

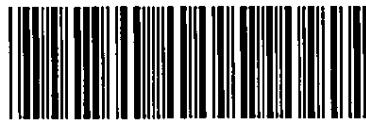
GENERAL LEASING LIMITED

(Registered No. 4300352)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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GENERAL LEASING LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2007**

The directors present their directors' report and the audited financial statements for the year ended 31 December 2007

1 Principal activity

The principal activity of the company was the leasing of computer hardware and other equipment to BUPA group companies

2 Business Review

The finance lease arrangements were terminated as at 31 December 2006. The company did not enter into any leasing arrangements during 2007 and the directors do not expect the company to enter into any new leasing arrangements in the coming year. The company continues to receive interest.

3 Results

The profit for the year, before taxation, amounted to £2,939,827 (2006 £4,389,512). No dividend is proposed for 2007 (2006 £Nil).

4 Directors

The names of persons who were directors at any time during the year are as follows

J P Davies

B D J Kent

Resigned 1 November 2007

F D Gregory

Appointed 1 November 2007

R King

N T Beazley

5 Auditors

Pursuant to a shareholders resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

6 Companies (Audit, Investigations and Community Enterprise) Act 2004

As at the date of this report, indemnities are in force under which the company has agreed to indemnify the directors, to the extent permitted by law and the company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the company.

7 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.

8 Financial Reporting Standards

The ultimate parent undertaking has prepared Group accounts in accordance with International Financial Reporting Standards (IFRS). The company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards.

Registered Office

BUPA House
15-19 Bloomsbury Way
London
WC1A 2BA

20 March 2008

By Order of the Board



For and on behalf of
BUPA Secretaries Limited
Secretary

GENERAL LEASING LIMITED

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

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

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

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 judgements 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.

GENERAL LEASING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERAL LEASING LIMITED

We have audited the financial statements of General Leasing Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, Reconciliation of Movements in Shareholders Funds 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 2.

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 judgements 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 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.

KPMG Audit MC

KPMG Audit Plc
Chartered Accountants
Registered Auditor
20 March 2008

8 Salisbury Square
London EC4Y 8BB

GENERAL LEASING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<i>Note</i>	2007 £	2006 £
Turnover		-	838,936
Operating expenses		<u>219,732</u>	<u>(772,110)</u>
Operating profit		219,732	66,826
Exceptional items	7	-	4,991,551
Interest receivable and similar income	5	3,347,525	282,708
Interest payable and similar charges	6	<u>(627,430)</u>	<u>(951,573)</u>
Profit on ordinary activities before taxation	2	2,939,827	4,389,512
Tax charge on profit on ordinary activities	8	<u>(877,786)</u>	<u>(1,516,727)</u>
Profit for the financial year		<u><u>2,062,041</u></u>	<u><u>2,872,785</u></u>

The operating profit is all derived from discontinued operations

There were no recognised gains and losses other than the profit for the year

There were no material differences between reported profit and losses and historical profit and losses on ordinary activities before and after taxation

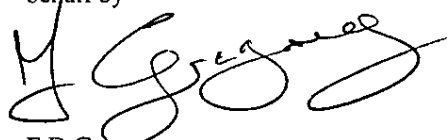
The accounting policies and notes on pages 7 to 12 form part of these Financial Statements

GENERAL LEASING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	<i>Note</i>	2007 £	2006 £
Intangible Fixed Assets	9	-	-
Current assets			
Debtors due within one year	10	77,142,097	79,275,988
Cash at bank and in hand		<u>68,214</u>	<u>377</u>
		77,210,311	79,276,365
Creditors' amounts falling due within one year	11	<u>(921,242)</u>	<u>(1,968,300)</u>
Net current assets		76,289,069	77,308,065
Creditors' amounts falling due after more than one year	12	<u>(17,824,081)</u>	<u>(20,905,118)</u>
Net assets		<u>58,464,988</u>	<u>56,402,947</u>
Capital and reserves			
Called up share capital	13	62,900,001	62,900,001
Profit and loss account	14	<u>(4,435,013)</u>	<u>(6,497,054)</u>
Equity shareholders' funds		<u>58,464,988</u>	<u>56,402,947</u>

