

Dawsongroup Limited (formerly Dawsongroup plc)

Annual Report & Accounts 2024

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CORPORATE STATEMENT

Dawsongroup is one of Europe's leading asset rental, leasing and contract hire businesses and the UK's largest independent company in this sector, specialising in a wide range of commercial vehicles, buses, coaches, material handling, sweepers and temperature-controlled products. The group also owns a dedicated finance company supporting all group sales activities, as well as providing direct finance services.

Dawsongroup owns close to 33,000 high quality premium assets, rented to a broad customer base of large reputable companies.

Financial highlights

Turnover		Profit before tax, exceptional items and fair value adjustments	
2020	£268.4m	2020	£40.4m
2021	£323.6m	2021	£52.1m
2022	£355.0m	2022	£85.0m
2023	£392.6m	2023	£85.1m
2024	£407.4m	2024	£66.2m

Directors

Peter M Dawson, B Eng, FIMI (resigned 5/11/24)
Stephen J Miller (resigned 3/4/25)
Anthony Coleman, FCA (resigned 3/4/25)
Freya Dawson (resigned 3/4/25)
Lucinda Kent, FCA
Richard Bulmer (appointed 3/4/25)
Stephen Callahan (appointed 3/4/25)

Secretary

Lucinda Kent, FCA

Advisers**Group headquarters and registered office**

Dawsongroup Limited (formerly Dawsongroup plc)
Delaware Drive
Tongwell
Milton Keynes
MK15 8JH
Tel: 01908 218111

Registered number

1902154

Website

www.dawsongroup.co.uk

Auditor

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

Principal bankers

Barclays Bank
55-57 Silbury Arcade
Centre MK
Milton Keynes
MK9 3ES

HSBC UK Bank plc
South Midlands Corporate Banking Centre
Level 6 Metropolitan House
321 Avebury Boulevard
Milton Keynes
MK9 2GA

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

STRATEGIC REPORT

Dawsonsgroup's strong financial and operating performance is achieved through close management of its diverse portfolio of asset rental, leasing and contract hire products with common engineering or customer profiles. Tight cost control, rigid risk management, professional purchasing and asset disposal are all significant contributors to the group's success.

Strategic review

	2024 £ m	%	2023 £ m	%
Trucks and trailers	131.7	32.3	130.8	33.3
Vans	89.2	21.9	92.6	23.6
Material handling and sweepers	66.5	16.3	57.2	14.6
Temperature-controlled products	72.7	17.9	75.4	19.2
Buses and coaches	46.1	11.3	35.2	9.0
Finance services	1.2	0.3	1.4	0.3
Group revenue	407.4	100.0	392.6	100.0

2024 was another successful year for the group but tinged with sadness due to the passing of our chairman, Peter Dawson, in November 2024. He had a lasting impact on us all and leaves behind the enduring legacy of a robust group of companies. Having joined the family haulage business in 1956, it was Peter who saw the opportunity that asset rentals provided and in 1974 Dawsonrentals was launched. This became Dawsonsgroup Truck and Trailer which celebrated its 50th anniversary in 2024. The 1980s saw the establishment of Dawsonsgroup Limited and under his leadership the group continued to evolve and expand into the highly successful company it has become today. He will be greatly missed by us all.

In addition to Truck and Trailer's 50th anniversary, Dawsonsgroup Bus and Coach celebrated its 30th and TCS Ireland its 25th year.

Dawsonsgroup has continued to invest in modern high-quality assets and prioritise strong credit worthy customers ensuring that the group has been able to maintain its low risk, low geared approach to asset provision. The group now has a fleet size of close to 33,000 assets, operates in eleven countries and employs over 1,000 employees.

Trucks and trailers

In its 50th year, the business continued to grow against a backdrop of highly challenging market conditions. Total revenues were 1% up year on year and the unexpired contract revenues surpassed £150m, with £90m of business signed on long-term contracts during the year. 67% of the truck fleet is on long-term contract, lessening the reliance and associated volatility from the transient hire marketplace.

Continued investment in our people and our fleet with our highly focused customer centric solutions, backed by our no-nonsense 'safe, legal, compliant' mantra has cemented the truck and trailer business as the recognised leader in our field.

Our first investment in full battery electric vehicles saw a mix of tractor and rigid, including temperature controlled, join the fleet. Initial interest has been very strong with the first vehicles snapped up by customers keen to trial the new technology, backed up by the low-risk Smarter Asset Strategy enabling them to commercialise and differentiate in their own markets.

Adding to the UK's largest fleet of zero and low-emission refrigeration power units, Dawsonsgroup Truck and Trailer is enabling its customers to reach their ESG and decarbonisation goals faster, with less risk and unbiased proven solutions.

Further growth of the Dawsondirect remarketing business enabled us to transact close to 2,000 used vehicle sales in the year, the Dawsondirect model has become a go-to for discerning trade and retail buyers and is the backbone to our holistic, sustainable fleet management approach.

Vans

Manufacturer pricing peaked in 2024 following a steady increase since the COVID disruption period. Small and medium van demand was strong throughout the year as customers look to economise the reduce the operating costs of their fleet by downsizing where possible.

Our average age profile remained steady at 29 months over the year, despite the increase in capital cost necessitating aging of the fleet to retain profitability on disposal. We continue to address this through vehicle exchanges with all clients and the sales team remains focused on negotiations with clients to replace, purchase or return their fleet.

The company continues to grow its EV fleet, investing £2.75 million in electric vehicles in 2024 (2023: £2.5m). In 2024, our most significant site development project was the installation of a solar panel topped car port spanning the majority of the Dawson Road

yard, complete with 34 charge points from 11-22kw. Our goal is to generate more energy than needed to power the Milton Keynes depot, including vehicle charging, and to export the surplus back to the grid.

Retail sales through our disposals arm, Van Ninja, continued to grow with a 46% increase in volume from 2023, building on 37% growth in 2023. Our trade sales offer also delivered an increased volume of sales up 19.5% from 2023.

We have taken the decision to implement a Strategic National Accounts team. This is in response to increased requests from key customers to support them in their efforts to review efficiencies within their fleets which have put pressure on local resources. Supporting customers in this way is in-line with our goals to evolve our proposition to be a consultative partner as opposed to a simple asset provider.

Bus and Coach

Once again, we have seen an outstanding performance in all areas of the business reflecting a buoyant rental marketplace and strong residual values.

Revenue has grown by £8.6m year on year, now steadily growing with new monthly records regularly set. Used vehicle sales are also continuing to deliver exceptional performances as buyers find little by way of choice in the wider marketplace.

There remains a sector wide drive to Zero emission vehicles – something that we are finding increasing demand for in the smaller vehicle sector and have invested speculatively in to accelerate adoption.

Utilisation for the year softened slightly but remained uncomfortably high at over 96% overall. We need availability of product and have ordered volumes of standard fleet to ensure we do not decline desirable opportunities. Total fleet units now exceed 2,300 - a 15% increase.

We expect the market to become more competitive in 2025 as availability of manufacturer stock improves but are well placed to take advantage of what is on offer.

Environmental Municipal Civil

During the year we worked closely with a supplier to develop a bespoke tracking and telematics system for our machines which will allow the fleet to work as efficiently as possible. This will give benefits in terms of enhancing our service provision with the features and benefits for diagnosis and preventative maintenance.

With the demise of one of our biggest competitors we were able to react quickly and add over 150 units to the fleet and enable us to partner with a customer giving us significant growth opportunities within the truck mount sweeper space and cemented the company as the clear market leader.

Revenue rental increased by 19% and unexpired contract revenue by £30m.

The company's operation in Ireland opened during the first quarter of 2024 and good growth opportunities are expected in 2025 and beyond.

Material Handling

In 2024 the European new forklift market contracted by 20%, causing overcapacity in production and an oversaturated second-hand market, as manufacturers attempted to protect market share by replacing current long-term rental assets with new equipment. This had a significant impact on both regular disposal channels and profitability, forcing us to shift our focus away from our diversification sectors to ensure the core forklift business's stability.

Our business strategy has not altered, and we continue to operate in the space between original equipment manufacturers (OEMs) and local independent forklift dealers. We fill a market gap by providing up-to-date, well-maintained, scalable equipment that can be deployed nationally with direct support from our specialist engineers.

Despite difficult trading conditions our unexpired contract revenue increased by 36.4% (over £3m) and following three years of fleet modernisation, we saved 29% on our fleet's maintenance and repair costs compared to budget.

The company re-established its automation solution offer and gained new partners including those for autonomous mobile robot supply.

Temperature Control Solutions

Despite ongoing economic pressure and rising operational costs, the business grew rental revenue by 9% and improved rental contribution by 10% year-on-year. A continued drive to support our clients in their decarbonisation strategies through product

development and the introduction of new lower emitting A2L refrigerants, combined with a dedicated Research & Development budget allocated for ongoing assessment of less harmful environmental gases and energy reducing systems.

