DIAL CONTRACTS LIMITED

DIRECTORS' REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

Company Registration Number 707749

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2007
CONTENTS

DIAL CONTRACTS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2007

The dırectors present theır annual report and the audıted financıal statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Prıncıpal actıvıtıes

The prıncıpal actıvıtıes of the company contınued to be vehıcle leasıng and fleet management

Dıal Contracts Lımıted operates several brands ın nıche markets, ıncludıng Network and Fleet lıne and these enjoy strong posıtıons ın theır own specıfic markets, each offerıng a comprehensıve range of vehıcle fundıng and management servıces to meet the needs of all fleets, from smaller busınesses to multı-natıonals

The company ıs a subsıdıary of Inula Holdıng UK Lımıted, whıch ıs part of LeasePlan Corporatıon NV, a worldwıde organısatıon employıng some 6,000 people wıth a portfolıo of 1 31 mıllıon vehıcles and a consolıdated lease portfolıo of EUR 13 9 bıllıon

Busıness revıew

Although 2007 has been a year of ıntense market competıtıon, Dıal Contracts Lımıted achıeved good results, generatıng organıc growth and ıncreasıng new busıness volumes However ın lıne wıth the ındustry ın general, the ıntense market competıtıon has resulted ın lower prıces whıch has ımpaıred financıal growth, wıth turnover remaınıng relatıvely flat at £130 mıllıon Gross profit ıncreased by a nomınal £0 3 mıllıon to £29 2mıllıon After takıng ınto account admınıstratıve cost savıngs the company's net profit before tax has ıncreased by 14 7% to £10 9 mıllıon

Strategy

The company remaıns commıtted to profitable growth and contınues ıts programme of strategıc actıvıtıes to help achıeve thıs objectıve Greater emphasıs ıs now placed on provıdıng market leadıng customer servıce, creatıng the dıfference through dıstınctıve brands and a range of hıgh qualıty and ınnovatıve servıces to customers Combıned wıth powerful customer orıented IT solutıons such as quotatıons, e-ınvoıcıng and customer e-portals, the company contınues to put customers at the heart of ıts strategy

Prıncıpal rısks & uncertaıntıes

From the perspectıve of the Company, the prıncıpal rısks and uncertaıntıes are ıntegrated wıth the prıncıpal rısks of the Group and are not managed separately Accordıngly, the prıncıpal rısks and uncertaıntıes of Inula Holdıng UK Ltd, whıch ınclude those of the company are dıscussed on page 2 of the Group's annual report whıch does not form part of thıs report

Key Performance Indıcators

The dırectors of Inula Holdıng UK Lımıted manage the group's operatıons on a dıvısıonal basıs For thıs reason, the Company's dırectors belıeve that analysıs usıng key performance ındıcators for the company ıs not necessary or approprıate for an understandıng of the development, performance or posıtıon of the busıness of Dıal Contracts Lımıted

RESULTS AND DIVIDENDS

The company's profit and loss account ıs shown on page 6

No dıvıdend was paıd durıng the year (2006 £22 50 per £1 ordınary share totallıng £5,000,000) The dırectors do not propose any further dıvıdend payments for the year

DIRECTORS

The Dırectors durıng the year and up to the date of sıgnıng these financıal statements were

V Daemı
D Brennan
D Stıckland (appoınted 12th May 2008)
J D Boon

(contınued on page 3)

EMPLOYEES

Employee involvement

The company recognises the importance of human resources There are ongoing practices to promote good communications and relations with employees and to provide information to them on a range of matters concerning them as employees and to ensure they are aware of factors affecting the company's performance These include, on a regular basis team briefings, newsletters, reviews & publications and also including e-mail and corporate internet communications Ongoing training and development programmes include the LeasePlan Academy and Good to Great

Disabled persons

The company's policy is to give full and fair consideration to applications from disabled persons, their training, career development and promotion, having regard to their particular aptitudes and abilities In the event of a person becoming disabled during their period of employment, every effort is made to ensure that their employment within the company continues and that appropriate training is provided

ENVIRONMENT

The company has introduced a number of initiatives to achieve the highest possible environmental standards in all of its operations, as detailed in its Environmental Policy

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include residual value risk, interest rate risk and credit risk

Residual Value Risk

Residual value exposure occurs due to the uncertain nature of the value of an asset at the end of an agreement Throughout the life of an asset its residual value will fluctuate because of the uncertainty of the future market for that asset as well as general economic conditions Future residual values are constantly monitored so as to identify any impairment required, by reference to the company's past history for residual values and industry projections of the likely future market for each group of assets

