

**EWENNY INTERMEDIATE
LIMITED**

Annual Report and Financial Statements

30 November 2010

Registered No 4126227



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COMPANY INFORMATION

DIRECTORS

I Horsfall
P Louden

SECRETARY

I Horsfall

AUDITORS

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

BANKERS

National Westminster Bank plc
65 Church Street
Bilston
West Midlands
WV14 0AX

REGISTERED OFFICE

Crestwood House
Birches Rise
Willenhall
West Midlands
WV13 2DB

DIRECTORS' REPORT

The Directors submit their report and financial statements for the year ended 30 November 2010

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company, which is a 100% wholly owned subsidiary of Ewenny Group Limited, is a management and holding company. The Directors believe the current level of activity will continue for the foreseeable future.

RESULTS AND DIVIDENDS

The profit after tax for the year amounted to £nil (2009: £nil).

No final dividends have been proposed (2009: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Penglais Investments Limited, its ultimate parent Company, and are not managed separately. Accordingly, the principal risks and uncertainties of Penglais Investments Limited, which include those of the Company, are discussed in the Directors' Report of Penglais Investments Limited for the year ended 30 November 2010, which does not form part of this report.

The Company is part of a wider group, whose ultimate parent undertaking is Penglais Investments Limited. The loans in Penglais Investments Limited are secured on the assets of all subsidiary companies.

GOING CONCERN

The Company is part of a wider Group, whose ultimate parent undertaking is Penglais Investments Limited. The loans in Penglais Investments Limited are secured on the assets of all subsidiary companies.

The Group continues to be dependent upon the support from its shareholders and lenders. The Directors consider that the lenders have continued to demonstrate their commitment to the Group during the current year, as they have been in continual communication with the Directors as regards to the performance of the Group, and have provided additional facilities to support the business to achieve its business plan, both during the period and subsequently. Based on those discussions with the lenders, the Directors believe that this support will continue for the foreseeable future.

The Directors have prepared detailed earnings and cash flow forecasts for the 2011 to 2013 financial years, in order to assess the likely levels of trading and associated operational and funding requirements during that period. These have been shared and agreed with all of the stakeholders of the Group. The Directors note that year to date trading of the year to 30 November 2011 continues to be broadly in line with those forecasts, and expect this level of performance to continue for the full year. Based on this assessment, the Board believe that the Group have adequate resources to continue trade as a going concern for the foreseeable future, and have therefore prepared the financial information contained herein on a going concern basis.

KEY PERFORMANCE INDICATORS ("KPIs")

The Company is a subsidiary holding company within the Penglais Investment Limited Group. As such, the Directors consider that KPI measures are not appropriate for the Company. The KPIs of the Penglais Investments Limited Group are discussed in the Directors' Report of Penglais Investments Limited for the year ended 30 November 2010, which does not form part of this report.

DIRECTORS

The Directors of the Company are

I Horsfall

P Loudon

B Burns Resigned 4 May 2010

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 of the profit or loss of the Company for that period.

In preparing those 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, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 that 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 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

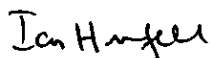
In the case of each of the persons who are Directors at the time when the report is approved the following applies:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

PricewaterhouseCoopers LLP were appointed as auditors during the year and have indicated their willingness to continue in office. A resolution that they be reappointed will be proposed at the annual general meeting.

By order of the board



I Horsfall
Secretary
4 August 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EWENNY INTERMEDIATE LIMITED

We have audited the financial statements of Eweny Intermediate Limited for the year ended 30 November 2010 which comprise the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, set out on page 3, 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 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 30 November 2010
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

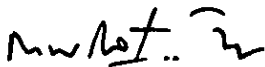
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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