The business demonstrated its continued commitment and ability to be the 'go to' provider for rapid expansion facilities in both cold storage and environment-controlled production areas with pre-made multi-module solutions cutting lead times.

Our all-inclusive service-based approach was strengthened further with the investment of dedicated 'in-house' qualified engineers being added to our breakdown call centre. This, along with our market-leading fire-rated PIR build composite modular cold store, allows the business to remain market leader in uptime performance, response times and property insurance compliance.

The legislation on the use of F-Gases (fluorinated gases) in Europe tightened at the turn of the year, with new mobile mono-block systems requiring F-Gas ratings to be less than 150GWP (Global Warming Potential). Our newly developed systems operate on an A2L gas 'R455a', which has a GWP rating of 148. No additional changes to Ultra-Low or Static Refrigeration systems are scheduled until 2029 at present.

A new project to develop our 'Solar' box was launched in Spain, with trials commencing on the east coast to achieve our first net-zero cold store. Initial trials have provided positive results, however a full years' worth of testing data will be required to assess the viability of the solution, prior to mass deployment.

Energy Solutions

The business has been re-launched to focus on rental of assets rather than the previous Project/consultancy-based sales approach. The company has a team experienced within the temporary power industry and now has an in-house service engineer, reducing costs of using external labour and improving service levels provided.

Products consist of generators, batteries and solar pods. Battery technology is changing with the move towards larger capacities and as such an order has been placed for £1.2m of new generators both stage V and 111A. All our rental assets are on remote telemetry systems which allows us to service any generators or solar pods efficiently and cost effectively.

Using the Dawsongroup reputation and multiple rental assets gives the company a unique advantage and our multiple group sites allow us to present Energy Solutions as a national supplier. The addition of large capacity EV chargers for commercial vehicles is now starting to gather momentum and we can truly offer a full sustainable energy package, something that many of our competitors are not able to do.

We have a strong pipeline of business in place starting in May 2025, this coupled with an experienced team of people should see trading pick up from quarter two of 2025. The challenge is to ensure we continue to utilise all our products to target attractive industry sectors such as film, TV, manufacturing, construction and utilities using problem and solution-based selling.

Finance

During the year the company launched a new asset finance brokerage business, Coast Finance. This fulfilled the business's strategic aim to offer an all-encompassing funding package to clients and partners: own funding complimented by sale of receivables and a high-quality broking service.

The existing portfolio also continued to perform strongly with risk costs at 0.1%.

Contracts were completed with two additional funding partners of exceptional high standing within the UK market. Both will facilitate further growth through 2025 onwards.

Employees

We would like to express our gratitude to our workforce for their continued dedication and hard work which will ensure the continued success of Dawsongroup.

Outlook

On 3rd April 2025, the group was acquired by KKR, a leading global investment firm, as part of their Global Climate strategy, dedicated to scaling net-zero solutions, transitioning and decarbonizing higher emitting assets, which closely aligns with Dawsongroup's long-term sustainability-led ambitions. As a business which effectively utilises EV, solar, Stage 5 generators, and battery storage as part of its unique energy focused service capabilities, Dawsongroup and KKR's strategic partnership will significantly accelerate the decarbonisation of vehicle and asset leasing solutions.

Energy and carbon reporting

The group reports on its greenhouse gas (“GHG”) emissions as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Methodology

The methodology adopted to calculate the group’s GHG emissions is the GHG Protocol Corporate Accounting and Reporting Standard, using the operational control approach. Given the nature of the Dawsongroup businesses, namely the lease and rent of mobile and stationary assets, we employ an operational control approach which means we only report on the emissions produced by our financial assets when we operate said assets (i.e. the assets are not on hire). All emissions factors employed are provided by HM Government’s published *Conversion Factors 2023*, from the Department for Energy Security and Net Zero (DESNZ).

Scope of reporting

The Group operates 45 sites throughout Great Britain, encompassing administrative headquarters, rental branches, depots, and shared offices — all of which are included in this report. Utility invoices serve as the primary source of consumption data for grid electricity and gas. We consistently provide regular meter reads from all our sites to maintain accurate and current consumption figures.

Diesel, LNG, propane and kerosene emissions are calculated from the sum total of all purchased quantities during the reporting period, as indicated on invoices. The emissions linked to business travel in company-owned vehicles have been determined as a portion of the overall Shell Card expenditures. This calculation relies on the business mileage reported by employees who use company cars, compared to their reported private and commuting mileage.

Our emissions have experienced a notable increase compared to our reported levels in 2023. This surge can be principally attributed to heightened business mileage, driven by the growth of our operations and post-Covid recovery and the resurgence of in-person business meetings as the standard practice. The reduction in our scope 2 emissions shows our efforts to reduce electricity consumption, both generally and via the use of solar arrays are taking effect.

These accounts reflect our commitment to transparency and sustained environmental improvement, underpinned by our acknowledged responsibility to meet our decarbonisation targets as a central pillar of our ESG strategy.

Energy Efficiency

The Group is dedicated to reducing its energy consumption and the associated carbon footprint across our operations.

Our GHG emissions and energy consumption is disclosed in the table below: -

GHG emissions data	2024 Tonnes of CO ₂ e	2023 Tonnes of CO ₂ e ¹
<i>Scope 1 - Combustion of fuel and operation of facilities (tonnes CO₂ emissions)</i>		
Emissions associated with direct activities: heating offices and branches and running our commercial vehicles and company cars	4,225	3,719
<i>Scope 2 Electricity, heat and steam (tonnes CO₂ emissions)</i>		
Emissions from indirect production electricity, heat & steam purchased for own use (location based)	400	474
<i>Intensity measurement (Tonnes CO₂ per £m of revenue)</i>	11.4	10.7
Energy usage	kWh	kWh
<i>Energy consumption (kWh)</i>		
Combustion of fuel and operations of facilities	18,671,565	16,435,134
Electricity, heat and steam	1,931,577	2,293,020

¹The 2023 emissions figures have been updated to reflect the improvement in our data management processes and methodologies

Environmental, Social and Governance indicators

We are committed to making a positive impact on the environment by constantly exploring innovative ways to improve our sustainability practices and reduce our non-renewable energy reliance.

In August, we started a decarbonisation project at our Milton Keynes van’s site that included installation of solar panels and EV charging infrastructure which will play a crucial role in reducing our carbon footprint. Our goal is to generate more energy than required so that this surplus can be exported back to the grid.

We have continued to support our customers in their sustainable journey with quality, reliable assets to reduce their carbon footprints and reach their net-zero targets. Our strategic partnership with Volvo expanded our fleet by over 100 new trucks, including state-of-the-art electric vehicles, allowing us to offer renewable solutions to customers across the country. This represents our commitment to providing innovative and environmentally conscious transport solutions.

Our Energy Solutions company is continuing to expand and its aim is to provide smarter, sustainable and reliable temporary power solutions that integrate the latest technology in clean energy. The goal is to offer flexible, eco-friendly options tailored to meet the diverse needs of our customers as well as to identify ways to optimise energy usage across the group helping us to collectively reduce our carbon footprint.

As a company we place employee wellbeing high on our list of priorities to ensure our people are adequately cared for in the workplace. We provide the opportunity for staff to attend annual health assessments and access to the DG Wellbeing Team who are dedicated to supporting employees' mental health. Our commitment to staff development continues through our DG Futures programme which works towards improving our people's knowledge, skills and abilities. This year we received the Princess Royal training award for our business mastery programme which has now been running for more than ten years. The award's objective is to reward and celebrate organisations which saw the value and wider organisational benefits of investing in learning and development.

Open Hands, the group's Corporate Social Responsibility programme continues to provide opportunities for our staff to support charitable organisations. A few of this year's highlights included a Milton Keynes to Paris bike ride in aid of Willen Hospice, a Milton Keynes based charity; a Newcastle to Edinburgh bike ride in aid of Transaid and walk the coast in aid of Millimetres 2 Mountains.

S172 (1) Statement

The board of directors of Dawsongroup Limited (formerly Dawsongroup plc) consider, individually and collectively, that they have acted in a way they consider would be most likely to promote the success of the company for the benefit of its members as a whole having regard to the stakeholders and matters set out in S172 of the Companies Act 2006 namely: -

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the company.

The following summarises how the directors fulfil their duties: -

Risk Management

It is vital that we effectively identify, evaluate, manage and mitigate the risks we face as a business. For details of the risks and uncertainties and how they are dealt with see page 8.

Our people

Our employees are fundamental to the long-term success of the business. We aim to be a responsible employer with regard to pay and benefits that our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we conduct business. 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. For more details see the directors' report page 10.

Business relationships

We strive to develop and maintain strong long-term relationships with our suppliers, customers and asset finance providers all of whom are key to our business. We achieve this without a dependency on any single supplier of product or finance or any individual customer – our largest customer represented just 3.0% of our group revenue in 2024.