Interest Rate Risk

The company has a specific policy to manage the interest rate risk arising from its leasing business

The company has both interest bearing assets (lease contracts) and interest bearing liabilities (loans) Lease contracts earn a fixed rate of interest over the life of each individual contract, which typically average three years

It is the company's policy to match lease contracts with medium term loans of the same contract duration in order to minimise interest rate risk This matching principle is closely monitored through monthly gap reports

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before finance is granted The company's risk management and underwriting sections are responsible for continually monitoring the credit risks associated with new and existing business Market risk, cash flow risk and foreign exchange risk are not considered material to the company

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

(continued on page 4)

DIAL CONTRACTS LIMITED
REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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 and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit or loss of the company and the group for that period

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

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

AUDITORS

PricewaterhouseCoopers LLP have indicated their willingness to continue in office The company has elected to dispense with the annual appointment of auditors and hence the auditors are considered to be re-appointed

By order of the Board

N R Keartland
Secretary
Date 2/6/2008

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DIAL CONTRACTS LIMITED

We have audited the financial statements of Dial Contracts Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Uxbridge

Date 5 June 2008

DIAL CONTRACTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2007

	Note	2007 £'000	2006 £'000
Turnover	2a	130,626	129,271
Cost of sales	4	(101,367)	(100,370)
Gross Profit		29,259	28,901
Administrative expenses		(17,754)	(19,375)
Profit on ordinary activities before taxation	5	11,505	9,526
Taxation	7	(2,006)	(2,858)
Profit on ordinary activities after taxation	13	9,499	6,668

The results reflect the continuing operations of the business

The company has no recognised gains or losses other than the profit above and therefore no separate Statement of Total Recognised Gains and Losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

The notes on pages 8 to 14 form part of these accounts

DIAL CONTRACTS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	2007 £'000	2006 £'000
ASSETS			
Fixed assets			
Tangible assets			
Leased to customers	9	248,397	253,494
Investments	10	6	6
Current assets			
Stock	11	10,878	3,320
Debtors Amounts falling due within one year	12	99,569	88,157
Debtors Amounts falling due after more than one year	12	155,571	119,239
		255,140	207,396
Cash at Bank		293	2,038
		514,714	466,254
LIABILITIES			
Capital and reserves			
Called-up share capital	13	222	222
Share premium	13	4,403	4,403
Profit and loss account	13	65,111	55,612
Equity shareholders' funds	13	69,736	60,237
Provision for liabilities	14	-	917
Creditors: Amounts falling due within one year	15	442,297	395,203
Creditors: Amounts falling due after more than one year	15	2,681	9,897
		514,714	466,254

The notes on pages 8 to 14 form part of these accounts

The accounts were approved by the Board of Directors on 2 June 2008 and signed on its behalf by

J D Boon

Director

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2007
NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

a) Basis of preparation

The accounts have been prepared on a going concern basis and in accordance with the historical cost accounting conventions, the Companies Act 1985 and applicable accounting standards

The accounts have been prepared in compliance with the Statement of Recommended Accounting Practice issued by the Finance and Leasing Association A summary of the accounting policies which have been consistently applied are set out below

Consolidated financial statements

The company has taken advantage of the exemption permitted under S228 of the Companies Act 1985 not to prepare consolidated financial statements, as it is a wholly owned subsidiary of Inula Holding UK Limited, whose accounts are publicly available and where group accounts are prepared

b) Income recognition

Finance lease and lease purchase contracts

Finance income generated by an asset is the difference between the cost of an asset and the lease rentals received. Finance income is credited to the profit and loss account in proportion to the reducing net investment in the asset Net investment in an asset is shown as a debtor on the balance sheet

Operating leases

Rentals received are recognised on a straight line basis over the life of the lease

Management and administration fees charged are also credited to the profit and loss account on a straight line basis over the lease term

Fleet services rentals received are recognised as the service is provided, based on the amount invoiced to the customer excluding Value added tax

c) Maintenance income and costs

Maintenance costs are charged directly to the profit and loss account as they become due together with the corresponding income For closed calculation contracts the net maintenance income is recognised over the life of the contract using a prudent estimate of the expected maintenance results per vehicle With open calculation contracts, at the end of the lease term, the net balance is settled with the client in line with their contractual arrangement or taken to the profit and loss account The difference between maintenance income earned to date and maintenance rentals received is held on the balance sheet as deferred income Immediate provision is made where an overall loss is anticipated on the portfolio

