

DA 400 Limited

**Directors' report and financial
statements**

Registered number 05995817

For the year ended 31 May 2011



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Directors' report

The directors present their report and audited financial statements for the year ended 31 May 2011

Principal activity

The Company's principal activity is that of an intermediate holding Company

Results and dividends

The result of the Company for the year ended 31 May 2011 is set out in the financial statements on pages 5 to 11
No dividends have been proposed in respect of the period

The Group has restructured its financial borrowings which was completed on 1 July 2011, with new three year facilities agreed for both senior banking and vehicle funding arrangements

Directors

The directors who held office during the year were as follows

S Binch
C Wright

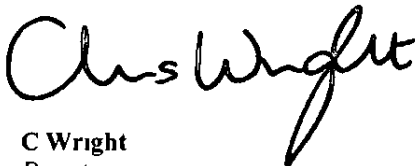
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG will therefore continue in office

By order of the Board



C Wright
Director

Tamworth House
Ventura Park Road
Bitterscote
Tamworth
Staffordshire
B78 3HL

15 September 2011

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 their profit or loss 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 UK 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 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 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.



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of DA 400 Limited

We have audited the financial statements of DA 400 Limited for the year ended 31 May 2011 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on 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 May 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

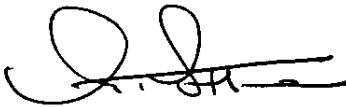
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of DA 400 Limited *(continued)*

Matters on which we are required to report by exception

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



M Steventon (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 September 2011

Profit and loss account
for the year ended 31 May 2011

	<i>Note</i>	2011 £000	2010 £000
Turnover		-	-
Operating result		-	-
Impairment of investment		(161,787)	-
Restructuring costs		(1,634)	-
Loss on ordinary activities before interest and taxation		(163,421)	-
Interest payable and similar charges	4	(39,597)	(39,158)
Loss on ordinary activities before taxation	2	(203,018)	(39,158)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	12	(203,018)	(39,158)

There were no recognised gains and losses in either the current year or the preceding year other than the profit and loss report above

The results are wholly derived from continuing operations both in the current and prior years. There is no difference between the results reported above and those prepared on a historical cost basis.

Balance sheet
as at 31 May 2011

	<i>Note</i>	2011 £000	2010 £000
Fixed assets			
Investments	6	94,606	256,393
Current assets			
Debtors	7	1,089	1,105
Creditors Amounts falling due within one year	8	(44,914)	(48,458)
Net current liabilities		(43,825)	(47,353)
Total assets less current liabilities		50,781	209,040
Creditors Amounts falling due after more than one year	9	(372,461)	(327,702)
Net liabilities		(321,680)	(118,662)
Capital and reserves			
Called up share capital	11	-	-
Share premium	12	4,860	4,860
Profit and loss account	12	(326,539)	(123,522)
Shareholder's deficit		(321,680)	(118,662)

These financial statements were approved by the board of directors on 15 September 2011 and signed on their behalf by



S Binch
Director

Company number 05995817

Notes to the financial statements *(forming part of the financial statements)*

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and law (UK Generally Accepted Accounting Practice) and under the historical cost accounting rules

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking, Drive Assist Holdings Limited, includes the Company's cash flow in its own published consolidated financial statements.

Going concern

The Group's vehicle funding facilities expired in May 2011 and the company successfully concluded its financial restructuring on 1 July 2011, with the current funders to provide new facilities for three years to May 2014. On this basis, the directors have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Financial instruments

The company has adopted the presentation requirements of FRS 25.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Interest receipts and payments are calculated on an accruals basis in accordance with the interest rates accruing under relevant loan and interest rate swap agreements where loans are neither issued at a premium nor at a discount. Interest rate swaps are not revalued to fair value or shown on the Company's balance sheet at the period end.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Loss on ordinary activities before taxation

Audit fees are borne by the parent Company.

Amounts receivable by the Company's auditors and their associates in respect of services to the Company, for all accounts, and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Drive Assist Holdings Limited.

Financial restructure costs relate to the impairment of issue costs due to the refinancing post year, see note 17.

