Pennant Vehicle Leasing Limited
Directors' Report and Financial Statements

31 December 2010
Registered number SC48123

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Directors' Report

The Directors present their report and the audited accounts for the year ended 31 December 2010.

Principal Activity

On 1 January 2010 the trade and assets of the company were transferred to its parent company, the Miller Group Ltd. Consequently the company did not trade in the year. As such the financial statements have not been prepared on a going concern basis.

Results and Dividend

The results for the year are set out in the Profit and Loss Account on page 4. No dividend was paid or proposed during the year.

Directors

The Directors who served during the year were:

Keith M Miller
John S Richards
Pamela J Smyth

Disclosure of Information to Auditor

The directors who held office at the date of approval of the Directors' report confirms, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of The Companies Act 2006, the auditors will be deemed to be reappointed and KMPG LLP will therefore continue in office.

By order of the Board

P J Smyth
Company Secretary

8th September 2011

Statement of Directors' Responsibilities

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).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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. As noted in note 1, the financial statements have not been prepared on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

KPMG

KPMG LLP
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Edinburgh
EH1 2EG
United Kingdom

Independent auditor's report to the members of Pennant Vehicle Leasing Limited

We have audited the financial statements of Pennant Vehicle Leasing Limited for the year ended 31 December 2010 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

30 September 2011

M Ross (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Profit and Loss Account
for the year ended 31 December 2010

	Notes	**2010**	2009
		£	£
Turnover	2	-	192
Cost of Sales		-	(115)
Gross profit		-	77
Administrative expenses		-	(92)
Operating loss	3	-	(15)
Net interest	6	-	5
Loss before taxation		-	(10)
Taxation	7	-	-
Loss for the financial year		-	(10)

Other than the loss for the prior year, there were no other recognised gains or losses.

Balance Sheet
at 31 December 2010

	Notes	**2010** **£000**	2009 £000
Fixed assets			
Tangible assets	*8*	-	5
Current assets			
Debtors	*9*	**95**	226
Creditors: amounts falling due within one year	*10*	-	(136)
Net current assets		**95**	90
Total assets less current liabilities		**95**	95
Capital and reserves			
Called up share capital	*11*	**100**	100
Profit and loss account	*12*	**(5)**	(5)
Shareholders' funds	*13*	**95**	95

These accounts were approved by the Board of Directors on 8th September 2011 and were signed on its behalf by:

Pamela J Smyth
Director

Notes

(forming part of the financial statements)

1. Accounting Policies

Basis of Accounting

The accounts are prepared under the historical cost basis and in accordance with applicable Accounting Standards which have been consistently applied.

During the year the company transferred the trade and assets of the company to its parent company, The Miller Group Limited. The company do not intend to acquire a replacement trade. As such the directors have not prepared the accounts on a going concern basis.

The company is exempt from the requirement of Financial Reporting Standard 1 (revised), to prepare a cash flow statement, as it is a wholly owned subsidiary undertaking of The Miller Group Limited and its cash flows are included within the consolidated cash flow statement of that company.

As the company is a wholly owned subsidiary of The Miller Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of The Miller Group Limited, within which this company is included, can be obtained from the address given in note 17.

Turnover

Turnover comprises invoiced sales from vehicle leasing operations, the value of work done during the year excluding Value Added Tax.

Depreciation

Depreciation of plant, equipment and vehicles is provided on the straight-line method over the estimated useful lives of the assets concerned. The main annual rates in use are as follows:

Plant, equipment and vehicles	25%

1. Accounting Policies (continued)

Leasing

Assets acquired under finance leases are included in tangible fixed assets at the outright purchase price equivalent. Depreciation is provided at rates designed to write off this amount using the straight-line method over the shorter of the estimated useful lives or the period of the leases. The capital element of future rentals is treated as a liability and the interest element is charged to the profit and loss account over the period of the lease in proportion to the balances outstanding.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2. Turnover

Turnover, all of which is generated in the United Kingdom, comprises:

	2010	2009
	£000	£000
Hire of plant and vehicles	-	192

3. Operating loss

	2010	2009
	£000	£000
This is stated after charging/(crediting) the following:		
Depreciation	-	9
Operating lease rentals - hire of plant and equipment	-	8
Auditors' remuneration - audit fees	-	1
Gain on disposal of fixed assets	-	(17)

4. Remuneration of Directors

None of the directors received any emoluments from the company during the year.

