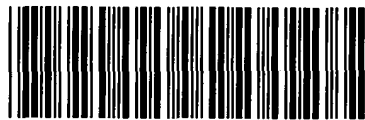


Company Registration No. 07813209

Isobel Intermediate HoldCo Limited

Annual report and financial statements for the year ended
31 December 2015

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Isobel Intermediate HoldCo Limited

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Isobel Intermediate HoldCo Limited

Officers and professional advisors

Directors

Robert Harper

Joseph Pedlow (resigned 1st July 2015)

Registered office

40 Berkeley Square

London

United Kingdom

W1J 5AL

Auditor

Deloitte LLP

2 New Street Square

London

EC4A 3BZ

Manager

The Blackstone Group International Partners

40 Berkeley Square

London

United Kingdom

W1J 5AL

Isobel Intermediate HoldCo Limited

Strategic report

Principal activity

The principal activity of Isobel Intermediate HoldCo Limited (the "Company") is to hold shares within the Isobel Group, as defined below. The Company is domiciled in the United Kingdom ('UK').

The Company was incorporated on 19 October 2011 and the Director is not aware, as at the date of this report, of any changes to the principal activities of the Company in the next year.

Business review and strategy

The Company is a wholly-owned subsidiary of Isobel Mezzanine Borrower Limited which is wholly-owned by Isobel HoldCo Limited. The ultimate parent company is The Royal Bank of Scotland Group plc ('RBS').

The Company was incorporated on 19 October 2011 and was dormant until 12 January 2012. On 12 January 2012 a direct subsidiary, Isobel AssetCo Limited, purchased a portfolio of loan assets from RBS, National Westminster Bank plc and Royal Bank of Scotland International Limited. The Company itself has not traded during the year except to hold investments in its direct subsidiaries Isobel AssetCo Limited, Isobel Loan Capital Limited and Isobel EquityCo Limited. These three subsidiaries together with the Company, Isobel Mezzanine Borrower Limited and Isobel HoldCo Limited are collectively known as the Isobel Group. All Key Performance Indicators are evaluated under the Isobel Group accounts.

The Company falls under the management of its parent, Isobel Holdco Limited and its operations are incorporated under the same risk and operational management procedures adopted by Isobel Holdco Limited and all the entities within the Isobel Group.

The principal risks that the Company faces is the loss of it's £2 investment in each of its subsidiaries and the non payment of the £100 loan the Company has made to its parent. The principal risks are therefore transferred to the parent entity, Isobel Mezzanine Borrower Limited as the Company is a wholly-owned subsidiary of its largest debtor.

Approved by the Board and signed on its behalf by:



Robert Harper

Director

14th June 2016

40 Berkeley Square
London
W1J 5AL

Isobel Intermediate HoldCo Limited

Directors' report

The director presents the annual report on the affairs of Isobel Intermediate HoldCo Limited (the "Company"), together with the financial statement and auditor's report for the year ended 31 December 2015.

Dividends

The director does not recommend the payment of a dividend for the year (2014: none).

Directors'

The directors' who served throughout the year was as follows:

- Robert Harper
- Joseph Pedlow (resigned 1st July 2015)

Directors' indemnity

The Company has made qualifying third party indemnity provisions for the benefit of its director which was made during the year and remains in force at the date of this report.

Going concern

The director has, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the director continues to adopt the going concern basis in preparing the annual financial statements.

The expenses of the Company are paid for by a subsidiary, Isobel AssetCo Limited. The director is of the opinion that Isobel AssetCo Limited has sufficient resources and cash flows to meet these expenses.

Auditor

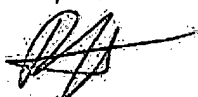
The director at the date of approval of this report confirm that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor are 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 auditors are aware of that information.

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

Deloitte LLP have expressed their willingness to continue in office and arrangements are being made for Deloitte LLP to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



Robert Harper
Director
14th June 2016

40 Berkeley Square
London
W1J 5AL

Isobel Intermediate HoldCo Limited

Director responsibilities statement

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the director 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, International Accounting Standard 1 requires that the 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 director is 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 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.

Isobel Intermediate HoldCo Limited

Independent auditor's report to the members of Isobel Intermediate HoldCo Limited

We have audited the financial statements of Isobel Intermediate HoldCo Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement, and the related notes 1 to 14. 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 Director's Responsibilities Statement, the director is 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 December 2015 and of its result 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 Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

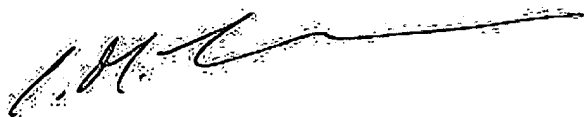
Isobel Intermediate HoldCo Limited

Independent auditor's report to the members of Isobel Intermediate HoldCo Limited

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 director's 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

Date: 16 June 2016

Isobel Intermediate HoldCo Limited

Statement of comprehensive income for the year ended 31 December 2015

The Company did not have any items of an income or expense nature (2014 : Nil) and as such no Statement of comprehensive income has been prepared.

Isobel Intermediate HoldCo Limited

Balance sheet

As at 31 December 2015

Company Registration No. 07813209

	Notes	2015 £	2014 £
Non-current assets			
Investment in subsidiaries	9	6	6
Loan to related party	10	100	100
Total assets		<u>106</u>	<u>106</u>
 Non-current liabilities			
Loan from related parties	11	(6)	(6)
Total liabilities		<u>(6)</u>	<u>(6)</u>
 Net assets		<u>100</u>	<u>100</u>
 Equity			
Called up share capital	12	100	100
Total equity		<u>100</u>	<u>100</u>

The statutory financial statements were approved by the director and authorised for the issue on 14th June 2016:



Robert Harper
Director

The notes on pages 11 - 14 form an integral part of these financial statements.