Loss on ordinary activities before taxation is stated after charging amortisation of debt issue costs of £499,928 (2010 £527,031).

Notes (continued)

3 Staff numbers and costs

The Company employed no staff during the period. The directors received no remuneration from the entity in respect of qualifying services.

4 Interest payable and similar charges

	2011 £000	2010 £000
Interest on bank loans and overdrafts	7,733	7,495
Interest on amounts owed to group undertakings	31,171	27,777
Interest rate swap	-	3,222
Bank charges	193	137
Amortisation of FRS4 debt issue costs	500	527
	<u>39,597</u>	<u>39,158</u>

5 Tax on loss on ordinary activities

Analysis of charge in year

	2011 £000	2010 £000
UK corporation tax		
Current tax	-	-

Factors affecting tax charge for the year

The effective current tax charge for the year is higher (2010 higher) than the standard rate of corporation tax in the UK of 27.67% (2010 28%). The differences are explained below.

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	(203,018)	(39,158)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.67% (2010 28%)	(56,175)	(10,964)
<i>Effects of</i>		
Expenses not deductible for tax purposes	44,766	-
Group relief surrendered for nil payment	11,409	10,964
Current tax charge for the period	-	-

Factors that may affect future current and total tax charges

The 2011 Budget on 23 March 2011 announced that the UK corporation tax rate will reduce to 23% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% (effective from 1 April 2011) was substantively enacted on 20 July 2010, and further reductions to 26% (effective from 1 April 2011) and 25% (effective from 1 April 2012) were substantively enacted on 29 March 2011 and 5 July 2011 respectively.

This will reduce the company's future current tax charge accordingly and further reduce the unrecognised deferred tax asset at 31 May 2011 (which has been calculated based on the rate of 26% substantively enacted at the balance sheet date).

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's unrecognised deferred tax asset accordingly.

Notes (continued)

6 Fixed asset investments

	Subsidiary undertakings shares £000
Cost	
At beginning and end of year	256,393
Provision for diminution in value	
At beginning of year	-
Impairment provision	(161,787)
At end of year	(161,787)
Net book value	
At 31 May 2011 and 31 May 2010	94,606

Details of the principal subsidiaries of DA 400 Limited are

	Country of incorporation	Class of shares held	Percentage held by the Company %	Nature of business
Drive Assist UK Limited *	England	Ordinary	100	Insurance claims consultants and short term hirer of motor vehicles
Sol Car Rentals Limited **	England	Ordinary	100	Corporate hire of motor vehicles
Millennium Motor Group Limited **	England	Preference Ordinary	100 100	Motor vehicle retailers
Drayton Insurance Consultant Limited **	England	Ordinary	100	Insurance claims management
Auto Assist (UK) Limited **	England	Ordinary	100	Dormant
Bike Assist Limited **	England	Ordinary	100	Dormant
Tamworth Car Hire & Leasing Limited **	England	Ordinary	100	Dormant
Castle Car and Van Hire Limited **	England	Ordinary	100	Dormant

The Company's investments in all of the above undertakings other than Drive Assist UK Limited are held by Drive Assist UK Limited

* Investment held by DA 400 Limited

** Investment held by Drive Assist UK Limited

7 Debtors: amounts due within one year

	2011 £000	2010 £000
Amounts owed by group undertakings	1,055	1,055
Prepayments	34	50
	<u>1,089</u>	<u>1,105</u>

Notes (continued)

8 Creditors amounts falling due within one year

	2011 £000	2010 £000
Bank loans and overdrafts	42,043	47,900
Accruals and deferred income	2,871	558
	<u>44,914</u>	<u>48,458</u>

Bank loans and overdrafts falling due within one year are stated net of unamortised receivables facility issue costs of £500,000 (2010 £500,000). These issue costs are being amortised over a period of seven years from 1 February 2007.

9 Creditors amounts falling due after more than one year

	2011 £000	2010 £000
Bank loans and overdrafts	91,147	91,998
Amounts owed to group undertakings	281,313	235,704
	<u>372,460</u>	<u>327,702</u>

Bank loans and overdrafts falling due after more than one year are stated net of unamortised issue costs of £1,134,000 (2010 £1,634,000). These issue costs are being amortised over periods ranging from seven to nine years from 1 February 2007.