These financial statements were approved by the Board of Directors on 20 March 2008 and were signed on its behalf by



F D Gregory
Director

The accounting policies and notes on pages 7 to 12 form part of these Financial Statements

GENERAL LEASING LIMITED

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 £	2006 £
Profit for the year	2,062,041	2,872,785
Net increase in shareholders' funds	2,062,041	2,872,785
Opening shareholders' funds	56,402,947	53,530,162
Closing shareholders' funds	<u>58,464,988</u>	<u>56,402,947</u>

GENERAL LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards under the historical cost accounting rules

(b) Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised 1996) to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of The British United Provident Association Limited, and its cash flows are included within the consolidated cash flow statement of that company

(c) Turnover

Turnover represents the gross earnings from finance leases and service charges of the discontinued operations. All turnover arises within the United Kingdom

(d) Related party transactions

As the company is a wholly owned subsidiary undertaking of The British United Provident Association Limited, a company registered in England and Wales, which publishes consolidated accounts, the company has pursuant to paragraph 17 of Financial Reporting Standard No 8 Related Party Disclosures (FRS 8) not included details of transactions with other BUPA group companies which are subsidiary undertakings of the BUPA group. There were no other related party transactions

(e) Taxation

The charge for taxation is based on the result for the period and takes into account deferred tax

Deferred tax is provided in full on all timing differences that have originated, but not reversed, at the balance sheet date which result in an obligation to pay more, or a right to pay less or to receive more tax with the following exceptions

- Provision is made for tax on gains arising from the revaluation of property to its fixed value, the fair value adjustment of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned and without it being possible to claim rollover relief. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charges to tax only where the replacement assets are sold

- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on current tax rates and laws

Trading losses surrendered to other subsidiary undertakings are made on a full payment basis

GENERAL LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 STATEMENT OF ACCOUNTING POLICIES - continued

(f) Finance leases

Assets acquired under finance leases are leased to other group undertakings under finance leases. The gross earnings from finance leases are recognised in the profit and loss account over the period of the lease and represent a constant proportion of the balance of the capital repayments outstanding. The investment in finance leases is stated in the balance sheet at the total of the gross minimum lease payments receivable under such agreements, less finance income allocated to future periods. This investment is classified as finance lease receivables.

The outstanding future lease obligations are shown in creditors. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding.

(g) Estimation techniques

The preparation of the accounts, as permitted by generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(h) Goodwill

Goodwill arising on acquisition of the leasing business from BHS Leasing (1992) Limited (representing the excess of the fair value of the purchase consideration over the fair value of net assets acquired) is capitalised on the balance sheet and is amortised over its estimated useful economic life on a straight line basis. Any impairment charge is included within operating profits.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007	2006
	£	£
<i>Profit on ordinary activities is stated after charging:</i>		
Sundry expenses	-	60,000
Impairment of goodwill	-	700,545

3 AUDITORS' REMUNERATION

	2007	2006
	£	£
Fees for the audit of the company	4,738	4,370

Fees for the audit of the company represent the amount receivable by the company's auditors. The amount may not be borne by the company.

Fees paid to the company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of BUPA, the ultimate parent undertaking, are required to disclose non-audit fees on a consolidated basis.

4. STAFF COSTS AND DIRECTORS' REMUNERATION

The company had no employees during the year (2006: nil) and consequently incurred no staff costs. No remuneration was paid to any of the directors for the period (2006: £nil).

GENERAL LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007	2006
	£	£
Receivable from Group undertakings	<u>3,347,525</u>	<u>282,708</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Payable to Group undertakings	627,430	341,430
Finance charges payable under finance leases	<u>-</u>	<u>610,143</u>
	<u>627,430</u>	<u>951,573</u>

7 EXCEPTIONAL ITEMS

The finance lease arrangements were terminated as at 31 December 2006 following reaching agreement with HMRC on a without prejudice basis and as a consequence the VAT creditor balance of £5,096,702 was written off to the profit and loss account. The early termination gave rise to a loss charged to the profit and loss account of £105,151.

