

**Nandina Limited**  
(Registered Number: 2734290)

**Directors' Report and Financial Statements**  
**Year ended 31 December 2007**

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**Company Information**

**Directors**

D G Berry  
W J Flynn  
D Harvey  
R D Hunkin  
M S Johar  
A R Punch  
C J V Shave

**Company Secretary**

FN Secretary Limited

**Registered Office**

53-61 College Road  
Harrow  
Middlesex  
HA1 1FB

**Company Auditor**

KPMG Audit Plc  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

**Directors' Report**  
**Year ended 31 December 2007**

The directors have pleasure in presenting their Directors' Report and financial statements for Nandina Limited ('the Company') for the year ended 31 December 2007

**Principal activities**

The Company has not traded during the current and preceding financial year and it is not expected to trade in the foreseeable future. The only transactions in the current and prior year relate to interest expense associated with the Company's cumulative redeemable preference shares

**Results and dividends**

The results for the year are shown in the profit and loss account on page 5, which shows a loss for the financial year of £473,880 (2006 £418,076)

The directors do not recommend the payment of a dividend on the ordinary shares for the year (2006 £Nil)

**Directors**

The directors who held office during the year and up to the date of this Directors' Report were

R D Hunkin	
A R Punch	
C J V Shave	
W J Flynn	(appointed 19 July 2007)
D G Berry	(appointed 6 November 2007)
D Harvey	(appointed 6 November 2007)
M S Johar	(appointed 20 December 2007)
M R Bellora	(resigned 5 October 2007)
E M Sully	(resigned 28 September 2007)

**Disclosure of information to auditors**

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

**Directors' Report (continued)**  
**Year ended 31 December 2007**

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable 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 Company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

**Auditors**

In accordance with Section 379A of the Companies Act 1985, the Company has elected to dispense with the following obligations:

- to lay accounts and reports before general meetings
- to hold annual general meetings
- to appoint auditors annually

KPMG Audit Plc will therefore continue in office

**By Order of the Board**



For and on behalf of  
FN Secretary Limited, Secretary  
1 May 2008

53 - 61 College Road  
Harrow  
Middlesex  
HA1 1FB

**Independent auditors' report to the members of Nandina Limited**

We have audited the financial statements of Nandina 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.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 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.

*KPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
1 May 2008

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

**Profit and Loss Account  
Year ended 31 December 2007**

	Note	2007 £	2006 £
Interest payable and similar charges	2	(473,880)	(418,076)
<b>Loss on ordinary activities before taxation</b>	3	<b>(473,880)</b>	<b>(418,076)</b>
Taxation	5	-	-
<b>Loss for the financial year</b>	8, 9	<b>(473,880)</b>	<b>(418,076)</b>

All amounts relate to discontinued operations

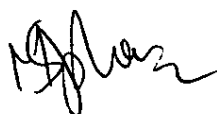
There are no recognised gains and losses for the current and preceding financial year other than the loss disclosed above. Accordingly, no statement of total recognised gains and losses has been prepared.

**Balance Sheet**  
**As at 31 December 2007**

	Note	2007 £	2006 £
Creditors: amounts falling due within one year	6	(31,133,833)	(30,659,953)
<b>Net current liabilities</b>		<b>(31,133,833)</b>	<b>(30,659,953)</b>
<b>Net liabilities</b>		<b>(31,133,833)</b>	<b>(30,659,953)</b>
<b>Capital and reserves</b>			
Called up share capital	7	100	100
Capital redemption reserve	8	200,000	200,000
Profit and loss account	8	(31,333,933)	(30,860,053)
<b>Shareholder's deficit</b>	9	<b>(31,133,833)</b>	<b>(30,659,953)</b>

These financial statements were approved by the Board of Directors on 1 May 2008

Signed on behalf of the Board of Directors



**M S Johar**  
**Director**

**Notes to the Financial Statements  
Year ended 31 December 2007****1. Accounting Policies**

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

There have been no changes in accounting policy during the current year

**Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 1985 and applicable United Kingdom Accounting Standards

The directors have prepared these financial statements on a going concern basis on the assumption that the immediate parent company, GE Money Home Finance Limited, will provide financial support and is able to do so, if necessary, in order to enable the company to continue as a going concern

**Financial instruments issued by the Company**

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions

- a) They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) Where the instrument may or will be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's shares, the amounts presented in these financial statements for called up share capital and share premium exclude amounts in relation to these shares

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

**Current taxation**

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



**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2007**

**1. Accounting policies (continued)**

**Deferred taxation**

Full provision is made for deferred tax liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. However, a net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**Related party transactions**

The Company, as a wholly owned subsidiary undertaking of General Electric Company, has taken advantage of an exemption contained in FRS 8, "Related Parties", in preparing its financial statements. This exemption allows the Company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated financial statements of General Electric Company, in which the Company is included, are available to the public and can be obtained from the address given in note 11.

**Cash flow statement**

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary undertaking and its cash flows appear in a consolidated cash flow statement in the financial statements of a parent company which are available to the public.

**2 Interest payable and similar charges**

	2007	2006
	£	£
Dividends of 8.85% (2006: 7.81%) due on Class 'A' cumulative redeemable preference shares	473,880	418,076

The cumulative redeemable preference share dividends are now classified as an interest expense.

**3. Notes to the Profit and Loss Account**

Auditors' remuneration in the current and prior year was borne by another group company on behalf of the Company. The audit fee in respect of the Company was:

	2007	2006
	£	£
Fees for the audit of the Company	2,100	2,000

Fees paid for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated accounts of the Company's parent undertaking, GE Money Home Lending Holdings Limited, are required to disclose non-audit fees on a consolidated basis.