Community and environment

As stated on pages 6 and 7, exceeding environmental compliance is a key feature of our business strategy, with our fleet now almost exclusively to Euro 6 standard. The group also has a number of electric, hybrid and gas-powered vehicles which places us in a good position to provide vehicles to customers operating in the increasing number of low emission zones being applied in UK cities.

Maintaining a reputation for high standards of business conduct

Our intention is to behave responsibly and ensure management operates the business in a responsible manner. Our aim is to provide our customers with premium, well-maintained products which together with our high level of customer care promotes our reputation for maintaining high standards.

Members of the company

The shareholders of the company are closely involved in any major decisions made by the board relating to the current running and the future of the group.

Financial review

Interest

On average net borrowings of £477.9m (2023: £400.4m), net interest payable increased by £8.3m to £19.6m (2023: £11.3m).

Interest cover is 4.4 times (2023: 8.6 times).

Tax

The 2024 tax charge is £16.3m which is comprised of corporation tax payable of £3.9m plus deferred tax of £12.4m. Corporation tax actually payable in respect of 2024 profits was £1.0m (2023: £12.8m).

Cash flow

The group cash inflow from operating activities, essentially profit plus depreciation and changes in working capital, totalled £203.7m (2023: £235.2m). A further £119.5m (2023: £81.5m) was generated from the disposal of tangible fixed assets. Cash outflow for interest paid, tax and dividends, together amounted to £44.9m (2023: £40.2m).

Capital expenditure

Capital expenditure, almost entirely relating to investment for hire fleet growth and replacement programmes, amounted to £360.5m (2023: £370.1m).

Borrowings

Net debt increased to £516.4m (2023: £439.5m), comprising hire fleet asset finance of £280.8m (2023: £231.7m), US private placement of £199.2m (2023: £203.8m) plus net overdraft of £36.4m (2023: plus net cash of £4.0m). Year-end gearing was 86% (2023: 78%).

Risks and uncertainties

Finance and treasury

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.

These policies remained unchanged throughout the year and are summarised as follows:

Financing

The group's principal borrowings are in respect of hire fleet investments. These have traditionally been funded, net of suitable deposits, by way of asset finance. The preference is for variable rate hire purchase because it is administratively simple, avoids the issues of fees and covenants which typically arise with bank lending, provides for total flexibility without penalties on early termination and enables capital allowances to be claimed on the assets. Additionally, during the last financial year we raised US private placement funding, made up of both fixed rate borrowing in Euros over an initial period of ten years and variable rate funding in sterling over an initial four year period. All other assets are purchased for cash and are unencumbered.

Asset finance repayments are matched, conservatively, against the revenue stream from the related assets over their income-generating lives. In the case of trucks this policy has been set at 3 years, vans at 2 years and for all other assets between 4 and 5 years.

Asset finance facilities are established with a wide range of lenders primarily on a revolving basis and each subject to different annual review dates. The board considers that there are sufficient credit facilities available to meet all projected requirements. Short term flexibility for working capital purposes is achieved through overdraft facilities.

Interest rates

The exposure to variable rate debt is hedged through interest rate swaps. At the year-end these totalled £111.3m (2023: £109.2m), effectively fixing the relevant variable rate asset finance debt at an average base rate of 1.6% (2023: 1.6%).

Foreign currencies

The group has subsidiaries in the Euro, the Polish Zloty, the US dollar and the New Zealand dollar currency zones and finances all hire fleet additions and most working capital requirements for these businesses in local currencies in order to partially protect the group's Sterling statement of financial position from exchange rate movements. The group also purchases certain hire fleet assets in the UK from overseas suppliers which are denominated in foreign currencies. This exchange rate exposure is limited through forward currency purchases. The group uses non-derivative financial instruments such as foreign currency borrowings to hedge foreign currency risk on net investments in foreign operations.

Overview

In 2024 Dawsonsgroup once again demonstrated its reputation as a successful asset rental company in its markets in the UK, Europe, the USA and New Zealand.

The excellent financial performance continues to be built on a platform of:-

- a wide asset portfolio – almost 33,000 hire fleet assets at the year-end;
- a high contractual base;
- a broad customer base – the largest customer in 2024 represented just 3.0% of group revenue;
- first-rate supplier relationships – without a dependency on any single supplier of product or finance;
- a committed and motivated management team supported by over 1,000 hard-working and enthusiastic employees across 11 countries; and
- a proven track record in the asset rental and contract hire industry spanning 50 years.

This report was approved by the board on 13 June 2025 and signed on its behalf by:

LA Kent
LA Kent (Jun 13, 2025 12:12 GMT+1)

Lucinda Kent
Director

Richard Bulmer
Richard Bulmer (Jun 13, 2025 12:26 GMT+1)

Richard Bulmer
Director

STATUTORY DIRECTORS' REPORT

The directors present their report and the audited financial statements of the group for the year ended 31 December 2024.

Activities and business review

The principal activity of the group is the rental, leasing and contract hire of commercial vehicles, buses, coaches, material handling, sweepers and temperature-controlled products. It also provides finance services. Dawsongroup Limited (formerly Dawsongroup plc) is the holding company.

A detailed review of the group's trading during the year and of its business outlook is contained within the strategic report on pages 3 to 5.

Results and dividends

The consolidated trading results and year-end financial position are shown in the financial statements on pages 15 to 40.

The profit after tax for the financial year was £50.8m (2023: £63.2m). Ordinary dividends paid in the year amounted to £16.0m (2023: £8m). The retained profit of £34.8m has been transferred to reserves.

Directors

The current directors of Dawsongroup Limited (formerly Dawsongroup plc) and those who served during the year are set out on page 2.

Directors' indemnity

The company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the company in respect of liabilities they incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the company.

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

Donations

The group made charitable donations during the year amounting to £45,385 (2023: £44,698). No political donations were made in either year.

Employment policies

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

Environmental and carbon reporting

The group reports on greenhouse gas emissions as required by the Streamlined Energy and Carbon Reporting (SECR) legislation 2018. This is included on pages 6 and 7 of the strategic report.

Creditor payment policy

Operating businesses are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is group policy that payments to suppliers are made in accordance with these terms, provided that the supplier complies with all relevant terms and conditions.

At 31 December 2024 the amount for trade creditors in the statement of financial position represented 34 days (2023: 5) of average daily purchases for the company and 18 days (2023: 27) in respect of the group's main UK operating subsidiaries.

Going concern

The directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future, therefore they continue to adopt the going concern basis for accounting in preparing the annual financial statements. For further information regarding the directors' assessment of the going concern status of the company and group, refer to the accounting policies on page 21.

STATUTORY DIRECTORS' REPORT (CONTINUED)

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) Regulations 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 pages 3 to 9. These matters relate to activities, business and financial review, future developments and risks and uncertainties.

Directors' responsibilities statement

The directors are responsible for preparing the corporate statement and financial highlights, 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 group and of the profit or loss of the group 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Annual Review and Summary Financial Statements and Annual Report and Financial Statements published on the group's corporate website. Legislation in the UK concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 group'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 group's auditor is aware of that information.

Auditor

Forvis 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.

Approved on behalf of the board and signed on its behalf by



LAKent (Jun 13, 2025 12:12 GMT+1)

By order of the board
Lucinda Kent, FCA
Secretary

13 June 2025

Independent auditor's report to the members of Dawsongroup Limited

Opinion

We have audited the financial statements of Dawsongroup Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, the Company statement of financial position, the Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 the 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 group and the parent company and their 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Health and Safety law, Employment law, Modern Slavery Act, Bribery Act 2010, Energy Saving Opportunity Scheme, Environmental laws on storage of oil drums, Tachograph regulation, FCA consumer credit license, Payment policies regulation, Tax strategy and SAO notification and GDPR.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as UK tax legislation, and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the occurrence assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.

TD Cooke

Thomas Cooke (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 13 June 2025

Consolidated statement of comprehensive income

For the year ended 31 December 2024

Continuing operations	Notes	2024 £'000	2023 £'000
Turnover	1	407,438	392,581
Cost of sales		<u>236,862</u>	<u>224,789</u>
Gross profit		170,576	167,792
Other operating income	1	643	747
Administrative expenses		<u>85,385</u>	<u>72,202</u>
Operating profit	2	<u>85,834</u>	<u>96,337</u>
Profit on ordinary activities before interest, fair value adjustments and taxation		85,834	96,337
Interest receivable and similar income	5	8,297	8,098
Interest payable and similar charges	6	<u>27,892</u>	<u>19,352</u>
Profit on ordinary activities before fair value adjustments and taxation		66,239	85,083
Gains arising on fair value of investment properties		-	4,254
Gains/(Losses) arising on fair value of derivative instruments	17	<u>860</u>	<u>(3,967)</u>
Profit on ordinary activities before tax		67,099	85,370
Taxation	7	<u>16,296</u>	<u>22,156</u>
Profit for the year attributable to owners		<u>50,803</u>	<u>63,214</u>
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		-	695
Total comprehensive income attributable to owners		<u>50,803</u>	<u>63,909</u>

The notes on pages 21 to 40 are an integral part of these financial statements.

