

INTERMEDIATE FINANCE LIMITED
(formerly Intermediate Finance Plc)

Annual Report and Financial Statements

For the year ended

31 March 2013

(Company No - 03869792)

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INTERMEDIATE FINANCE LIMITED
(Formerly INTERMEDIATE FINANCE PLC)

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of Intermediate Finance Limited (Formerly Intermediate Finance plc) (the Company) is to act as a holding company. During the year the Company was re-registered as private, and consequently renamed as Intermediate Finance Limited, formerly Intermediate Finance plc.

The Company made a loss before taxation of £0.3m (2012: £0.7m) and a retained loss of £0.9m (2012: £1.8m). During the year the remaining financial assets were transferred to its ultimate parent company Intermediate Capital Group plc (ICG) at net book value. The Directors have no plans to make further investments or raise additional debt within this company and therefore expect the Company to remain dormant.

FINANCIAL RISK MANAGEMENT

The Company is a wholly owned subsidiary within ICG. Financial risk and operational management policies are determined for the Group as a whole and are set out in note 3 of the consolidated financial statements of ICG.

KEY PERFORMANCE INDICATORS (KPI'S)

The Company has realised or transferred all of its portfolio and as a result the Board does not specifically review KPIs for the Company. The Board of the ultimate parent company review a range of financial and non-financial KPI's on a group basis that are also applicable to the Company. These are set out in the Business Review of the consolidated financial statements of ICG.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's financial assets and liabilities are to group companies. Additional information on principal risks and uncertainties is given in note 9.

GOING CONCERN

The Directors believe that the Company has access to adequate financial resources, through ICG, to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and audited financial statements.

DIRECTORS

The Directors of the Company, who served throughout the year were

P H Keller
C A Evans

The Directors who held office at year end had no interests, as defined by the Companies Act 2006, in the shares of the Company at any time during the year. Their interests in the shares of the ultimate parent company, Intermediate Capital Group PLC, are disclosed in the financial statements of that company.

DIVIDEND

The Directors do not recommend a payment of a dividend for the year (2012: £nil).

INTERMEDIATE FINANCE LIMITED
(Formerly INTERMEDIATE FINANCE PLC)

DIRECTORS' REPORT (continued)

AUDITOR

A resolution for the re-appointment of Deloitte LLP will be proposed at the forthcoming Annual General Meeting

DIRECTORS INDEMNITY

The Company, through its ultimate parent company, Intermediate Capital Group PLC, has Directors and Officers Insurance for all Directors and executives that covers all employment related activities

AUDITOR

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the Director 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

By Order of the Board

P H Keller
Director
13 August 2013



INTERMEDIATE FINANCE LIMITED
(Formerly INTERMEDIATE FINANCE PLC)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 are required to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the accounts 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, International Accounting Standard 1 requires that Directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern

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 to 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERMEDIATE FINANCE LIMITED
(Formerly INTERMEDIATE FINANCE PLC)**

We have audited the financial statements of Intermediate Finance Limited (formerly Intermediate Finance PLC) for the year ended 31 March 2013 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flow and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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, 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

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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.



Calum Thomson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
13 August 2013

INTERMEDIATE FINANCE LIMITED
(Formerly INTERMEDIATE FINANCE PLC)

Statement of Comprehensive Income

for the year ended 31 March 2013

	<u>Note</u>	<u>2013</u>	<u>2012</u>
		<u>£m</u>	<u>£m</u>
Net loss on foreign exchange		(0 3)	(0 7)
LOSS BEFORE TAX		<u>(0 3)</u>	<u>(0 7)</u>
Tax expense	4	(0 6)	(1 1)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(0 9)</u>	<u>(1 8)</u>

The current and preceding years' activities are derived from continuing operations

Statement of Changes in Equity

for the year ended 31 March 2013

<u>2013</u>	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Balance at beginning of the year	62 6	11 2	73 8
Total Comprehensive loss for the year	-	(0 9)	(0 9)
	<u>62 6</u>	<u>10 3</u>	<u>72 9</u>
 <u>2012</u>			
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Balance at beginning of the year	62 6	13 0	75 6
Total Comprehensive loss for the year	-	(1 8)	(1 8)
	<u>62 6</u>	<u>11 2</u>	<u>73 8</u>

The accompanying notes are an integral part of these financial statements

Statement of Cash Flow

There were no cash movements in either the current or prior year, and the Company holds no cash
As a result no statement of cash flows has been presented

INTERMEDIATE FINANCE LIMITED
(Formerly INTERMEDIATE FINANCE PLC)

