DIAL CONTRACTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

Company Registration Number 707749

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2008
CONTENTS

DIAL CONTRACTS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Principal activities

The principal activities of the company continued to be vehicle leasing and fleet management.

The company is a subsidiary of Inula Holding UK Limited, which is part of LeasePlan Corporation NV, a worldwide organisation employing some 6,250 people with a portfolio of 1.4 million vehicles and a consolidated lease portfolio of €14.2 billion as at 31 December 2008.

Dial Contracts Limited operates several brands in niche markets, including Network and FleetLine and these enjoy strong positions in their own specific markets, each offering a comprehensive range of vehicle funding and management services to meet the needs of all fleets, from smaller businesses to multi-nationals.

On 31 December 2008, Dial Contracts Limited entered into an agreement with one of its group companies, LeasePlan UK Limited, to sell their trade and net assets at their book value for the consideration of £474m.

Business review

2008 was a challenging year that included the onset of the credit crunch together with residual value and liquidity challenges. With these threats there were opportunities for Dial Contracts Limited to continually review, examine and improve operational excellence.

Despite the economic downturn in the UK, Dial Contract Limited's new business volumes has grown with the total number of cars increasing by 5% and the value of leased assets increased to £207m, which was transferred to its parent company, LeasePlan UK Limited. However in line with the industry in general, the intense market competition has resulted in lower prices which has resulted in turnover dropping by 4% to £125m and an operating loss of (£11m) in 2008 due to a £13m increase in impairment provision relating to leased assets due to a downturn in the used car market. The market has improved significantly in 2009 and as a result management expect to reverse this in 2009 financial statements.

Strategy

On 31 December 2008, the company agreed to transfer its net assets to its parent company, LeasePlan UK Limited, who remains committed to profitable growth and continues its programme of strategic activities to help achieve this objective. The priority remains to provide market leading customer service, creating the difference through distinctive brands and a range of high quality and innovative services to customers. Combined with powerful customer oriented IT solutions such as quotations, e-invoicing and customer e-portals, the company continues to put customers at the heart of its strategy.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Inula Holding UK Limited, which include those of the company are discussed on page 2 of the Group's annual report which does not form part of this report.

Key Performance Indicators

The directors of Inula Holding UK Limited manage the group's operations on a divisional basis. The LPUK Managing Board analyse, review and manage the key performance indicators on a monthly basis to understand the development, performance and position of the business of Dial Contracts Limited.

RESULTS AND DIVIDENDS

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

No dividend was paid during the year (2007: £nil). The directors do not propose any further dividend payments for the year.

DIRECTORS

The Directors who served the company during the year and up to the date of signing these financial statements were:

V Daemi	D Stickland	(appointed 12 May 2008)
D Brennan	J D Boon	(resigned 4 June 2008)

DIAL CONTRACTS LIMITED
REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

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 and 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, available on infonet, the company's internal communication tool.

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;

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.

DIAL CONTRACTS LIMITED
REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

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.

INDEPENDENT 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

Niall Keartland

N R Keartland
Company Secretary
Date: 22/10/09.

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 2008 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 2008 and of its loss 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: 23 October 2009

DIAL CONTRACTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2008

	Note	2008 £'000	2007 £'000
Turnover	2	125,454	130,626
Cost of sales		(112,198)	(101,367)
Cost of sales before exceptional item	4	(99,105)	(101,367)
Exceptional item	4	(13,093)	-
Gross Profit		13,256	29,259
Administrative expenses		(24,234)	(17,754)
Operating (loss)/profit	5	(10,978)	11,505
Other interest receivable and similar income	7	2,234	-
(Loss)/profit on ordinary activities before taxation		(8,744)	11,505
Tax on (loss)/profit on ordinary activities	8	2,195	(2,007)
(Loss)/profit for the financial year	13	(6,549)	9,498

The results reflect the discontinued operations of the business. On 31 December 2008, the company transferred its operations to its parent company, LeasePlan UK Limited.

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

There is no material difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents.

DIAL CONTRACTS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 £'000	2007 £'000
ASSETS			
Fixed assets			
Tangible assets	9	-	248,397
Investments	10	-	6
Current assets			
Stocks	11	-	10,878
Debtors: Amounts falling due within one year	12	63,187	99,569
Debtors: Amounts falling due after more than one year	12	-	155,571
Cash at bank and in hand		-	293
		63,187	514,714
LIABILITIES			
Capital and reserves			
Called-up share capital	13	222	222
Share premium	13	4,403	4,403
Profit and loss account	13	58,562	65,111
Equity shareholders' funds	13	63,187	69,736
Creditors: Amounts falling due within one year	14	-	442,297
Creditors: Amounts falling due after more than one year	14	-	2,681
		63,187	514,714

The accounts were approved by the Board of Directors on 22 October 2009 and signed on its behalf by:

D Stickland
Director

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2008
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 in the United Kingdom.