Consolidated statement of financial position
Company number: 1902154
As at 31 December 2024

	Notes	£'000	2024 £'000	£'000	2023 £'000
Fixed assets					
Intangible assets	8		(12)		(21)
Tangible assets	9		1,126,126		1,003,326
Investment property	10		230		26,522
			<u>1,126,344</u>		<u>1,029,827</u>
Current assets					
Inventory		9,301		9,904	
Trade and other debtors	12	139,191		125,521	
Cash and cash equivalents	13	<u>16,763</u>		<u>20,893</u>	
			<u>165,255</u>		<u>156,318</u>
Creditors due within one year					
Borrowings	14	186,521		127,458	
Trade and other creditors	16	<u>121,787</u>		<u>114,161</u>	
			<u>308,308</u>		<u>241,619</u>
Net current liabilities			<u>143,053</u>		<u>85,301</u>
Total assets less current liabilities			983,291		944,526
Creditors due after one year					
Borrowings	14	346,605		332,896	
Trade and other creditors	16	<u>17</u>		<u>7</u>	
			<u>346,622</u>		<u>332,903</u>
			636,669		611,623
Provisions for liabilities and charges					
Employee benefits	18	5,844		27,879	
Deferred tax	18	28,696		16,423	
Other provisions	18	<u>452</u>		<u>461</u>	
			<u>34,992</u>		<u>44,763</u>
Net assets			<u>601,677</u>		<u>566,860</u>
Capital and reserves					
Called up share capital	19		8,057		8,057
Share premium account			1,285		1,285
Capital reserve			9,980		9,980
Revaluation reserve			2,027		4,170
Profit and loss account			<u>580,328</u>		<u>543,368</u>
Equity shareholders' funds			<u>601,677</u>		<u>566,860</u>

The financial statements on pages 15 to 40 were approved and authorised for issue by the board of directors on 13 June 2025.

LAKent
LAKent (Jun 13, 2025 12:12 GMT+1)

Richard Bulmer
Richard Bulmer (Jun 13, 2025 12:26 GMT+1)

Directors: L Kent
R Bulmer

The notes on pages 21 to 40 are an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Called up share capital £'000	Share premium account £'000	Capital reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Equity shareholders' funds £'000
At 1 January 2023	8,057	1,285	9,980	4,308	487,314	510,944
Profit for the financial year	-	-	-	-	63,214	63,214
Other comprehensive income:						
-Exchange differences arising on translation of foreign operations	-	-	-	-	695	695
Total comprehensive income	-	-	-	-	63,909	63,909
-Transfer from revaluation reserve				(138)	138	-
Dividends paid (note 20)	-	-	-	-	(7,993)	(7,993)
At 31 December 2023	<u>8,057</u>	<u>1,285</u>	<u>9,980</u>	<u>4,170</u>	<u>543,368</u>	<u>566,860</u>
Profit for the financial year	-	-	-	-	50,803	50,803
Other comprehensive income:						
-Exchange differences arising on translation of foreign operations	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	50,803	50,803
-Transfer from revaluation reserve				(2,143)	2,143	-
Dividends paid (note 20)	-	-	-	-	(15,986)	(15,986)
At 31 December 2024	<u>8,057</u>	<u>1,285</u>	<u>9,980</u>	<u>2,027</u>	<u>580,328</u>	<u>601,677</u>

Reserves

Share premium account

The share premium account represents the difference between the proceeds and the nominal value of each share issued.

Capital reserve

The capital reserve represents the nominal value of share capital that has been redeemed and cancelled.

Revaluation reserve

This reserve represents the cumulative revaluation gains and losses on revaluation of land and buildings held as tangible fixed assets. The transfer to P&L reserve relates to the revaluation on the investment property sold during the year.

Profit and loss account

The profit and loss account reserve represents cumulative profits and losses of the group less dividends paid.

Included in the profit and loss account reserve is an amount of £1,957,000 (2023: loss of £1,217,000) which represents the exchange gain on foreign currency borrowings used as hedging instruments deemed as effective in hedging the cumulative exchange difference of £1,247,000 (2023: £1,929,000) arising from the translation of the net assets of the group's foreign operations from their functional currency into Dawsongroup's functional currency. The ineffective part of the hedge, £1.4m gain (2023: £0.8m gain) has been recognised in profit and loss.

The notes on pages 21 to 40 are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Operating activities			
Profit on ordinary activities before tax		67,099	85,370
Adjusted for:			
Gains arising on fair value of investment property	10	-	(4,254)
(Gains)/losses arising on fair value of derivative instruments	17	(860)	3,967
Depreciation of tangible assets	9	168,764	153,066
Amortisation of goodwill	8	(9)	2
Profit on disposal of tangible assets	2	(28,065)	(30,846)
Interest receivable	5	(8,297)	(8,098)
Interest payable	6	27,892	19,352
Operating cash flows before movement in working capital		226,524	218,559
Decrease / (increase) in inventory		613	(5,335)
(Increase) / decrease in trade and other debtors		(17,523)	109
Increase in trade and other creditors		8,759	6,829
(Decrease) / increase in provisions		(22,002)	19,746
Interest received	5	8,297	8,098
Income tax paid		(1,006)	(12,836)
Net cash flows from operating activities		203,662	235,170
Investing activities			
Proceeds from disposal of tangible assets		119,475	81,505
Proceeds from disposal of freehold land		-	-
Purchase of tangible assets	9	(360,505)	(370,122)
Net cash flows used in investing activities		(241,030)	(288,617)
Financing activities			
Increase in obligations under asset finance arrangements	15	49,043	45,179
Dividends paid	20	(15,986)	(7,993)
Interest paid	6	(27,892)	(19,352)
Net cash flows from financing activities		5,165	17,834
Net decrease in cash and cash equivalents		(32,203)	(35,613)
Cash and cash equivalents at the beginning of the year		(3,950)	31,659
Effect of exchange rates on cash and cash equivalents		(247)	4
Cash and cash equivalents at the end of the year		(36,400)	(3,950)
Unrestricted cash and cash equivalents	13	16,763	20,893
Overdraft	14	(53,163)	(24,843)
Total cash and cash equivalents at the end of the year		(36,400)	(3,950)

The notes on pages 21 to 40 are an integral part of these financial statements.

Company statement of financial position
Company number: 1902154
As at 31 December 2024

	Notes	£'000	2024 £'000	£'000	2023 £'000
Fixed assets					
Tangible assets	9		830		670
Investment in subsidiary undertakings	11		49,256		49,256
			<u>50,086</u>		<u>49,926</u>
Current assets					
Inventory		-		1	
Trade and other debtors	12	454,613		411,682	
Cash and cash equivalents	13	6,375		12,141	
			<u>460,988</u>	<u>423,824</u>	
Creditors due within one year					
Borrowings	14	53,801		25,277	
Trade and other creditors	16	77,880		43,431	
			<u>131,681</u>	<u>68,708</u>	
Net current assets			<u>329,307</u>		<u>355,116</u>
Total assets less current liabilities			379,393		405,042
Creditors due after one year					
Borrowings	14	199,206		203,797	
Trade and other creditors	16	-		-	
			<u>199,206</u>		<u>203,797</u>
			<u>180,187</u>		<u>201,245</u>
Provisions for liabilities and charges	18		<u>824</u>		<u>9,967</u>
Net assets			<u>179,363</u>		<u>191,278</u>
Capital and reserves					
Called up share capital	19		8,057		8,057
Share premium account			1,285		1,285
Capital reserve			6,658		6,658
Profit and loss account			<u>163,363</u>		<u>175,278</u>
Equity shareholders' funds			<u>179,363</u>		<u>191,278</u>

The company has elected to take the exemption permitted under Section 408 of the Companies Act 2006 not to present the company's profit and loss account. The company's profit for the year was £4,071,000 (2023: profit of £58,013,000).

The financial statements on pages 15 to 40 were approved and authorised for issue by the board of directors on 13 June 2025.

L Kent
L Kent (Jun 13, 2025 12:12 GMT+1)

Richard Bulmer
Richard Bulmer (Jun 13, 2025 12:26 GMT+1)

Directors: L Kent
R Bulmer

The notes on pages 21 to 40 are an integral part of these financial statements.