	2007	2006
	£	£
Write-off of VAT creditor	-	5,096,702
Loss on termination	<u>-</u>	<u>(105,151)</u>
	<u>-</u>	<u>4,991,551</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007	2006
	£	£
(i) Analysis of tax charge		
<i>Current tax</i>		
UK corporation tax on profit for the year	881,948	1,556,384
Adjustments in respect of prior periods	<u>(4,162)</u>	<u>(9,385)</u>
Total current tax	877,786	1,546,999
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>-</u>	<u>(30,272)</u>
Tax on profit on ordinary activities	<u>877,786</u>	<u>1,516,727</u>

GENERAL LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

8 TAX ON PROFIT ON ORDINARY ACTIVITIES - continued

(ii) Factors affecting the tax charge

The tax charge for the year is lower (2006 higher) than the standard rate of corporation tax in the UK of 30% (2006 30%)

	2007 £	2006 £
Profit on ordinary activities before tax	<u>2,939,827</u>	<u>4,389,512</u>
Tax charge on profit ordinary activities at 30% (2006 30%)	881,948	1,316,854
Effects of		
Expenses not deductible for tax purposes	-	210,230
Adjustments to tax charge in respect of prior periods	(4,162)	(9,385)
Deferred tax on short term and other timing differences	-	30,272
Movement on deferred tax liability not recognised	-	(972)
Total current tax charge for the year	<u>877,786</u>	<u>1,546,999</u>

9. INTANGIBLE FIXED ASSETS

Goodwill

	2007 £	2006 £
Cost		
At 1 January and 31 December 2007	<u>1,118,730</u>	<u>1,118,730</u>
Amortisation and Impairment losses		
At the beginning of the year	(1,118,730)	(418,185)
Written down during the year	-	(700,545)
At the end of the year	<u>(1,118,730)</u>	<u>(1,118,730)</u>
Net Book Value		
At 31 December	<u>-</u>	<u>-</u>

10. DEBTORS

	2007 £	2006 £
Amounts falling due within one year.		
Amounts owed by Group undertakings	54,757,914	56,891,805
Prepayments and accrued income	<u>22,384,183</u>	<u>22,384,183</u>
	<u>77,142,097</u>	<u>79,275,988</u>

GENERAL LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

11 CREDITORS - amounts falling due within one year	2007	2006
	£	£
Amounts owed to Group undertakings	916,304	1,589,418
Other creditors	4,938	225,799
Accruals and deferred income	-	153,083
	<u>921,242</u>	<u>1,968,300</u>

12. CREDITORS - amounts falling due after more than one year.

	2007	2006
	£	£
Amounts owed to Group undertakings	<u>17,824,081</u>	<u>20,905,118</u>

13. SHARE CAPITAL	2007	2006
	£	£
Authorised		
75,000,000 ordinary shares of £1 each	<u>75,000,000</u>	<u>75,000,000</u>
Allotted, called-up and fully paid		
62,900,001 ordinary shares of £1	<u>62,900,001</u>	<u>62,900,001</u>

14 RESERVES

	Profit and loss account 2007 £
At the beginning of the year	(6,497,054)
Profit for the financial year	2,062,041
At the end of the year	<u>(4,435,013)</u>

15. CONTINGENT LIABILITIES

The company has given a guarantee and other undertakings, as part of the Group banking arrangements, in respect of the overdraft of certain other Group undertakings

Under a group registration the company is jointly and severally liable for value added tax due by certain other Group companies

GENERAL LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

16. IMMEDIATE / ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of BUPA Investments Limited, which is registered in England and Wales

The largest group in which the results of the company are consolidated is that headed by The British Provident Association Limited (BUPA), which is registered in England and Wales. The smallest group in which they are consolidated is that headed by BUPA Finance PLC, which is registered in England and Wales. No other group financial statements include the results of the company. The consolidated financial statements of these groups are available to the public from The Registrar of Companies, Cardiff, CF14 3UZ.