under operating leases

As at 31 December 2007, the company's subsidiaries had annual commitments under operating leases as set out below

	<b>2007</b>	<b>2007</b>	<b>2006</b>	<b>2006</b>
	<b>Land and</b>	<b>Other</b>	<b>Land and</b>	<b>Other</b>
	<b>buildings</b>	<b></b>	<b>buildings</b>	<b></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire				
Within one year	90,888	-	90,208	-
In two to five years	-	7,739	-	5,288
	<u>90,888</u>	<u>7,739</u>	<u>90,208</u>	<u>5,288</u>

#### 19 Related party disclosures

As 90% or more of the company's voting rights are controlled within the DCD London & Mutual Plc group, the company has taken advantage of the exemption not to disclose transactions with undertakings which are part of the group

#### 20 Ultimate parent company and controlling party

At 31 December 2007 the company's ultimate parent company and controlling party DCD Group Limited, a company incorporated in Dubai, UAE, which is parent of both the smallest and the largest group of which the company is a member

DCD London & Mutual Plc is the parent of the largest group in which the company is consolidated. Copies of the group financial statements of DCD London & Mutual Plc are available from Companies House