Company statement of changes in equity

For the year ended 31 December 2024

	Called up share capital £'000	Share premium account £'000	Capital reserve £'000	Profit and loss account £'000	Equity shareholders' funds £'000
At 1 January 2023	8,057	1,285	6,658	125,258	141,258
Profit for the financial year	-	-	-	58,013	58,013
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	58,013	58,013
Dividends paid (note 20)	-	-	-	(7,993)	(7,993)
At 31 December 2023	<u>8,057</u>	<u>1,285</u>	<u>6,658</u>	<u>175,278</u>	<u>191,278</u>
Profit for the financial year	-	-	-	4,071	4,071
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	4,071	4,071
Dividends paid (note 20)	-	-	-	(15,986)	(15,986)
At 31 December 2024	<u>8,057</u>	<u>1,285</u>	<u>6,658</u>	<u>163,363</u>	<u>179,363</u>

Reserves

Share premium account

The share premium account represents the difference between the proceeds and the nominal value of each share issued.

Capital reserve

The capital reserve represents the nominal value of share capital that has been redeemed and cancelled.

Profit and loss account

The profit and loss account reserve represents cumulative profits and losses of the company less dividends paid.

The notes on pages 21 to 40 are an integral part of these financial statements.

Accounting policies

General information

Dawsongroup Limited (formerly Dawsongroup plc) ("the company") is a public limited company incorporated in England and Wales. The address of its registered office and principal place of business is Delaware Drive, Tongwell, Milton Keynes, MK15 8JH. The principal activity of the group is the rental of commercial vehicles, buses, coaches, material handling, sweepers and temperature controlled products. It also provides finance services. Dawsongroup Limited (formerly Dawsongroup plc) is the holding company.

The company is a parent undertaking and therefore these consolidated financial statements present the financial information of the company and its subsidiary undertakings (together "the group"), as well as the company's individual financial statements. These consolidated and company 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 fair value 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 company individual 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* and Section 12 *Other Financial Instrument Issues*.

Basis of consolidation

The group financial statements consolidate the financial statements of Dawsongroup Limited (formerly Dawsongroup plc) and all its subsidiary undertakings for the year ended 31 December 2024.

Subsidiary undertakings acquired during the year are accounted for under the acquisition method of accounting and are consolidated from the date the company achieves control over such entities, thereby having the power to govern the financial and operating policies of the entity of acquisition. The financial statements of subsidiary undertakings that are acquired or disposed of within the financial year are included within, or excluded from, the consolidation from the date that the company obtains or loses control.

Transactions and balances between subsidiary undertakings have been eliminated; no profit is taken on sales between subsidiary undertakings until the products are sold to customers outside the group. Where necessary, adjustments are made to the financial statements of group entities to bring the accounting policies used in line with those used by the group.

Going concern

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

The directors have reviewed forecasts for a period of not less than 12 months from the date of the audit opinion and are confident that the group 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 is recognised on a straight-line basis over the term of the relevant lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Income from the sale of vehicles and equipment is recognised when the group 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.

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

Interest income is recognised as interest accrues using the effective interest rate method.

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. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in years different from those in which they are recognised in the financial statements.

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 there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

Foreign currencies

Foreign currency transactions are translated into the functional currency of the reporting entity using the exchange rate prevailing at the date the transactions took place. Income and expense items are translated using an average exchange rate for the year where there are limited fluctuations in foreign exchange rates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group are translated at the exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising are recognised through other comprehensive income.

Hedge accounting

The group has designated a net investment hedge in the year. At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the group determines and documents causes for hedge ineffectiveness.

Hedge accounting is discontinued when the group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

Intangible assets

Intangible assets are initially recognised at cost, being the purchase price plus any directly attributable costs, and are subsequently measured at cost less any accumulated amortisation and impairment losses.

Goodwill relates to acquisitions and represents the excess of the consideration payable over the fair value of the separable net assets acquired. Goodwill occurring on acquisitions made prior to 1 January 2014 has been fully amortised. Goodwill arising on acquisitions subsequent to that date is being amortised over 3-5 years on a straight-line basis as the directors believe this period to be reflective of the life of the balance.

Negative goodwill arising where the fair value of the separable net assets acquired is higher than the consideration paid is being amortised in line with the sale of the hire fleet assets acquired as part of the acquisition.

Intangible assets, including goodwill, are tested for impairment where an indication of impairment exists at the reporting date.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and impairment losses. Freehold property is being held under the cost model and will be depreciated in accordance with the depreciation policies below.

Depreciation is provided to write down the cost of fixed assets by equal instalments to their estimated residual values up to the period of their estimated useful lives with the group in accordance with the table below:

	Useful life with the group	Residual value
<i>Hire fleet</i>		
Commercial vehicles	5-7 years	5% - 25%
Trailers	10-12.5 years	2.5% - 15%
Car transporters and drawbar trailers	9 years	10%
Vans	4-5 years	Nil - 1%
Cars	4-5 years	25% - 35%
Purpose built portable cold stores	10-20 years	Nil - 25%
Buses and coaches	9-13 years	2.5% - 15%
Minibuses	6 years	5-10%
Material handling	7-9 years	5% - 15%
Sweepers	5-8 years	5% - 30%
Scissor lifts	10 years	15%
Coldrooms and inflatables	8-10 years	Nil
Energy Solutions	2-10 years	Nil - 5%
Other	3-12.5 years	Nil - 15%
<i>Non hire fleet</i>		
Freehold buildings	20-50 years	Nil
Long leasehold	Life of lease	Nil
Plant and equipment	5-10 years	Nil
Portable office buildings	7-10 years	2.5 - 15%
Computer hardware	4 years	Nil
Cars	5 years	15%

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

Investment property

The group classifies land and buildings, whether in whole or part, as investment property when it is held to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost, which comprises the purchase price and any directly attributable expenditure and are subsequently remeasured to fair value at each reporting date with changes in fair value recognised in profit or loss. Properties leased to other group entities are measured using the cost model and are accounted for in accordance with Section 17 *Property, Plant and Equipment*.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are recognised at cost less accumulated impairment losses in the company financial statements. Investments are tested for impairment where an indication of impairment exists at the reporting date.

Impairment of assets

At each reporting date, the group 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 group becomes party to the contractual provisions of the financial instrument. The group holds basic and non-basic financial instruments, which comprise cash at bank and in hand, short-term deposit investments, trade and other debtors, loans and borrowings, trade and other creditors, and derivative financial instruments. The group has chosen to apply the measurement and recognition provisions of Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instrument Issues* in full.

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.

At the end of each reporting year, the group assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

Financial liabilities – classified as basic financial instruments

Trade and other creditors and loans and borrowings

Short term trade and other creditors and loans and borrowings are initially 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.

Derivative financial instruments – classified as other financial instruments

Derivative financial instruments comprise interest rate swaps and are initially recognised at fair value at the date the derivative contract is entered into and are subsequently measured at fair value at each reporting date. The resulting gain or loss is recognised in profit or loss.

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 group 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.

The group as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Operating leases

The group as a lessee

Rentals payable under operating leases are charged to profit and loss 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.

The group as a lessor

Rental income from operating leases are credited to income on a straight-line basis over the terms of the lease.

Asset purchase rebates

Rebates and bonuses from manufacturers and distributors are credited to profit or loss over a three to five year period from the date of installation of the relevant assets to coincide with their expected life within the group.

Future purchase undertakings

As part of its trade the group has undertaken to purchase commercial vehicles and trailers from certain lessors and manufacturers upon the future termination of operating lease agreements or other arrangements with third parties at prices estimated to be not less than realisable value at the time of purchase. Where necessary a provision is made to the extent that such commitments are now estimated to exceed realisable value.

Where the commitment has been notified, the commercial vehicles and trailers are included within fixed assets at the expected cost of repurchase and the related liabilities are recognised in the statement of financial position. Fee income for future purchase undertakings is credited to profit or loss over the respective lives of such leases having regard to future assessment, inspection and other related costs.

Employee benefits

Retirement benefits

The group operates a defined contribution pension scheme, the assets of which are held separately from those of the group 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 group operates a long-term incentive scheme for certain employees. Liabilities for the scheme are recognised when the group 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.

Critical accounting judgements and key sources of estimation uncertainty

In applying the group'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.

Critical judgements in applying the group's accounting policies

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

(i) 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) Determining and reassessing useful economic lives and residual values of tangible and intangible assets

The group depreciates tangible assets, and amortises intangible 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; particularly hire fleet, other vehicles and plant and equipment. When determining the residual values, the directors have assessed the amount that the group 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.

(ii) Establishing fair value of financial instruments

When the fair value of financial assets and financial liabilities cannot be measured based on quoted prices in active markets or on the price of a recent transaction for an identical asset or liability, their fair values are measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iii) Employee benefits – long-term incentive schemes

The group operates a long-term incentive scheme in respect of directors and certain senior employees. The group'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.