Included under bank loans and overdrafts before deduction of issue costs of £Nil (2010 £1,634,000) are the following

	2011 £000	2010 £000
Amounts repayable by instalments		
In one year or less on demand	42,043	48,400
Between one and five years inclusive	9,564	13,190
Within five years	51,607	61,590
After more than five years	22,664	22,664
Amounts repayable other than by instalments after more than five years	58,919	57,778
	<u>133,190</u>	<u>142,032</u>

Amounts payable other than by instalments after more than five years comprise mezzanine loans of £58,919,041 (2010 £57,778,000) bearing interest at LIBOR plus 8.375% of which 4.375% is capitalised so far as to form part of the mezzanine loans.

The other bank loans bear interest at rates varying from LIBOR plus 1.75% to LIBOR plus 2.625%. Other than the revolver facility, £Nil at 31 May 2011 (2010 £5,000,000), the bank loans are secured by fixed and floating charges against the assets of the Company and its subsidiary undertakings.

Included in amounts falling due within one year are loans of £38,416,601 (2010 £40,000,000) before deduction of issue costs that may be redrawn in whole or in part each period under identical terms over a total period of more than five years.

Notes (continued)

9 Creditors: Amounts falling due after more than one year (continued)

Amounts owed to group undertakings after more than one year comprise amounts repayable other than by instalments after more than five years bearing interest at 15% per annum

After the year end, on 1 July 2011, DA 400 Limited converted amounts owed to DA 300 Limited into ordinary shares

10 Deferred taxation

A deferred tax asset of £1.1 million (2010 £1.3 million) has not been recognised in respect of the tax losses carried forward in this Company. Such losses may only be offset against the future profits of the Company. As the Company is not anticipated to generate profits in the foreseeable future, no deferred tax is recognised in respect of this balance.

11 Called up share capital

	2011 £000	2010 £000
<i>Authorised, allotted, issued and fully paid</i>		
100 (2010 100) ordinary shares of £1 each	-	-

12 Reconciliation of movements in shareholders' deficit

	Share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' deficit £000
At beginning of year	-	4,860	(123,522)	(118,662)
Loss for the period	-	-	(203,018)	(203,018)
At end of year	-	4,860	(326,540)	(321,680)

13 Contingent liability

A cross guarantee and debenture exists between the company and all other members of the group. These are Drive Assist Holdings Limited, DA 200 Limited, DA 300 Limited, DA 400 Limited and Drive Assist UK Limited, Millennium Motor Group Limited, Castle Car Van Hire Limited, Tamworth Car Hire & Leasing Limited, Sol Car Rentals Limited, Auto Assist (UK) Limited, Bike Assist Limited and Trade IT 2000 Limited.

14 Related party transactions

The Company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 from the requirement to make disclosures concerning transactions with related parties within the group, since these transactions are included in the consolidated financial statements of Drive Assist Holdings Limited, which can be obtained from the head office at Tamworth House, Ventura Park Road, Bitterscote, Tamworth, Staffordshire, B78 3HL.

Notes (continued)

15 Post balance sheet events

On 1 July 2011, the group completed a financial restructuring, which has resulted in £294 million of the debt in the group being converted to equity, and the provision of senior banking facilities and vehicle funding facilities for three years

Additionally, the holders of the unsecured managed loan notes waived all interest, which had arisen since their inception in February 2007, of £37.6 million (DA 200 Limited). The Group has also raised £26.5 million additional investment.

The new three year committed Senior bank facilities total £48.7 million. The Group has also secured three year committed vehicle funding facilities which, in aggregate, are £150 million.

16 Parent undertaking and ultimate controlling party

The immediate parent undertaking is DA 300 Limited, a Company incorporated in England.

The ultimate parent company and the head of the smallest and largest group preparing consolidated financial statements is Drive Assist Holdings Limited, a Company incorporated in England. Copies of these consolidated financial statements can be obtained from Tamworth House, Ventura Park Road, Bitterscote, Tamworth, Staffordshire, B78 3HL.

The directors consider Charterhouse Capital Partners LLP to be the ultimate controlling party.