Mike Robinson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

4 August 2011

Ewenny Intermediate Limited**BALANCE SHEET**

as at 30 November 2010

Registered No 4126227

	Notes	2010 £	2009 £
FIXED ASSETS			
Investments	5	59,070,692	4,500,000
		<u>59,070,692</u>	<u>4,500,000</u>
CURRENT ASSETS			
Debtors	6	4,104,927	4,104,927
		<u>4,104,927</u>	<u>4,104,927</u>
CREDITORS amounts falling due within one year	7	(3,971,434)	(3,971,434)
NET CURRENT ASSETS		<u>133,493</u>	<u>133,493</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		59,204,185	4,633,493
CREDITORS amounts falling due after more than one year	8	(42,000,000)	-
NET ASSETS		<u><u>17,204,185</u></u>	<u><u>4,633,493</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	4,625,707	4,500,000
Share premium	12	12,444,985	-
Profit and loss account	12	133,493	133,493
TOTAL SHAREHOLDERS' FUNDS		<u><u>17,204,185</u></u>	<u><u>4,633,493</u></u>

The financial statements on pages 5 to 9 were approved by the board of Directors on 4 August 2011 and were signed on its behalf by



I Horsfall
Director

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2010

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below.

There were no accounting transactions that required reporting within the profit and loss account for the Company in the year.

Going concern

The Company is part of a wider Group, whose ultimate parent undertaking is Penglais Investments Limited. The loans in Penglais Investments Limited are secured on the assets of all subsidiary companies.

The Group continues to be dependent upon the support from its shareholders and lenders. The Directors consider that the lenders have continued to demonstrate their commitment to the Group during the current year, as they have been in continual communication with the Directors as regards to the performance of the Group, and have provided additional facilities to support the business to achieve its business plan, both during the period and subsequently. Based on those discussions with the lenders, the Directors believe that this support will continue for the foreseeable future.

The Directors have prepared detailed earnings and cash flow forecasts for the 2011 to 2013 financial years, in order to assess the likely levels of trading and associated operational and funding requirements during that period. These have been shared and agreed with all of the stakeholders of the Group. The Directors note that year to date trading of the year to 30 November 2011 continues to be broadly in line with those forecasts, and expect this level of performance to continue for the full year. Based on this assessment, the Board believe that the Group have adequate resources to continue trade as a going concern for the foreseeable future, and have therefore prepared the financial information contained herein on a going concern basis.

Consolidated financial statements

The Company has not prepared consolidated financial statements as it is exempt from the requirement to do so by Section 400 of the Companies Act 2006 as it is a subsidiary undertaking of a company incorporated in Great Britain and is included in the consolidated financial statements of that company.

Investments

Investments are included in the financial statements at cost less provision for impairment.

Deferred tax

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred tax is calculated at the rate which it is estimated that tax will be payable. Deferred tax is measured on a non-discounted basis.

Statement of cash flows

The Company is exempt, under FRS 1 (revised 1996), from producing a Statement of Cash Flows in these financial statements, as it is a wholly owned subsidiary of another undertaking incorporated in the United Kingdom which has included a consolidated Statement of Cash Flows in its consolidated financial statements.

2. DIRECTORS AND EMPLOYEES

There are no employees other than the Directors noted on page 1. None of the Directors have received any remuneration for their services to the Company during the year.

3. AUDITORS' REMUNERATION

Auditors' remuneration in respect of the statutory audit of £4,100 (2009: £4,100) is paid on behalf of Ewenny Intermediate Limited by a fellow subsidiary of Penglais Investments Limited.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2010 (continued)

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis or charge in year

The Company was not liable to corporation tax, nor had any deferred tax charges

(b) Factors affecting tax charge for year

The tax assessed for the year is equal (2009 equal) to the standard rate of corporation tax in the UK 28% (2009 28%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 28% (2009 28%)	-	-
Effects of		
Adjustments to tax charge in respect of previous years		-
Transfer pricing adjustment	2,243	2,243
Group relief received for nil consideration	(2,243)	(2,243)
Current tax charge for year (note 4(a))	-	-

(c) Factors that may affect future charges

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement and March 2011 budget statement The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011 Further reductions to the main rate were proposed in March 2011 to reduce the rate by 1 per cent per annum from 26 per cent from March 2011 to 23 per cent by 1 April 2014 and were substantively enacted in July 2011 None of these changes had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

5. INVESTMENTS

Investment at cost in subsidiary undertakings

Cost	£ Shares	£ Loans	£ Total
At 30 November 2009	4,500,000	-	4,500,000
Share purchase	12,570,692	-	12,570,692
Loan issue	41,000,000	1,000,000	42,000,000
At 30 November 2010	58,070,692	1,000,000	59,070,692