Notes to the financial statements
for the year ended 31 December 2024

1. Revenue

Analysis by category

An analysis of turnover by category is as follows:

	2024 £'000	2023 £'000
Operating lease rental income	375,113	349,451
Sale of vehicles and equipment	32,325	43,130
	<u>407,438</u>	<u>392,581</u>

An analysis of other operating income by category is as follows:

	2024 £'000	2023 £'000
Rental income from investment properties	603	637
Royalties	40	110
	<u>643</u>	<u>747</u>

Geographical analysis

The group operates in two geographic segments – the UK and the Rest of World. The respective turnover is set out below:

	United Kingdom		Rest of World		Group	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Turnover	<u>372,477</u>	<u>359,791</u>	<u>34,961</u>	<u>32,790</u>	<u>407,438</u>	<u>392,581</u>

2. Operating profit

	2024 £'000	2023 £'000
This is stated after charging:		
Repairs and maintenance expenditure	51,853	48,113
Depreciation of tangible fixed assets: owned assets	168,764	153,066
Impairment of tangible fixed assets: owned assets	-	-
Operating leases: land and buildings	3,570	2,912
Operating leases: hire fleet	439	110
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual accounts	328	268
Fees payable to the company's auditor for other services to the company:		
- Other advisory services	4	2
Foreign exchange loss	44	-
	<u> </u>	<u> </u>
and after crediting:		
Profit on sale of tangible fixed assets	28,065	30,846
Profit on sale of freehold property	-	-
Manufacturers' rebates	269	176
Foreign exchange gain	-	198
	<u> </u>	<u> </u>

Notes to the financial statements continued

3. Employees

The average monthly number of employees (including executive directors and other key management personnel) was:

	2024 Number	2023 Number
Average number of employees, including executive directors, during the year:		
Management	41	44
Sales and administration staff	745	690
Drivers, engineers and others	355	325
	<u>1,141</u>	<u>1,059</u>

Their aggregate remuneration comprised:

	2024 £'000	2023 £'000
Wages and salaries	53,945	51,829
Social security costs	5,786	6,019
Pension contributions	4,245	4,420
	<u>63,976</u>	<u>62,268</u>

The pension contributions above represent amounts payable by the group to the fund. £nil have been prepaid (2023: £nil).

4. Directors' emoluments and interests, including key management personnel

<i>Directors' emoluments</i>	2024 £'000	2023 £'000
Executive remuneration and benefits	4,656	4,959
Pension contributions	68	48
Total	<u>4,724</u>	<u>5,007</u>
 <i>Highest paid director</i>	 2024 £'000	 2023 £'000
Executive remuneration and benefits	1,731	1,699
Pension contributions	10	8
Total	<u>1,741</u>	<u>1,707</u>

The number of directors to whom benefits were accrued under money purchase pension schemes was 4 (2023: 4).

Long-term incentive scheme

The group operates a long-term incentive scheme in respect of its directors. The amounts recognised at the reporting date are as follows:

	2024 £'000	2023 £'000
Provision as at 1 January	22,932	2,240
Charged to profit and loss account	569	20,692
Utilised	(172)	-
Provision as at 31 December	<u>23,329</u>	<u>22,932</u>

Directors' interests

Throughout the year the group was controlled by trusts, the beneficiaries of which are P M Dawson and his immediate family. They received a dividend of £15,986,000 during the year (2023: £7,993,000).

Key management personnel

The directors of the group are considered to be the key management personnel. Details of their remuneration can be seen above.

Notes to the financial statements continued

5. Interest receivable and similar income

	2024 £'000	2023 £'000
Interest receivable on bank deposits	508	1,593
Interest receivable on finance agreements	3,872	2,889
Interest receivable on derivative instruments: swap arrangements	3,917	3,616
	<u>8,297</u>	<u>8,098</u>

6. Interest payable and similar charges

	2024 £'000	2023 £'000
Interest payable on asset finance arrangements	17,141	11,055
Interest payable on loans and borrowings	10,751	8,297
	<u>27,892</u>	<u>19,352</u>

7. Taxation

	£'000	2024 £'000	£'000	2023 £'000
<i>Analysis of profit or loss charge</i>				
Tax charge for the year:				
- Corporation tax	2,497		6,846	
- Overseas tax	2,471		3,102	
- Adjustments in respect of prior periods	<u>(1,036)</u>		<u>(25)</u>	
Total current tax		3,932		9,923
Deferred tax				
- Origination and reversal of timing differences	12,043		12,405	
- Adjustments in respect of prior periods	<u>321</u>		<u>(172)</u>	
Total deferred tax		12,364		12,233
Total tax on profit on ordinary activities		<u>16,296</u>		<u>22,156</u>

Notes to the financial statements continued

7. Taxation continued

Reconciliation of tax charge included in profit or loss

The UK standard rate of corporation tax for the reporting period is 25% (2023: 23.52%). The actual charge for the current and the previous year differ from the standard rate for the reasons set out in the following reconciliation:

	2024 £'000	2023 £'000
Profit on ordinary activities before tax	67,099	85,370
Tax on profit on ordinary activities at standard rate	16,775	20,080
Factors affecting charge for the period:		
Expenses not deductible for tax purposes	(6)	1,430
Difference in tax rates	-	669
Adjustments in respect of higher/lower overseas taxes	242	174
Adjustments in respect of prior periods	(715)	(197)
Total tax	16,296	22,156

Factors that may affect future tax charges

Deferred tax balances at the reporting date have been measured at 25% (2023: 23.52%).

Deferred tax expected to reverse in 2025 is £nil.

8. Intangible fixed assets

Group	Goodwill £'000	Negative Goodwill £'000	Total Goodwill £'000
Cost:			
As at 1 January 2024	6,090	(1,084)	5,006
Additions	-	-	-
As at 31 December 2024	6,090	(1,084)	5,006
Amortisation and impairment:			
As at 1 January 2024	6,090	(1,063)	5,027
Charge for the year	-	(9)	(9)
As at 31 December 2024	6,090	(1,072)	(1,072)
Book value:			
As at 31 December 2024	-	(12)	(12)
As at 31 December 2023	-	(21)	(21)

The positive goodwill relating to the acquisition of Tectoniks Limited on 22 August 2018 was amortised on a straight-line basis over a period of five years. The negative goodwill is being amortised in line with the disposal of the hire-fleet assets acquired as part of the acquisition of Transflex Vehicle Rental in April 2018.

Amortisation is charged within administrative expenses in the Statement of Comprehensive Income.

Company

The company does not hold any intangible assets.

Notes to the financial statements continued

9. Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Hire fleet £'000	Other vehicles, plant and equipment £'000	Group total £'000	Company total £'000
Cost or valuation:						
As at 1 January 2024	41,187	1,278	1,463,769	27,273	1,533,507	3,100
Exchange adjustment	(219)	(57)	(5,210)	(196)	(5,682)	-
Reclassifications	-	2	115	(117)	-	-
Additions	3,558	-	350,783	6,164	360,505	430
Disposals	(1,610)	-	(210,439)	(2,818)	(214,867)	(5)
Transfers out						(27)
As at 31 December 2024	42,916	1,223	1,599,018	30,306	1,673,463	3,498
Depreciation:						
As at 1 January 2024	1,825	61	512,193	16,102	530,181	2,430
Exchange adjustment	(2)	(3)	(1,751)	(102)	(1,858)	-
Reclassifications	-	(1)	331	(330)	-	-
Charge for the year	576	11	164,542	3,635	168,764	26
Disposals	(716)	-	(147,003)	(2,031)	(149,750)	(5)
Transfers out						(18)
As at 31 December 2024	1,683	68	528,312	17,274	547,337	2,668
Book value:						
As at 31 December 2024	41,233	1,155	1,070,706	13,032	1,126,126	830
As at 31 December 2023	39,362	1,217	951,576	11,171	1,003,326	670

Freehold land and buildings

Freehold land and buildings include £590,000 of capitalised interest which arose on completion of the group's Milton Keynes head office in 1991.

Included in freehold land and buildings disposals above is an amount of £1,475,000 which relates to limestone reserves on which depreciation of £52,000 has been charged during the year. (Cumulative depreciation to date of disposal was £716,000). The directors do not consider that this requires accounting for as a separate component. The historical cost of this was £650,000.

Company

All of the tangible fixed assets of the company comprise other vehicles, plant and equipment.

Notes to the financial statements continued

10. Investment property

<i>Group</i>	2024 £'000	2023 £'000
Fair value:		
As at 1 January	26,522	22,268
Disposal	(26,292)	-
Revaluation	-	4,254
As at 31 December	230	26,522

The comparable amounts, as determined using historical cost accounting requirements were: cost of £136,000 (2023: £14,024,000) and accumulated depreciation of £73,000 (2023: £71,000). Included in investment property above is £0 (2023: £26,292,000) relating to investment property in an agricultural estate purchased in 2008. The historic cost of this investment property was £13,888,000. This was disposed of on 30 November 2024.