Estimation techniques

In order to calculate the required provision for losses on the portfolio and the maintenance income expected to arise over the life of the closed calculation contracts, estimations are made in respect of the total contract costs and the net maintenance surplus by vehicle based upon the most recent maintenance experience and projected maintenance prices

d) Tangible fixed assets and depreciation

Assets leased to customers

Operating leases are depreciated using the annuity method down to their anticipated residual value over the period of the lease The annuity method allocates depreciation to each period such that the total value of interest and depreciation in any period is a constant percentage of income, thus resulting in a consistent profit margin over the period of the lease

Residual values

Future residual values are constantly monitored by the directors and any permanent impairment in the residual value of an asset is immediately charged to the profit and loss

e) Leases as lessee

Operating leases

Operating lease rentals payable are charged to the profit and loss account evenly over the length of the lease

1 ACCOUNTING POLICIES, continued

f) Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where 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 have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on an undiscounted basis

g) Stock

The stock is valued at lower of cost or net realisable value

h) Investments

In the company's financial statements, investments in subsidiary undertakings are stated at cost less any provision for impairment The directors assess the investments for impairment on an annual basis

i) Bad debts

The company has an ongoing policy for monitoring the credit quality of its portfolio and for making provisions for losses inherent in credit exposures

Specific provision is made for bad debts as they arise taking into account possible recoveries from the customer and sale proceeds of the asset In addition, a general provision is made to cover likely losses on doubtful debts not specifically identified but known, from experience, to exist at the balance sheet date

j) Commissions

Commissions and similar costs incurred in arranging new contracts are capitalised and charged to the profit and loss account over the estimated average life of the lease contracts

Estimation techniques

The estimated average life of these contracts is based on historical data and the average length of the contracts

k) Initial costs

These are costs directly associated with negotiating and consummating a lease transaction These are capitalised and amortised on a straight line basis over the term of the lease

Estimation techniques

The cost is estimated using the average incremental costs that are associated with arranging contracts

2. TURNOVER

a) Turnover is the aggregate of :

Finance leases	as disclosed in note 1b)
Operating leases & fleet services	as disclosed in note 1b)

All of the company's turnover arose in the UK

b) Rentals receivable	**2007**	**2006**
	£'000	**£'000**
The aggregate rentals receivable for the year for operating leases	89,189	87,736

All of the company's turnover arose in the UK

c) Assets acquired	**2007**	**2006**
	£'000	**£'000**
The cost of assets acquired in the year for the purpose of finance leasing and lease purchase contracts was	148,292	106,443

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2007
NOTES TO THE ACCOUNTS

3 STAFF NUMBERS AND COSTS

The company has 59 dırect employees (2006. 62) The total cost relatıng to these employees and the re-charge from LeasePlan UK Ltd of the company's share of employee costs for shared functıons used by the company was £7,398,000 (2006 £8,441,000)

4 . COST OF SALES

a) Cost of sales

In relatıon to finance leases and hıre purchase contracts, cost of sales represents ınterest and sımılar costs, ın relatıon to operatıng leases, cost of sales also reflects runnıng expenses and amortısatıon of the assets computed ın a manner calculated to gıve effect to the ıncome recognıtıon polıcy descrıbed ın note 1 Cost of sales for operatıng leases also ıncludes provısıons arısıng on the permanent ımpaırment ın the resıdual value of an asset

b) Interest payable

	2007 £'000	2006 £'000
On loans from group undertakıngs repayable wıthın five years	22,108	22,033

As the company's busıness ıs maınly concerned wıth the provısıon of financıal servıces, ınterest payable has been ıncluded ın "Cost of sales" ın the profit and loss account

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Thıs ıs stated after chargıng/(credıtıng) the followıng	2007 £'000	2006 £'000
Depreciatıon of tangıble fixed assets leased to customers	69,736	68,998
Amount charged ın the year for rental on operatıng leases - other	807	794
Exceptıonal ıtem - reclaımed VAT on vehıcle leases	-	(1,723)

The current and prıor year audıt fees have been met by LeasePlan UK Lımıted and are ıncluded wıthın the Inula Holdıng UK Lımıted group financıal statements

In the year ended 31 December 2006, the company reclaımed VAT, prevıously paıd, on early termınated hıre purchase contracts amountıng to £1,723,000, of whıch £792,000 related to pre-2006