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.

The company and all its subsidiaries are included in the consolidated financial statements of Inula Holding UK Limited.

b) Turnover

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) Stocks

Stocks relates to returned vehicles awaiting resale and new vehicle waiting to be leased. It 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

Turnover is the aggregate of income from finance leases, operating leases and fleet services as disclosed in note 1(b)

	2008 £'000	2007 £'000
The aggregate rentals receivable for the year for operating leases	101,249	101,022
Other income received during the year	24,205	29,604
	125,454	130,626

All of the company's turnover arose in the UK.

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2008
NOTES TO THE ACCOUNTS, continued

3. STAFF NUMBERS AND COSTS

The company has 42 direct employees (2007: 59). The total cost relating to these employees and the re-charge from LeasePlan UK Limited of the company's share of employee costs for shared functions used by the company was £7,635,000 (2007: £7,398,000).

4 . COST OF SALES

a) Cost of sales

In relation to finance leases and hire purchase contracts, cost of sales represents interest and similar costs; in relation to operating leases, cost of sales also reflects running expenses and amortisation of the assets computed in a manner calculated to give effect to the income recognition policy described in note 1. Cost of sales for operating leases also includes provisions arising on the permanent impairment in the residual value of an asset.

Included in the costs of sales is an exceptional item relating to a £13.1m increase in impairment provision on leased assets due to a downturn in the used car market. The market has improved significantly in 2009 and as a result management expects to reverse this in 2009 financial statements.

b) Interest payable	2008	2007
	£'000	£'000
On loans from group undertakings repayable within five years:	24,876	22,108

As the company's business is mainly concerned with the provision of financial services, interest payable has been included in "Cost of sales" in the profit and loss account.

5. OPERATING (LOSS)/PROFIT

This is stated after charging the following:	2008 £'000	2007 £'000
Depreciation of tangible fixed assets leased to customers	78,520	69,736
Amount charged in the year for rental on operating leases - buildings	795	807

The current and prior year audit fees have been met by LeasePlan UK Limited and are included within the Inula Holding UK Limited consolidated financial statements. The total fees borne by the group were £238,000 (2007: £212,000), of which £20,000 (2007: £nil) related to non-audit work.

6. DIRECTORS' EMOLUMENTS

During the year ended 31 December 2008 and 31 December 2007, the directors received no remuneration for their services to the company.

7. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

In 2008, the company received from HM Revenue and Customs interest payments of £2,234,000 (2007: £nil) on overpaid value added tax.

8. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the year	2008 £'000	2007 £'000
Current tax		
UK corporation tax on (loss)/profit for the year	(1,575)	(3,492)
Adjustment in respect of prior years	(3,327)	302
Total current tax	(4,902)	(3,190)
Deferred tax		
Origination and reversal of timing differences	4,067	40
Change in tax rate	(72)	(19)
Adjustment in respect of prior years	3,102	1,162
Tax on (loss)/profit on ordinary activities	2,195	(2,007)

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2008
NOTES TO THE ACCOUNTS, continued

8. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES, continued

	2008	2007
	£'000	£'000
The current tax charge is higher (2007: lower) than the UK Corporation tax rate at 28.5% (2007: 30%) and the differences are explained below:		
(Loss)/profit on ordinary activities before tax	(8,744)	11,505
(Loss)/profit on ordinary activities multiplied by the standard rate of tax at 28.5% (2007: 30%)	2,492	(3,452)
Capital allowances for the year less than depreciation	(4,067)	(40)
Adjustment in respect of prior years	(3,327)	302
Total current tax	(4,902)	(3,190)

	Deferred taxation £'000
Balance at 1 January	(267)
Movement arising on timing differences	(4,067)
Effect of change in tax rate	72
Adjustment in respect of prior year	(3,102)
Transfer to LeasePlan UK Limited	7,364
Balance as at 31 December	-

Composition of deferred tax balance	2008	2007
The deferred tax balance comprises:	£'000	£'000
Excess of capital allowances over depreciation	(1,655)	1,455
Provisions	(5,709)	(1,722)
Other	-	-
Transfer to LeasePlan UK Limited	7,364	-
Balance as at 31 December	-	(267)

9. TANGIBLE ASSETS LEASED TO CUSTOMERS

	Operating leases £'000
Cost:	
At 1 January 2008	361,078
Additions	103,006
Disposals	(131,000)
Transfer to LeasePlan UK Limited	(333,084)
At 31 December 2008	-
Accumulated Depreciation:	
At 1 January 2008	112,681
Charge for the year	78,520
Disposals	(71,525)
Transfer to LeasePlan UK Limited	(119,676)
At 31 December 2008	-
Net book value:	
At 31 December 2008	-
At 31 December 2007	248,397

Included in the depreciation charge for the year above is an impairment charge of £13,093,000 in respect of the residual values of the lease portfolio (2007: credit of £404,000).