The fair values of the investment properties were determined as at 31 December 2023 by an independent external valuer, holding a professional qualification with the Royal Institute of Chartered Surveyors and having experience in the locations and classes of the investment properties valued. Investment properties were valued using assumptions made by the valuer, namely with regard to market evidence as indicated by sales of comparable properties and the valuer's knowledge and experience of the property market. The directors are not aware of any material change in values since this valuation.

There are no restrictions on the realisability of investment property or the remittance of any income or proceeds on disposal. The company does not have any contractual obligations to purchase, construct or develop investment property for repairs, maintenance or enhancements.

Company

The company does not hold any investment property.

11. Investment in subsidiary undertakings

	2024 £'000	2023 £'000
Cost or valuation:		
As at 1 January	49,256	49,256
Additions	-	-
As at 31 December	49,256	49,256

This represents the investment by Dawsongroup Limited (formerly Dawsongroup plc) in the entire issued ordinary share capital of its subsidiary undertakings, all of which are incorporated and operate within the United Kingdom except for Dawsongroup Temperature Control Solutions AG which is in Switzerland and Dawsongroup TCS LLC which is in the United States.

Subsidiary undertaking	Principal activity
Alexena Limited *	- Property and investment.
Dawsongroup UK Limited *	- Holding company of United Kingdom trading subsidiary undertakings.
Dawsongroup International Limited *	- Holding company of overseas subsidiary undertakings.
Praedium Property Limited	- Dormant.
Dawsongroup Temperature Control Solutions AG -	Hire and sale of temperature-controlled products.
Dawsongroup Temperature Control Solutions LLC -	Hire and sale of temperature-controlled products.

Notes to the financial statements continued

11 Investment in subsidiary undertakings (continued)

The following companies were the trading subsidiary undertakings held indirectly by Dawsongroup Limited (formerly Dawsongroup plc) during the year ended 31 December 2024:

Subsidiary	Registered office	Country of operation and incorporation	Principal activity
Dawsongroup Truck and Trailer Limited	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Hire of commercial vehicles and trailers.
Dawsongroup Bus and Coach Limited	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Hire of buses and coaches.
Dawsongroup Vans Limited	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Hire of commercial vans.
Dawsongroup Material Handling Limited	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Hire of material handling.
Lift Truck Services Limited	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Hire of material handling.
Dawsongroup Environmental Municipal Civil Limited	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Hire of sweepers.
Dawsongroup Temperature Control Solutions Limited	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Hire of temperature-controlled products.
Tectoniks Limited	Unit 1 Kinton Business Park, Nesscliffe, Shrewsbury, SY4 1AZ	United Kingdom	Manufacturer of inflatable products.
D.G. Finance Limited *	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Vehicle finance.
Dawsongroup Finance Limited	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Finance specialists.
Ventura Rental Limited	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Buying and selling of fixed assets.
Dawsongroup Energy Solutions Limited	Delaware Drive, Tongwell, Milton Keynes MK15 8JH	United Kingdom	Hire of environmental power solutions.
Dawsongroup International BV	Conradstraat18, unit E6, 179, 3013 AP Rotterdam, The Netherlands	The Netherlands	Overseas holding company.
Dawsongroup TCS GmbH (formerly: Thermobil Mobile K�hllager GmbH)	Otto-Schott Str. 30, D-41542 Dormagen, Germany	Germany	Hire of temperature-controlled products.
Dawsongroup TCS SARL (formerly: Modulfroid Service SARL)	1 rue Len�tre, BP 636, 95196 Goussainville Cedex, Paris, France	France	Hire of temperature-controlled products.
Dawsongroup Benelux BV	Conradstraat18, unit E6, 179, 3013 AP Rotterdam, The Netherlands	The Netherlands	Hire of temperature-controlled products.
Dawsongroup TCS Sp. z o.o. (formerly: Dawsongroup Polska Sp. z o.o)	ul. Marywilska 34 A, 03-228, Warszawa Poland	Poland	Hire of temperature-controlled products.
Dawsongroup TCS Ireland Limited	Unit JB, Beech Avenue, Naas Enterprise Park, Newhall, Naas, County Kildare, Ireland	Ireland	Hire of temperature-controlled products.
Dawsongroup TCS Iberica S.L.	Passeig del Rengle 5,3ra Mar, 08302 Matar�, Barcelona, Spain	Spain	Hire of temperature-controlled products.
Dawsongroup TCS GmbH (formerly: Dawsongroup Thermobil Austria GmbH)	Steingasse 6a, A-4020 Linz, Austria	Austria	Hire of temperature-controlled products.
Dawsongroup TCS Limited	PO Box 688, Pukekohe, Auckland 2340	New Zealand	Hire of temperature-controlled products.
Dawsongroup TCS S.R.L. (formerly: Dawsongroup TCS Italy S.R.L)	Via Ferrara 1, 40018 San Pietro in Casale, Bologna, Italy	Italy	Hire of temperature-controlled products.

All investments represent 100% of the issued ordinary share capital. 100% of the voting rights in each subsidiary undertaking are held ultimately by Dawsongroup Limited (formerly Dawsongroup plc).

*Alexena Limited (company registration number: 01455385), D.G. Finance Limited (company registration number: 02131494), Dawsongroup UK Limited (company registration number: 00453519) and Dawsongroup International Limited (company registration number: 06050609) all of which are ultimately 100% owned by Dawsongroup Limited (formerly Dawsongroup plc), have taken advantage of the exemption from the requirements of the Companies Act 2006 relating to the audit of accounts under Section 479A of the Act.

Notes to the financial statements continued

12. Trade and other debtors

		2024		2023
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Due within one year				
Trade debtors	38,299	13	34,522	4
Amounts receivable under finance lease	12,958	-	9,298	-
Other debtors	40,461	7,121	28,583	7,600
Prepayments	9,740	1,957	8,446	1,548
Tax recoverable	4,046	4,885	7,450	13,439
Loans receivable from subsidiary undertakings	-	425,157	-	339,110
Amounts owed by subsidiary undertakings	-	15,480	-	49,981
	105,504	454,613	88,299	411,682
Due after one year				
Amounts receivable under finance leases	33,687	-	37,222	-
	139,191	454,613	125,521	411,682

Included in other debtors are derivative financial instruments of £11.8m (2023: £10.9m). (Note 17).

Loans receivable from subsidiary undertakings are unsecured, repayable on demand and earn interest at 0.25% below base rate (or 0% when this would be negative). All other amounts owed to subsidiary undertakings are unsecured and repayable on demand.

13. Cash and cash equivalents

		2024		2023
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Cash and cash equivalents	16,763	6,375	20,893	12,141

Amounts available for use by the group

Cash and cash equivalents comprise cash held by the Group including overdrafts and short-term bank deposits with an original maturity of three months or less. The carrying amount of the assets approximates to their fair value.

Notes to the financial statements continued

14. Borrowings

Group

	Due within one year £'000	Due after more than one year £'000	2024 Total £'000	Due within one year £'000	Due after more than one year £'000	2023 Total £'000
Bank overdrafts	53,163	-	53,163	24,843	-	24,843
US Private placement	-	199,206	199,206	-	203,797	203,797
Asset finance arrangements	133,358	147,399	280,757	102,615	129,099	231,714
	186,521	346,605	533,126	127,458	332,896	460,354

The group has a senior multi-currency revolving credit facility of £50m (included in bank overdrafts above) which is committed until 28 March 2025. Interest is payable on this at 2.10% over SONIA.

Asset finance arrangements

Asset finance arrangements comprise hire purchase, finance lease and other similar funding effectively secured on specific underlying hire fleet assets. These are all repayable by instalments as follows:

	2024 Total £'000	2023 Total £'000
Within one year	133,358	102,615
Between one and two years	101,809	77,086
Between two and five years	45,590	51,486
After more than five years	-	527
	280,757	231,714

The interest rate profile of these arrangements is as follows:

	2024 Total £'000	2023 Total £'000
Variable rate	277,983	217,083
Fixed rate	2,774	14,631
	280,757	231,714

Company

	Due within one year £'000	Due after more than one year £'000	2024 Total £'000	Due within one year £'000	Due after more than one year £'000	2023 Total £'000
Bank overdrafts	53,801	-	53,801	25,277	-	25,277
US Private placement	-	199,206	199,206	-	203,797	203,797
	53,801	199,206	253,007	25,277	203,797	229,074

Bank overdrafts attract interest at a rate of 2.15% (2023: 2.15%) above base and are repayable on demand.