5. Staff Numbers and Costs

The average number of persons employed by the company, including Directors, during the year was as follows:

	2010	2009
	Number	Number
Administration	**Nil**	2

Notes *(continued)*

5. Staff Numbers and Costs (continued)

The aggregate payroll costs of these persons were as follows:

	2010 £000	2009 £000
Wages and salaries	-	70
Social security costs	-	5
Other pension costs	-	24
	-	99

6. Net Interest

	2010 £000	2009 £000
Interest receivable	-	5
Finance charges on leased assets	-	-
	-	5

7. Taxation

Analysis of tax charge in the year

	2010 £000	2009 £000
Deferred tax		
Origination/reversal of timing differences	-	-

Factors affecting the tax charge for the current year

The current tax charge for the year is the same (2009: lower) than the standard rate of corporation tax in the UK (28%). The differences are explained below.

	2010 £000	2009 £000
Current tax reconciliation		
Loss on ordinary activities before tax	-	(10)
Current tax at 28%	-	3
Effects of:		
Group relief for which nil consideration is given	-	(3)
	-	-

Notes *(continued)*

8. Tangible Assets

	Plant, Equipment And Vehicles £000
Cost	
At 1 January 2010	42
Transfers	(42)
At 31 December 2010	-
Depreciation	
At 1 January 2010	37
Charge for the year	-
Transfers	(37)
At 31 December 2010	-
Net book value	
At 31 December 2010	-
At 31 December 2009	5

Included in the net book value of Plant, Equipment and Vehicles is £nil (*2009:* £5,000) in respect of assets held under Hire Purchase contracts. Depreciation for the year on these assets was £nil (*2009: £9,000*).

9. Debtors

	2010 £000	2009 £000
Trade debtors	-	2
Amount owed by group undertakings	**95**	2
Prepayments and accrued income	-	222
	95	226

10. Creditors: amounts falling due within one year

	2010 £000	2009 £000
Bank overdraft	-	131
Other taxes and social security	-	5
	-	136

Notes *(continued)*

11. Share Capital

	2010	2009
	£000	£000
Equity		
Authorised, allotted, called up and fully paid		
400,000 Ordinary shares of 25p each	**100**	100

12. Profit and loss account

	2010
	£000
At beginning and end of year	(5)

13. Reconciliation of Movements in Shareholders' Funds

	2010	2009
	£000	£000
Loss for the financial year	-	(10)
Net reduction in shareholders' funds	-	(10)
Opening shareholders' funds	**95**	105
Closing shareholders' funds	**95**	95

14. Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2010	2009
	£000	£000
Operating leases which expire:		
Within one year	-	8
In the second to fifth years inclusive	-	8
	-	8

15. Cross guarantees

The company has with certain other subsidiaries, jointly guaranteed the borrowing facilities available to the parent company, The Miller Group Limited, and certain fellow subsidiaries.

The Miller Group Limited has committed banking facilities of £697m to March 2012 of which £514m was drawn down at 31 December 2010. These facilities are on an unsecured basis.

16. Post Balance Sheet Event

Following the year end the company has effected a capital reduction, reducing its issued share capital to one ordinary share of 25pence. Following the capital reduction it declared a dividend of £94,748 which was satisfied by a corresponding reduction in intercompany debtors.

17. Ultimate Parent Company

The company's ultimate parent company is The Miller Group Limited, which is registered in Scotland and incorporated in Great Britain. The accounts of The Miller Group Limited can be obtained from the Registrar of Companies.