6 DIRECTORS' EMOLUMENTS

Durıng the year ended 31 December 2007 and 31 December 2006, the dırectors receıved no remuneratıon for theır servıces to the company

7. TAXATION

Analysıs of charge in the year	2007 £'000	2006 £'000
Corporatıon tax		
Charge at 30% on the profit for the year	(3,492)	(1,898)
Adjustment ın respect of prıor years	302	(454)
	(3,190)	(2,352)
Deferred tax		
Credıt/(charge) arısıng on tımıng dıfferences	41	(960)
Effect of change ın tax rate	(19)	-
Adjustment ın respect of prıor years	1,162	454
Total tax charge	(2,006)	(2,858)

The current tax charge ıs hıgher (2006 lower) than the UK Corporatıon tax rate at 30% and the dıfferences are explaıned below

	2007	2006
Profit on ordınary actıvıtıes before tax	11,505	9,526
Profit on ordınary actıvıtıes multıplıed by the standard rate of tax at 30%	(3,451)	(2,858)
Capıtal allowances for the year (below)/ın excess of deprecıatıon	(41)	960
Adjustment ın respect of prıor years	302	(454)
Total current tax charge	(3,190)	(2,352)

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2007
NOTES TO THE ACCOUNTS

7. TAXATION, continued

	Deferred taxation £'000
Balance at 1 January 2007	917
Movement arising on timing differences	(41)
Effect of change in tax rate	19
Adjustment in respect of prior year	(1,162)
Balance as at 31 December 2007	(267)

	2007	2006
The deferred tax balance comprises	£'000	£'000
Excess of capital allowances over depreciation	1,455	2,355
Provisions	(1,722)	(2,119)
Other	-	681
Balance as at 31 December 2007, classified to debtors (note 12)	(267)	917

8. DIVIDEND

	2007 £'000	2006 £'000
Dividend paid £nil (2006 £22 50 per £1 ordinary share)	-	5,000

9. TANGIBLE FIXED ASSETS LEASED TO CUSTOMERS

	Operating leases £'000
Cost	
At 1 January 2007	366,984
Additions	125,555
Disposals	(131,461)
At 31 December 2007	361,078
Accumulated Depreciation	
At 1 January 2007	113,490
Charge for the year	69,736
Disposals	(70,545)
At 31 December 2007	112,681
Net book value	
At 31 December 2007	248,397
At 31 December 2006	253,494

Included in the depreciation charge for the year above is a credit of £404,000 in respect of the residual values of the lease portfolio (2006 credit of £1,703,000)

Residual value maturity	2007	2006
The residual value exposure is aged as follows	£'000	£'000
Within one year	58,184	55,730
Within two to five years	94,501	94,801
	152,685	150,531

10. FIXED ASSET INVESTMENTS

	Subsidiary undertakings £'000
Cost and Net Book Value	
At 1 January 2007 & 31 December 2007	6

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2007
NOTES TO THE ACCOUNTS

10. FIXED ASSET INVESTMENTS, continued

Subsidiary undertakings

The company has the following subsidiary undertakings at 31 December 2007, all of which are incorporated in Great Britain All of these undertakings are registered in England and Wales All the shares are wholly owned The nature of their business, share capital and accounting year end dates are as follows

Company	Nature of business	Share Capital Ordinary shares of £1 each	Year End
Network Vehicles Limited	Dormant	10,000	31 December
Dial Vehicle Management Services Limited	Dormant	5,000	31 December

11 STOCK

	2007 £'000	2006 £'000
Motor vehicles	10,878	3,320

12 DEBTORS

	2007 £'000	2006 £'000
Amounts falling due within one year:		
Trade debtors	4,748	4,506
Finance lease receivables	41,006	30,937
Lease purchase receivables	29,737	31,904
Other debtors	18,097	16,586
Prepayments & accrued income	5,981	4,224
	99,569	88,157
Amounts falling due after more than one year:		
Finance lease receivables	96,189	64,724
Lease purchase receivables	59,115	54,515
Deferred tax (note 7)	267	-
	155,571	119,239
Total	255,140	207,396

Aggregate rentals received during the year under finance leases was £64,103,000 (2006 £47,875,000)

Residual value maturity	2007	2006
The residual value exposure is aged as follows	£'000	£'000
Within one year	25,618	24,057
Within two to five years	76,888	64,131
	102,506	88,188

13. CALLED UP SHARE CAPITAL AND RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS

Called up share capital	2007 £'000	2006 £'000
Authorised 222,000 ordinary shares of £1 each	222	222
Allotted, called up and fully paid 222,000 ordinary shares of £1 each	222	222

