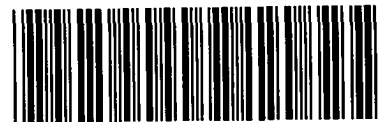


INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

REGISTERED NUMBER: 839688

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INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

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INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

DIRECTORS' REPORT

The directors present their annual report, together with the audited financial statements of the Company for the year ended 31 December 2013.

Principal activity / future developments

The company is a wholly owned subsidiary of Rentokil Initial plc Group ("the Group") and operates as part of the Group's central division. The principal activity of the company is that of a finance company. There have been no significant changes in the company's principal activity in the year under review. The directors do not intend, at the date of this report, that there will be any major changes in the company's activities in the next year.

During the year under review, the company's activities were consistent with that of a finance company.

The Rentokil Initial plc Group ("the Group") manages its operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the general central division of Rentokil Initial plc, which includes the company, is discussed in the Group's Annual Report that does not form part of this report.

Principal risks and uncertainties

The directors of Rentokil Initial plc manage the risks of the Rentokil Initial plc Group at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's 2013 Annual Report, which does not form part of this report.

Results and dividends

The profit for the year, after taxation, amounted to £7,743,000 (2012: loss of £431,000). No interim dividend was paid (2012: £nil). The directors do not recommend the payment of a final dividend for 2013 (2012: £nil).

Directors

P. Griffiths (resigned 23 July 2014)
G.T. Brown (resigned 22 March 2013)
C.B.T Filby
S. M. Ingall-Tombs

The directors named above held office throughout the year except where indicated.

INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

DIRECTORS' REPORT (CONTINUED)

Employees

The Company had no employees in the year under review and so there are no employee costs (2012: £nil).

Political and charitable contributions

The Company made no political or charitable donations during the year (2012: £nil).

Policy in relation to the payment of suppliers

The Company has no external suppliers and therefore there are no trade creditors at the year end from which to calculate creditor days.

Disclosure of information to auditor

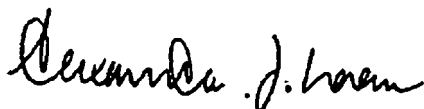
The directors who held office at the date of approval of this directors' report confirm that;

- 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

The external auditor KPMG Audit Plc has instigated an orderly wind down of their business. The Directors have decided to put KPMG LLP forward to be appointed as the external auditor and a resolution concerning their appointment will be put to the forthcoming AGM of the company.

By order of the board



Alexandra Laan
Secretary
2 City Place
Beehive Ring Road
Gatwick Airport
West Sussex
RH6 0HA

Company number: 839688

29 September 2014

INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

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).

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.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INITIAL IFF LIMITED

We have audited the financial statements of Initial IFF Limited for the year ended 31 December 2013 set out on pages 5 to 9. 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 auditor

As explained more fully in the Directors' Responsibilities Statement 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, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2013 and of its profit 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.



Richard De La Rue (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

29 September 2014

INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	<u>2013</u> £'000	<u>2012</u> £'000
Administrative expenses		-	(1)
Interest receivable and similar income	4	7,743	2,708
Interest payable and similar charges	5	-	(3,138)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	7,743	(431)
Taxation on profit on ordinary activities	6	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		7,743	(431)

The results of the year are wholly attributable to the continuing operations of the Company.

There is no difference between the loss on ordinary activities before taxation and the retained profit for the financial year and their historical cost equivalents.

The Company has no recognised gains and losses during the year, other than those recorded in the above profit and loss account; accordingly, no separate statement of total recognised gains and losses has been prepared.

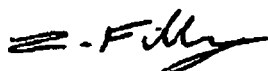
The notes on pages 7 to 9 form part of these financial statements.

INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	<u>2013</u> £'000	<u>2012</u> £'000
CURRENT ASSETS			
Debtors - amounts due within one year	7	135,976	104,283
Cash at bank and in hand		-	23,949
		<u>135,976</u>	<u>128,232</u>
NET ASSETS		<u>135,976</u>	<u>128,232</u>
CAPITAL AND RESERVES			
Called up share capital	8	100,211	100,211
Profit and loss account	9	35,765	28,021
SHAREHOLDERS' FUNDS	10	<u>135,976</u>	<u>128,232</u>

The financial statements on pages 5 to 9 were approved by the board on 29 September 2014 and were signed on its behalf by:



Christopher Filby
Director

The notes on pages 7 to 9 form part of these financial statements.

INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

NOTES TO FINANCIAL STATEMENTS

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 are no new standards or amendments to standards which are applicable to the Company for the financial year beginning 1 January 2013.

Basis of preparation

The financial statements have been prepared on a going concern basis, in accordance with applicable accounting standards and under historical cost accounting rules.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Rentokil Initial plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

Going concern

After making due enquires, the directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the accounts.

Foreign currency translation

Monetary items are translated into sterling at foreign exchange rates ruling at the balance sheet date, while revenue and expenses are translated at the rate prevailing on the date of the transaction.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There is no charge to the profit and loss account for auditor's remuneration as the costs of the company's audit are borne by another group company. The audit fee for 2013 was £2,550 (2012: £2,550).

3. EMPLOYEES' AND DIRECTORS' REMUNERATION

The company has no employees and accordingly there are no employee costs (2012: £nil). The directors received no emoluments in respect of qualifying services to the company, nor did they have any retirement benefits accruing to them under defined benefit pension schemes.

INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

NOTES TO FINANCIAL STATEMENTS CONTINUED

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2013</u> £'000	<u>2012</u> £'000
Intercompany interest receivable	628	2,708
Exchange gain on foreign currency transactions	7,115	-
	<u>7,743</u>	<u>2,708</u>

Exchange gain arising in 2013 is due to revaluation of intercompany loan of €125,000,000.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2013</u> £'000	<u>2012</u> £'000
Exchange loss on foreign currency transactions	-	3,138
	<u>-</u>	<u>3,138</u>

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES.

	<u>2013</u> £'000	<u>2012</u> £'000
Current Tax:		
Tax on profit on ordinary activities	-	-

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

Profit/(loss) on ordinary activities before tax	7,743	(431)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK - 23.25% (2012: 24.5%)	1800	(106)
Effects of:		
Loss (claimed from)/surrendered to another group company for nil consideration	(1800)	106
Current tax charge for the year	-	-

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

7. DEBTORS

	<u>2013</u> £'000	<u>2012</u> £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	135,976	104,283
	<u>135,976</u>	<u>104,283</u>

INITIAL IFF LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

NOTES TO FINANCIAL STATEMENTS CONTINUED

7. DEBTORS CONTINUED

Amounts owed by group undertakings are unsecured interest free loans totalling £135,975,952 (2012: £819,954) with no fixed repayment date. The interest bearing loan amount of €125,000,000 (£107,628,724) was repaid in March 2013 and replaced with an interest free loan for the same value.

8. SHARE CAPITAL

	<u>2013</u> £'000	<u>2012</u> £'000
<u>Alloted and fully paid:</u>		
100,211,149 ordinary shares of £1 each	100,211	100,211

9. RESERVES

	<u>Profit & Loss</u> <u>Account</u> £'000
As at 1 January 2013	28,021
Retained profit for the financial year	7,743
As at 31 December 2013	35,765

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2013</u> £'000	<u>2012</u> £'000
<u>Profit/(loss) after taxation</u>	7,743	(431)
Opening shareholders' funds	128,232	128,663
<u>Closing shareholders' funds</u>	135,975	128,232

11. ULTIMATE PARENT COMPANY

The Company's immediate parent company is BET (International) BV. The Company's ultimate parent company is Rentokil Initial plc, which forms the only group into which the financial statements of the Company are consolidated. The consolidated financial statements of Rentokil Initial plc are available from Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey, GU17 9AB.