During the year, 53,570,692 ordinary shares of 1p each were acquired in Ewenny Limited The consideration of £53,570,692 was settled by the capitalisation of £41,000,000 loan note, and £12,570,692 of inter company debt

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2010 (continued)

5. INVESTMENTS (continued)

Details of the investments in which the Company holds more than 10% of the nominal value of any class of share capital are as follows

	<i>Country of registration and operation</i>	<i>Holding</i>	<i>Proportion of shares and voting rights held</i>	<i>Nature of business</i>
Ewenny Ltd	England	Ordinary shares	100%	Holding company
Ewenny Ltd	England	Preference shares	100%	Holding company

The Preference Shares held in Ewenny Ltd have the right to a dividend equal to the redemption yield on the 2016 2½% Index Linked Gilt plus 1 242% increased each year in line with the Retail Prices Index from the date 30 days prior to the date of issue of the initial preference shares of 28 February 2001 to the date 30 days prior to the last day of the relevant Dividend Year, being the anniversary of the first issue of the preference shares. The income of £41,799 (2009 £33,515) has not been recognised in the financial statements of Ewenny Intermediate Limited as Ewenny Limited does not have sufficient distributable reserves to pay the dividend in the current year.

6. DEBTORS

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Due from fellow Group undertakings	<u>4,104,927</u>	<u>4,104,927</u>

A receivable of £342,573 (2009 £300,774) in relation to cumulative dividends receivable from Ewenny Limited has not been recognised on the basis that Ewenny Limited has insufficient reserves to pay the dividend, and is unlikely to be able to pay such dividend for the foreseeable future.

Loans to Group companies are unsecured, interest free and repayable on demand.

7. CREDITORS: amounts falling due within one year

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Due to fellow Group undertakings	<u>3,971,434</u>	<u>3,971,434</u>

Loans from Group companies are unsecured, interest free and repayable on demand.

8. CREDITORS: amounts falling due after one year

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Due to fellow Group undertakings (note 9)	<u>42,000,000</u>	<u>-</u>

9. LOANS

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Unsecured Loan due in greater than 5 years	<u>42,000,000</u>	<u>-</u>

The loan is unsecured, interest free and repayable on or before 24 August 2025.

10. DEFERRED TAX

The Company has no actual or potential liability to deferred tax at 30 November 2010 (2009 £nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2010 (continued)

11 SHARE CAPITAL

	<i>Authorised, called up and fully paid</i>	
	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
462,570,700 (2009 450,000,000) Ordinary shares of 1p each	4,625,707	4,500,000

During the year, 12,570,700 ordinary shares of 1p each were issued to the immediate parent undertaking Ewenny Group Limited. The consideration of £12,570,692 was settled by the capitalisation of inter company debt.

12 RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDERS' FUNDS AND MOVEMENTS IN RESERVES

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
As at 1 December 2009	4,500,000	-	133,493	4,633,493
Share issue	125,707	12,444,985	-	12,570,692
As at 30 November 2010	4,625,707	12,444,985	133,493	17,204,185

13 CONTINGENT LIABILITIES

The ultimate parent undertaking (note 15) has a fixed and floating charge placed over the assets of the Company and its subsidiary undertakings in order to guarantee the bank loans and overdrafts of its subsidiary undertakings.

14 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions allowed by FRS8 not to disclose transactions with related company undertakings, where the company which is a party to the transaction is wholly owned by a member of that Group.

15 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Ewenny Group Limited.

The Directors consider that at the year end Penglais Investments Limited was the ultimate controlling entity of the Group.

West Register (Investments) Limited, a subsidiary of The Royal Bank of Scotland Plc, owns 4,999 B ordinary shares and 4,999 D ordinary shares in Penglais Investments Limited, and holds 49.99% of the voting rights in that company.

Copies of Penglais Investments Limited financial statements may be obtained from

Penglais Investments Limited
Crestwood House
Birches Rise
Willenhall
West Midlands
WV13 2DB