**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2007**

**4. Information regarding directors and employees**

The Company paid for no directors' remuneration (2006 £Nil) None of the directors have any pension benefits provided by the Company (2006 £Nil)

There are no direct employees of the Company (2006 Nil) Employees are remunerated by another group company, under their contracts of employment with that company There were no recharged costs to the Company in the current and preceding year Full disclosure regarding directors and employees can be found in the financial statements of GE Money Home Lending Holdings Limited

The emoluments of the directors are borne by other subsidiaries of General Electric Company They are directors of other group companies and do not specifically receive any remuneration in respect of their services to the Company Consequently their emoluments are not disclosed within these financial statements

**5. Taxation**

	2007	2006
	£	£
<b>a) Analysis of the charge in the year</b>		
Current tax at 30% (2006 30%)	-	-
<b>Total current tax</b>	-	-
<b>Tax on loss on ordinary activities</b>	-	-

**b) Factors affecting the current tax charge in the year**

The current tax assessed for the year is higher than the standard rate of corporation tax, in the UK (30%) The difference is explained below

Loss on ordinary activities before tax	(473,880)	(418,076)
Current tax at 30% (2006 30%)	(142,164)	(125,423)
Effects of Expenses not deductible for tax purposes	142,164	125,423
<b>Current tax charge</b>	-	-

**c)** From 1 April 2008 the rate of UK corporation tax changes from 30% to 28% There are no other factors that may significantly affect future tax charges.

**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2007**

**6. Creditors: amounts falling due within one year**

	2007	2006
	£	£
Amounts owed to group undertakings	18,846,882	18,846,882
Preference share capital classified as liabilities (Note 7)	5,350,000	5,350,000
Unpaid preference share dividends payable	6,927,551	6,453,671
Accruals and deferred income	9,400	9,400
	<b>31,133,833</b>	<b>30,659,953</b>

In respect of loans due to the immediate parent undertaking totalling £18,846,882, security of a debenture from the Company in a form required by the immediate parent undertaking has been provided. These amounts are interest free with no fixed repayment date.

Details of rights and obligations attaching to the preference share capital and associated unpaid preference share dividends are shown below.

The Company has the right to redeem the preference shares subject to

- a) the provisions of the Companies Act 1985 (as amended by the Companies Act 1989), and
- b) any arrears deficiency or accruals of the cumulative preference dividend being paid.

The Company shall redeem the preference shares when required to do so by the holders provided that no requirement is made until all monies borrowed have been repaid in full or it has been agreed that the Company will be released from the liability.

There is no premium payable upon the redemption of the cumulative redeemable Class 'A' Preference Shares. The cumulative redeemable Class 'A' Preference Shares are entitled to a cumulative dividend of LIBOR plus 3% on the paid up amount of each share. On return of capital or otherwise, these shares shall receive priority over all other shares in issue at the end of the financial period. Shareholders of these shares are not entitled to vote at general meetings.

**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2007**

**7. Called up share capital**

	2007	2006
	£	£
<b>Authorised:</b>		
100 ordinary shares of £1 each	100	100
5,350,000 class 'A' cumulative redeemable preference shares of £1 each	5,350,000	5,350,000
200,000 class 'B' preference shares of £1 each	200,000	200,000
	<b>5,550,100</b>	<b>5,550,100</b>

**Allotted, called up and fully paid:**

100 ordinary shares of £1 each	100	100
5,350,000 class 'A' cumulative redeemable preference shares of £1 each	5,350,000	5,350,000
	<b>5,350,100</b>	<b>5,350,100</b>

As described in note 1, the Company is now required to classify its preference shares as liabilities. As a result, full details of the rights and obligations attaching to the preference shares are now shown in note 6

	2007	2006
	£	£
Shares classified as liabilities (Note 6)	5,350,000	5,350,000
Shares classified as shareholder's funds	100	100
	<b>5,350,100</b>	<b>5,350,100</b>

**8. Reserves**

**Profit and loss account**

	2007	2006
	£	£
At 1 January	(30,860,053)	(30,441,977)
Loss for the year	(473,880)	(418,076)
At 31 December	<b>(31,333,933)</b>	<b>(30,860,053)</b>

**Capital redemption reserve**

	2007	2006
	£	£
At 1 January and 31 December	<b>200,000</b>	<b>200,000</b>

**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2007**

**9. Reconciliation of movements in shareholder's deficit**

	2007	2006
	£	£
Loss for the financial year	(473,880)	(418,076)
Opening shareholder's deficit	(30,659,953)	(30,241,877)
Closing shareholder's deficit	(31,133,833)	(30,659,953)

**10. Capital and financial commitments**

The Company had no capital or financial commitments at 31 December 2007 or 31 December 2006

**11. Ultimate parent company and parent undertaking of larger group**

The directors regard GE Money Home Finance Limited, a company incorporated in England and Wales, as the immediate parent undertaking

The largest group in which the results of the Company are consolidated is that headed by the ultimate parent company, General Electric Company, incorporated in the United States of America. The consolidated financial statements of General Electric Company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06828, USA or [www.ge.com](http://www.ge.com)

The smallest group in which the results of the Company are consolidated is that of GE Money Home Lending Holdings Limited, incorporated in Great Britain. The consolidated financial statements of GE Money Home Lending Holdings Limited are available to the public and may be obtained from Building 4, Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire WD18 8YF