Isobel Intermediate HoldCo Limited

Statement of changes in equity for the year ended 31 December 2015

	Share capital £	Retained earnings £	Total equity £
Balance at 31 December 2013	100	-	100
Result for the year	-	-	-
Balance at 31 December 2014	100	-	100
Result for the year	-	-	-
Balance at 31 December 2015	100	-	100

Isobel Intermediate HoldCo Limited

Cash flow statement for the year ended 31 December 2015

There has been no cashflows during the year (2014 : Nil) and therefore no cash flow statement has been presented.

Isobel Intermediate HoldCo Limited

Notes to the financial statements

for the year ended 31 December 2015

1) General information

Isobel Intermediate HoldCo Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2) Adoption of new and revised Standards

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015 (except as noted below). Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Annual Improvements to IFRSs 2010 – 2012 Cycle

(The amendments are effective in the EU for accounting periods beginning on or after 1 February 2015. However, earlier application is permitted so that companies applying IFRSs as adopted in the EU are able to adopt the amendments in accordance with the IASB effective date of 1 July 2014)

The Group has adopted the amendments to IFRSs included in the Annual Improvements to IFRSs 2010 – 2012 Cycle for the first time in the current year.

The amendments are in the nature of clarifications rather than substantive changes to existing requirements.

The application of the amendments has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and [in some cases] had not yet been adopted by the EU:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 11 (amendments)	Accounting for Acquisitions of Interests in Joint Operations
IAS 1 (amendments)	Disclosure Initiative
IAS 16 and IAS 38 (amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 16 and IAS 41 (amendments)	Agriculture: Bearer Plants
IAS 27 (amendments)	Equity Method in Separate Financial Statements
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or
IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exemption
Annual Improvements to IFRSs: 2012-	Amendments to: IFRS 5 Non-current Assets Held for Sale and

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

Isobel Intermediate HoldCo Limited

Notes to the financial statements for the year ended 31 December 2015

3) Significant accounting policies

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 by the European Union and therefore the Company financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

Going concern

The director has, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Director's report on page 3.

Investment in subsidiaries

Investment in subsidiaries are measured at cost, less any impairment. The Company does not consolidate subsidiaries under exemption from section 400 of the Companies act 2006.

Loan to related party

Loans to related party are measured at cost, less any impairment. No interest is recognised on this loan.

Loan from related parties

Loans from related parties are measured at the amount payable. No interest is charged on the outstanding amount.

4) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the director's are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying the Company's accounting policies

The Company has assessed its assets for impairment against the cost of the assets. Having concluded that no impairment is required the director has measured the reported assets at cost.

5) Segment reporting

The Company only has one business segment: Investment in shares in the United Kingdom. The director considers all the relevant information relating to the primary segment disclosed in these financial statements.

Isobel Intermediate HoldCo Limited

Notes to the financial statements for the year ended 31 December 2015

6) Auditors' remuneration

The audit fee of £5,000 is borne by Isobel AssetCo Limited.

7) Staff costs

The Company does not have any employees and the director did not receive any remuneration during the year (2014: none)

8) Dividends

The directors does not recommend the payment of a dividend for the year (2014: none).

9) Investment in subsidiaries

		2015 £	2014 £
Shares in subsidiaries at cost		6	6
		<i>Share of ordinary</i>	
	<i>Registration</i>	<i>allotted capital and</i>	<i>Country of</i>
The Company's direct subsidiaries are:	<i>Number</i>	<i>voting rights</i>	<i>registration</i>
Isobel AssetCo Limited	7815679	100%	England
Isobel Loan Capital Limited	7815722	100%	England
Isobel EquityCo Limited	7816534	100%	England

In accordance with section 400 of the Companies Act 2006, consolidated financial statements have not been prepared as the Company is itself a wholly-owned subsidiary and is included in the consolidated financial statements of Isobel HoldCo Limited, a parent undertaking.

10) Loan to related party

	2015 £	2014 £
Loan to related party	100	100

The loan is receivable from Isobel Mezzanine Borrower Limited, the immediate wholly invested parent entity.
The loan is interest free and there are no fixed terms of repayment.

Isobel Intermediate HoldCo Limited

Notes to the financial statements

for the year ended 31 December 2015

11) Loan from related parties

	2015	2014
	£	£
Non-current borrowings		
Isobel AssetCo Limited	2	2
Isobel Loan Capital Limited	2	2
Isobel EquityCo Limited	2	2
	<hr/>	<hr/>
Total unsecured borrowings at cost	6	6
	<hr/>	<hr/>

The loans are interest free and there are no fixed terms of repayment.

12) Share capital

	2015	2014
	£	£
Authorised, issued and fully paid - 100 shares of £1.	100	100
	<hr/>	<hr/>

13) Related Parties

The UK Government through HM Treasury is the ultimate controlling party of The Royal Bank of Scotland Group plc. Its shareholding is managed by UK Financial Investments Limited, a company it wholly owns and as a result, the UK Government and UK Government controlled bodies are related parties of the Company.

The Company has entered into no transactions with these bodies during the year.

The Company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in the United Kingdom and registered in Scotland. Its immediate parent company is Isobel Mezzanine Borrower Limited which is incorporated in the United Kingdom and registered in England and Wales.

Isobel HoldCo Limited Limited heads the smallest group in which the Company is consolidated.

Besides the related party loan balances as described in Notes 10 and 11 no related party transactions occurred during the year.

14) Events after the reporting period

Since the end of the year, the director of the Company is not aware of any other matter or circumstance not otherwise dealt with in the financial report or the Director's Report that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in financial years subsequent to the year ended 31 December 2015.