Statement of Financial Position

as at 31 March 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
		<u>£m</u>	<u>£m</u>
CURRENT ASSETS			
Trade and other receivables	5	73.2	98.2
Financial assets loans and investments	6	-	0.4
TOTAL ASSETS		<u>73.2</u>	<u>98.6</u>
 EQUITY AND RESERVES			
Called up share capital	7	62.6	62.6
Retained earnings		<u>10.3</u>	<u>11.2</u>
EQUITY SHAREHOLDERS' FUNDS		72.9	73.8
 CURRENT LIABILITIES			
Trade and other payables	8	<u>0.3</u>	<u>24.8</u>
		0.3	24.8
 TOTAL EQUITY AND LIABILITIES		<u>73.2</u>	<u>98.6</u>

These financial statements of Intermediate Finance Limited, registered number 03869792 were approved by the Board of Directors and authorised for issue on 13 August 2013

Signed on behalf of the Board of Directors by

P H Keller



INTERMEDIATE FINANCE LIMITED
(Formerly INTERMEDIATE FINANCE PLC)

Notes to the Accounts for the year ended 31 March 2013

1. GENERAL INFORMATION

Intermediate Finance Limited (formerly Intermediate Finance plc) is a company incorporated in the United Kingdom under the Companies Act with registration number 03869792. The address of the registered office is detailed on page 13. The nature of the Company's operations and principal activities are set out in the Directors' Report.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

<u>International Financial Reporting Standards (IAS/IFRS)</u>		<u>Accounting periods commencing after</u>
IFRS 9	Financial Instruments: Classification and measurement and additions to financial liability accounting	1 January 2015
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the company.

2. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted for use in the European Union.

The financial statements have been prepared on the historical cost basis, as modified to include the fair valuation of certain financial instruments.

The principal accounting policies are set out below.

(b) Going Concern

The financial statements have been prepared on the going concern basis as the Company is forecast to continue to meet its obligations as they fall due. The Company has sufficient financial resources, and is expected to continue in operational existence for the foreseeable future. ICG has confirmed its intention to support the Company to enable it to meet its obligations as they fall due, and has issued a legally binding letter of support to the Company to that effect. As a consequence, the Directors believe that the Company is well placed to manage its business.

(c) Taxation

Provision is made for taxation at the current enacted tax rates on taxable profits, arising in income or in equity, taking into account relief for overseas taxation where appropriate. Deferred taxation is accounted for in full for all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered.

INTERMEDIATE FINANCE LIMITED
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Notes to the Accounts for the year ended 31 March 2013

2. ACCOUNTING POLICIES (continued)

(d) Foreign exchange

The financial statements of the company are presented in the currency of the primary economic environment in which it operates. For the purpose of the financial statements, the results and financial position of the company are expressed in pounds sterling, which is the functional currency of the company and the presentation currency for the financial statements. The assets and liabilities of the company's foreign operations are translated using the exchange rates prevailing on the balance sheet date. The income and expense items are translated using the exchange rates at the date of the transactions. Exchange differences arising are classified as equity and transferred to the company's translation reserve.

Foreign currency monetary transactions are translated into sterling using the exchange rate prevailing at the dates of the transactions. At each balance sheet date, foreign currency monetary assets and liabilities are re-translated at the rates prevailing on the balance sheet date. Exchange differences on the retranslation of monetary items are recognised in the income statement for the period.

(e) Financial liabilities

All financial liabilities are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

3. ADMINISTRATIVE EXPENSES

The Directors did not receive any remuneration for their services to the company in the current or prior year. The Company has not employed any staff in the current or prior year. The auditor's remuneration in respect of the current and prior period was borne by the parent company. The audit fee for the year to 31 March 2013 was £7,000 (2012: £7,250).

INTERMEDIATE FINANCE LIMITED
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Notes to the Accounts for the year ended 31 March 2013

4. TAX EXPENSE

	<u>2013</u> <u>£m</u>	<u>2012</u> <u>£m</u>
Current tax	0.5	0.7
Adjustment to prior year tax	0.1	0.4
	<u>0.6</u>	<u>1.1</u>

The tax assessed for the year is higher (2012 higher) than that resulting from applying the standard rate of corporation tax in the UK 24% (2012 26%). The differences are explained below

	<u>2013</u> <u>£m</u>	<u>2012</u> <u>£m</u>
Loss on ordinary activities before tax	<u>(0.3)</u>	<u>(0.7)</u>
Tax at 24% thereon (2012 26%)	<u>(0.1)</u>	<u>(0.2)</u>
Effects of		
Permanent differences	0.6	0.9
Adjustment to prior period tax charge	0.1	0.4
Current tax charge for year	<u>0.6</u>	<u>1.1</u>

5. TRADE AND OTHER RECEIVABLES

	<u>2013</u> <u>£m</u>	<u>2012</u> <u>£m</u>
Amounts owed by group companies	73.2	96.6
Corporation tax debtor	<u>-</u>	<u>1.6</u>
	<u>73.2</u>	<u>98.2</u>