9. TANGIBLE ASSETS LEASED TO CUSTOMERS, continued

Residual value maturity	**2008**	**2007**
The residual value exposure is aged as follows:	**£'000**	**£'000**
Within one year	-	58,184
Within two to five years	-	94,501
	-	152,685

10. FIXED ASSET INVESTMENTS

	Subsidiary undertakings £'000
Cost and Net Book Value	
At 1 January 2008	6
Transfer to LeasePlan UK Limited	(6)
At 31 December 2008	-

Subsidiary undertakings

On 31 December 2008, the company transferred following subsidiary undertakings to its parent company, LeasePlan UK Limited, who liquidated the companies at balance sheet date. All of these undertakings were registered in England and Wales and incorporated in United Kingdom. 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. STOCKS

	2008 £'000	**2007 £'000**
Motor vehicles	-	10,878

12. DEBTORS

	2008	**2007**
Amounts falling due within one year:	**£'000**	**£'000**
Trade debtors	-	4,748
Amounts owed by group undertakings	63,187	-
Finance lease receivables	-	41,006
Lease purchase receivables	-	29,737
Other debtors	-	18,097
Prepayments and accrued income	-	5,981
	63,187	99,569
Amounts falling due after more than one year:		
Finance lease receivables	-	96,189
Lease purchase receivables	-	59,115
Deferred tax (note 8)	-	267
	-	155,571
Total	63,187	255,140

Aggregate rentals received during the year under finance leases was £68,856,000 (2007: £64,103,000).

12. DEBTORS, continued

Residual value maturity

The residual value exposure is aged as follows:	2008 £'000	2007 £'000
Within one year	-	25,618
Within two to five years	-	76,888
	-	102,506

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

Called up share capital

	2008 £'000	2007 £'000
Authorised: 222,000 ordinary shares of £1 each	222	222
Allotted and fully paid: 222,000 ordinary shares of £1 each	222	222

Consolidated statement of movements of reserves and reconciliation of movement in shareholders' funds

	Share capital £'000	Share premium £'000	Profit and loss account £'000	2008 Total £'000	2007 Total £'000
At 1 January	222	4,403	65,111	69,736	60,237
(Loss)/profit for the financial year	-	-	(6,549)	(6,549)	9,499
At 31 December	222	4,403	58,562	63,187	69,736

14. CREDITORS

	2008 £'000	2007 £'000
Amounts falling due within one year		
Trade creditors	-	16,484
Amounts owed to group undertakings	-	412,830
Corporation tax	-	3,492
Other taxation and social security	-	905
Other creditors	-	1,309
Accruals and deferred income	-	7,277
	-	442,297
Amounts falling due after more than one year		
Accruals and deferred income	-	2,681
Total	-	444,978

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

15. CAPITAL AND LEASE COMMITMENTS

Vehicles

At 31 December 2008 the company had commitments for motor vehicles ordered for future lease agreements but not delivered amounting to £nil (2007: £31,878,000).

Leases

The company had annual non-cancellable operating leases in the year to 31 December 2008 as follows:

Land and Buildings	2008 £'000	2007 £'000
Leases which expire:		
Within one year	-	12
Within two to five years	-	600
After five years	-	195
	-	807

On 31 December 2008, the company transferred its lease commitments to its parent company, LeasePlan UK Limited.

16. 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 2008 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.

17. CASH FLOW STATEMENT

The company is a wholly owned subsidiary of LeasePlan Corporation NV incorporated in the Netherlands (see note 20) whose consolidated financial statements are publicly available and include a cash flow statement which incorporate the cash flows of this company. In accordance with Financial Reporting Standard 1 'cash flow statements' (revised 1996), the directors consider that a cash flow statement is not required.

18. 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.

19. RELATED PARTY TRANSACTIONS

In the year ended 31 December 2008, the company received volume rebates from the Volkswagen Group in respect of vehicles purchased via independent dealerships amounting to £nil (2007: £2,949,000). The balance outstanding from Volkswagen Group at the end of the year in respect of these rebates was £nil (2007: £129,000).

Under Financial Reporting Standard 8 'related party disclosures', 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 2008 and 31 December 2007 there were no other related party transactions requiring disclosure.

20. ULTIMATE HOLDING COMPANY

At 31 December 2008, 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 consolidated accounts may be obtained is 165 Bath Road, Slough, Berks, SL1 4AA.

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