Consolidated Statement of movements of reserves and reconciliation of movement of equity shareholders' funds

	Share capital £'000	Share premium £'000	Profit & loss account £'000	2007 Total £'000	2006 Total £'000
Brought forward at 1 January	222	4,403	55,612	60,237	58,569
Profit & loss account	-	-	9,499	9,499	6,668
Dividends	-	-	-	-	(5,000)
Carried forward at 31 December	222	4,403	65,111	69,736	60,237

14. PROVISIONS FOR LIABILITIES

	Deferred taxation £'000
Brought forward at 1 January 2007	917
Reclassified to debtors (note 7)	(917)
Carried forward at 31 December 2007	-

15. CREDITORS

	2007 £'000	2006 £'000
Amounts falling due within one year		
Trade creditors	16,484	1,961
Amounts owed to group undertakings	412,830	381,766
Corporation tax	3,492	1,898
Other taxation and social security	905	289
Other creditors	1,309	1,160
Accruals and deferred income	7,277	8,129
	442,297	395,203
Amounts falling due after more than one year		
Accruals and deferred income	2,681	9,897
Total	444,978	405,100

Amounts due to other group undertakings are interest free, unsecured and repayable on demand

16 CAPITAL AND LEASE COMMITMENTS

Vehicles

At 31 December 2007 the company had commitments for motor vehicles ordered for future lease agreements but not delivered amounting to £31,878,000 (2006 £14,355,000)

Leases

The company had annual non-cancellable operating leases in the year to 31 December 2007 as follows

	Land and Buildings 2007 £'000	Land and Buildings 2006 £'000
Leases which expire		
Within one year	12	-
Within two to five years	600	609
After five years	195	185
	807	794

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2007
NOTES TO THE ACCOUNTS

17. RETIREMENT BENEFITS

Defined Contribution Scheme

The Company participates in a Group scheme operated by LeasePlan UK Limited which is a defined contribution scheme in which the assets are held separately from those of the group in an independently administered fund The pension cost charge for the year and contributions payable to the fund at 31 December 2007 are paid by LeasePlan UK Limited included in note 22 of the Inula Holding UK Limited group financial statements

Defined Benefit Scheme

The assets and liabilities of the former Dial Contracts Limited pension schemes have been assigned to LeasePlan UK Limited The scheme is now closed to new entrants

18. CASH FLOW STATEMENT

The company is a wholly owned subsidiary of LeasePlan Corporation NV incorporated in the Netherlands (see note 21) whose consolidated financial statements are publicly available and include a cash flow statement which incorporate the cash flows of this company In accordance with FRS 1 the directors consider that a cash flow statement is not required

19 SEGMENTAL INFORMATION

The company's sole activity is the provision of vehicle management services including vehicle acquisition, leasing, fleet management and contract hire and the sole market supplied was the United Kingdom

20 RELATED PARTY TRANSACTIONS

In the year ended 31 December 2007, the company received volume rebates from the Volkswagen Group in respect of vehicles purchased via independent dealerships amounting to £2,949,000 (2006 £2,199,000) The balance outstanding from Volkswagen Group at the end of the year in respect of these rebates was £129,000 (2006 credit £88,000)

Under FRS 8 the company is exempt from the requirement to disclose related party transactions with LeasePlan Corporation NV as it is a wholly owned subsidiary of that company, whose accounts are publicly available For the years ended 31 December 2007 and 31 December 2006 there were no other related party transactions requiring disclosure

21. ULTIMATE HOLDING COMPANY

At 31 December 2007, the directors regarded the consortium consisting of the Volkswagen Group (50%), Olyan Group (25%) and Mubadala Development Company (25%) as being the company's ultimate parent undertakings and Inula Holding UK Limited (a company incorporated in England and Wales) as the immediate parent company The consortium of Volkswagen Group, Olyan Group and Mubadala Development Company all own shares in the company Global Mobility Holding BV that owns the shares in LeasePlan Corporation NV The largest group in which the results of the company are consolidated is that headed by LeasePlan Corporation NV, the smallest is that headed by Inula Holdings UK Limited

The address of Inula Holding UK Limited from where a copy of the group accounts may be obtained is 165 Bath Road, Slough, Berks, SL1 4AA

The address of LeasePlan Corporation NV from where a copy of the group accounts may be obtained is P J Oudweg 41,1314 CJ Almere-Stad, PO Box 1085, 1300 BB Almere- Stad, Netherlands