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value

INTERMEDIATE FINANCE LIMITED
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Notes to the Accounts for the year ended 31 March 2013

6. FINANCIAL ASSETS

	<u>2013</u> <u>£m</u>	<u>2012</u> <u>£m</u>
Loans and receivables held at amortised cost	-	0.4
	<u>-</u>	<u>0.4</u>

The Directors consider that the carrying amount of loans and receivables approximates their fair value

7. CALLED UP SHARE CAPITAL

	<u>2013</u> <u>£m</u>	<u>2012</u> <u>£m</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each (2012 2)	-	-
90.5m ordinary shares of 1 Euro each (2012 90.5m)	62.5	62.5
Allotted, called up and one quarter paid		
49,998 ordinary shares of £1 each (2012 49,998)	0.1	0.1
	<u>62.6</u>	<u>62.6</u>

Called up share capital has been translated at historical exchange rates which existed at the time of the share issue

8. TRADE AND OTHER PAYABLES

	<u>2013</u> <u>£m</u>	<u>2012</u> <u>£m</u>
Amounts due to group company	-	16.3
Other payables	-	8.5
Corporation tax creditor	0.3	-
	<u>0.3</u>	<u>24.8</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value. The amounts are unsecured, repayable on demand and non-interest bearing.

INTERMEDIATE FINANCE LIMITED
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Notes to the Accounts for the year ended 31 March 2013

9. FINANCIAL ASSETS AND LIABILITIES

The Company's financial assets and liabilities are to group companies and other creditors. No interest is charged or received on any outstanding balances.

(a) Foreign exchange risk

Financial assets and liabilities in currencies other than sterling give rise to foreign exchange gains and losses. Foreign exchange policies including those in relation to the Company are determined for the Group as a whole and are set out in note 3 of the consolidated financial statements of ICG PLC. The foreign currency exposure at year end in GBP equivalent is an exposure to USD of £0.4m. This balance arose as a result of intercompany transactions.

The Directors believe that the Company's sensitivity to movement in exchange rates is not material. This assessment is based on applying a measure of the volatility of the applicable currency profile, as defined in the Group's Treasury Policy set out in note 3 of the consolidated financial statements of ICG, to the net currency asset or liability at the balance sheet date.

(b) Credit risk

The carrying amount of financial assets before any impairments best represent the company's maximum credit exposure at the balance sheet date. The Company has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full amounts when due. The Company's counterparties are the Group companies and therefore there is minimal external credit risk exposure. Furthermore, the liquidity and capital funding of the Group's subsidiaries is managed on a group basis.

(c) Fair values

The carrying amount and estimated fair value of the Company's financial instruments are set out below:

	<u>2013</u>	<u>Fair value</u>	<u>2012</u>	<u>Fair value</u>
	<u>Carrying</u>		<u>Carrying</u>	
	<u>amount</u>		<u>amount</u>	
	£m	£m	£m	£m
Financial assets				
Loans and receivables	-	-	0.4	0.4
Trade and other receivables	73.2	73.2	96.6	96.6
Financial liabilities				
Trade and other payables	-	-	24.8	24.8

Due to the short term nature of the financial assets and liabilities the Directors consider the carrying value to be a good approximation of fair value.

INTERMEDIATE FINANCE LIMITED
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Notes to the Accounts for the year ended 31 March 2013

10. RELATED PARTY TRANSACTIONS

Balances and transactions due (to)/from the parent company and fellow subsidiaries are disclosed below

The following amounts were outstanding at the balance sheet date

	Due (to)/from <u>2013</u> <u>£m</u>	<u>2012</u> <u>£m</u>
ICG Plc	71.9	80.2
Intermediate Capital Investments Ltd	-	0.7
Intermediate Finance II Plc	-	(16.2)
Mezzanine Finance (Guernsey) Ltd	-	15.7
Intermediate Investments Guarantee Ltd	1.9	-
	<u>73.2</u>	<u>80.4</u>

Intermediate Capital Investments Ltd, Intermediate Finance II Plc, Mezzanine Finance (Guernsey) Ltd and Intermediate Investments Guarantee Ltd are considered to be related parties by virtue of the fact that they are also 100% owned by ICG Plc which is the company's ultimate parent company

11. PARENT COMPANY

The controlling party and ultimate parent company is Intermediate Capital Group PLC, a company incorporated in United Kingdom and registered in England and Wales. This is also the parent undertaking of the largest group which includes the Company and for which group financial statements are prepared. Copies of the consolidated financial statements of that company are obtainable from Juxon House, 100 St Paul's Churchyard, London EC4M 8BU. The intermediate parent company is Intermediate Finance (Guarantee) Limited.

INTERMEDIATE FINANCE LIMITED
(Formerly INTERMEDIATE FINANCE PLC)

CONTACTS AND ADVISORS

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