Notes to the financial statements continued

14. Borrowings continued

US private placement

In March 2022 Dawsongroup Limited (formerly Dawsongroup plc) entered into a US private placement securing £100m of funding by issuing loan notes at a variable rate based on SONIA plus a margin of 1.14% due 31 March 2026 and a further £120m (£99.2m) of funding at a fixed rate of 1.62% due 31 March 2032. These are repayable as follows:

<i>Group</i>	2024 Total £'000	2023 Total £'000
Between two and five years	100,000	100,000
After more than five years	99,206	103,797
	199,206	203,797
 <i>Company</i>	 2024 Total £'000	 2023 Total £'000
Between two and five years	100,000	100,000
After more than five years	99,206	103,797
	199,206	203,797

15. Analysis of changes in net debt

	1 January 2024 £'000	Cash flows £'000	Asset finance (advances)/ repayments £'000	Changes in exchange rates £'000	31 December 2024 £'000
<i>Cash and cash equivalents</i>					
Cash at bank and in hand	20,893	(3,883)	-	(247)	16,763
Bank overdrafts	(24,843)	(28,320)	-	-	(53,163)
	(3,950)	(32,203)	-	(247)	(36,400)
 <i>Borrowings</i>					
Debt due within one year:					
Asset finance arrangements	(102,615)	-	(30,743)	-	(133,358)
Debt due after one year:					
US private placement	(203,797)	-	-	4,591	(199,206)
Asset finance arrangements	(129,099)	-	(18,300)	-	(147,399)
	(435,511)	-	(49,043)	4,591	(479,963)
 Net debt	(439,461)	(32,203)	(49,043)	4,344	(516,363)

Notes to the financial statements continued

16. Trade and other creditors

	Group £'000	2024 Company £'000	Group £'000	2023 Company £'000
Due within one year				
Trade creditors	52,008	626	73,822	49
Accruals	63,567	33,330	36,799	9,314
Tax payable	523	-	971	-
Other tax and social security	5,689	207	2,569	207
Deposits payable to subsidiary undertakings	-	43,094	-	33,598
Amounts owed to subsidiaries	-	623	-	263
	121,787	77,880	114,161	43,431
Due after one year				
Other creditors	17	-	7	-
	17	-	7	-

Deposits payable to subsidiary undertakings are unsecured, repayable on demand and incur interest at 1.25% (2023: 1.25%) above base rate.

17. Derivative financial instruments

The group's exposure to variable rate borrowings is hedged by the use of interest rate swaps under which the group pays interest at the following average fixed rates and receives interest at the relevant reference rate.

	Total £'000	2024 Average rate %	Total £'000	2023 Average rate %
Period to expiry:				
Within one year	-	-	-	-
Within two to five years	98,713	1.34	14,096	4.55
After more than five years	12,548	3.78	95,058	1.15
	111,261	1.62	109,154	1.59

The fair value of the interest rate swaps is as follows:

	2024 £'000
Fair value at 1 January 2024	(10,925)
Gain arising on fair value of interest rate swaps	(860)
Fair value at 31 December 2024	(11,785)

The fair value of the interest rate swaps has been estimated using valuation techniques that use market and non-market inputs to estimate the expected discounted cash flows as determined by the issuer of the derivative contract.

Notes to the financial statements continued

18. Provisions for liabilities and charges

	Group £'000	2024 Company £'000	Group £'000	2023 Company £'000
Employee benefits	5,844	824	27,879	9,967
Deferred tax	28,696	-	16,423	-
Other provisions	452	-	461	-
	<u>58,321</u>	<u>24,153</u>	<u>44,763</u>	<u>9,967</u>
	Group £'000	2024 Company £'000	Group £'000	2023 Company £'000
<i>Employee benefits</i>				
Long-term incentive schemes	5,844	824	27,879	9,967
	<u>5,844</u>	<u>824</u>	<u>27,879</u>	<u>9,967</u>

The provision for long-term incentive schemes at 31 December 2024 was £0 (2023: £22,932,000) in respect of the directors' long-term service bonus scheme (note 4) and £5,844,000 (2023: £4,947,000) relating to schemes in place for other employees. The provision re directors' long-term service bonus has been transferred to accruals as it is payable within six months of the year end.

	Group £'000	2024 Company £'000	Group £'000	2023 Company £'000
<i>Deferred tax</i>				
Accelerated capital allowances	34,641	-	19,713	-
Other timing differences	(8,504)	-	(7,880)	-
Derivative instruments held at fair value	2,559	-	4,590	-
	<u>28,696</u>	<u>-</u>	<u>16,423</u>	<u>-</u>
Provision for deferred tax				
Deferred tax asset	(8,504)	-	(7,880)	-
Deferred tax liability	37,200	-	24,303	-
Net deferred tax liability	<u>28,696</u>	<u>-</u>	<u>16,423</u>	<u>-</u>

The net deferred tax liability expected to reverse in 2025 is £nil.

	Group £'000	2024 Company £'000	Group £'000	2023 Company £'000
<i>Other provisions</i>				
Future contractual liabilities	452	-	461	-
	<u>452</u>	<u>-</u>	<u>461</u>	<u>-</u>

Notes to the financial statements continued

18. Provisions for liabilities and charges continued

Reconciliation of movements in the year

Group	Employee benefits £'000	Deferred tax £'000	Other provisions £'000	Total £'000
As at 1 January 2024	27,879	16,423	461	44,763
Charged to profit or loss	2,504	12,364	6	14,874
Utilised in the year	(1,175)	(50)	(14)	(1,239)
Transferred to accruals	(23,329)	-	-	(23,329)
Exchange adjustment	(35)	(41)	(1)	(77)
As at 31 December 2024	<u>5,844</u>	<u>28,696</u>	<u>452</u>	<u>34,992</u>

Company	Employee benefits £'000
As at 1 January 2024	9,967
Charged to profit or loss	14,546
Transferred to accruals	(23,329)
Utilised in the year	(360)
As at 31 December 2024	<u>824</u>

19. Called up share capital

	2024		2023	
	Number	£'000	Number	£'000
<i>Authorised</i>				
Ordinary shares of 25p each	<u>51,000,000</u>	<u>12,750</u>	<u>51,000,000</u>	<u>12,750</u>
<i>Allotted, issued and fully paid</i>				
Ordinary shares of 25p each	<u>32,228,962</u>	<u>8,057</u>	<u>32,228,962</u>	<u>8,057</u>

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

20. Dividends

	2024 p per share	2023 p per share	2024 £'000	2023 £'000
Ordinary shares:				
First interim paid	18.6	12.4	5,995	3,997
Second interim paid	31.0	6.2	9,991	1,998
Third interim paid	-	6.2	-	1,998
	<u>49.6</u>	<u>24.8</u>	<u>15,986</u>	<u>7,993</u>

21. Operating lease commitments

The group as lessee

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

	2024		2023	
	Hire fleet £'000	Land and buildings £'000	Hire fleet £'000	Land and buildings £'000
Not later than one year	15	1,901	5	1,850
Later than one year not later than five years	11	2,862	-	2,393
Later than five years	-	719	-	640
Total future minimum lease payments	<u>26</u>	<u>5,482</u>	<u>5</u>	<u>4,883</u>

Notes to the financial statements continued

21. Operating lease commitments continued

The group as lessor

The group leases hire fleet, other vehicles, plant and equipment and land and buildings to third parties. The future minimum lease payments receivable under those non-cancellable leases are as follows:

	2024		2023	
	Hire fleet	Land and buildings	Hire fleet	Land and buildings
	£'000	£'000	£'000	£'000
Not later than one year	156,738	19	130,841	420
Later than one year not later than five years	230,015	-	155,556	1,185
Later than five years	3,479	-	3,057	1,935
Total future minimum lease payments	390,232	19	289,454	3,540

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

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:

	2024	2023
	Land and buildings	Land and buildings
	£'000	£'000
Not later than one year	347	347
Later than one year not later than five years	1,388	1,388
Later than five years	231	578
Total future minimum lease payments	1,966	2,313

Notes to the financial statements continued

22. Capital commitments

Future capital expenditure

	2024	2023
	£'000	£'000
Outstanding contracts for capital expenditure	153,064	248,086

Future purchase undertakings

As part of its trade, the group has undertaken to purchase commercial vehicles and trailers from certain lessors and manufacturers upon the future termination of operating lease agreements or other arrangements with third parties at prices estimated to be not less than realisable value at the time of purchase. At 31 December 2024 the maturity periods and maximum amount of these undertakings were:

	2024	2023
	£'000	£'000
Not later than one year	424	2,680
Between two and five years	6,500	5,030
Later than five years	45	1,625
Total future purchase undertakings	6,969	9,335

23. Contingent liabilities

Company

The company has given guarantees in respect of certain financial obligations of its subsidiary undertakings in the normal course of business. At 31 December 2024 these obligations amounted to £280,119,000 (2023: £231,380,000).

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

24. Related party transactions

Advantage has been taken of the exemption conferred by Section 33 *Related Party Disclosures* not to disclose transactions with subsidiary undertakings 100% of whose voting rights are controlled within the group.

25. Post Balance Sheet Events

On 3 April 2025 the group was acquired by Devonshire Bidco Limited. The ultimate parent undertaking is KKR & Co. Inc.