

INTERMEDIATE INVESTMENTS LLP

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2012

Company No – OC323795

INTERMEDIATE INVESTMENTS LLP

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INTERMEDIATE INVESTMENTS LLP

MEMBERS' REPORT

The Board presents the members report and the audited financial statements for the year to 31 March 2012.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Intermediate Investments LLP ('the Partnership') has no on-going activity and this is unlikely to change in the foreseeable future. The profit for the year before members' remuneration and profit share was £0.3million (2011: loss £5.49million).

KEY PERFORMANCE INDICATORS (KPIs) AND PRINCIPAL RISKS AND UNCERTAINTIES

The members believe that the KPIs and principal financial risks and uncertainties relating to the partnership headed by the ultimate holding company Intermediate Capital Group PLC ('ICG') are also applicable to the partnership. Details of these are set out in the Business Review of the consolidated financial statements of ICG.

GOING CONCERN

The risk profile and related uncertainty of the Partnership has increased with the continued economic uncertainty, although its assets are performing satisfactorily in light of this. The members believe that the Partnership has adequate financial resources to continue in operational existence for the foreseeable future despite the current uncertain economic climate. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

DESIGNATED MEMBERS

The designated members of the Partnership (as defined in the Limited Liability Partnerships Act 2000) during the year were:

JOG Partners Limited (joined 23 November 2006)

Intermediate Capital Limited (joined 23 November 2006)

Intermediate Investments Guarantee Limited (joined 4 December 2006)

All designated members served on the Board during the year.

POLICY REGARDING DRAWINGS, PROFIT ALLOCATION AND REPAYMENT OF CONTRIBUTIONS

Profits arising from investments and any other profits shall be attributed to each member as at the date on which the profits are converted into cash. Losses shall be attributed to each member at the date on which the losses are realised.

Members may draw their share of profits monthly, such sums as determined by the designated members.

Outgoing members are entitled to repayment of any capital plus any undrawn balance of their profit share at that date.

INTERMEDIATE INVESTMENTS LLP

MEMBERS' REPORT (continued)

AUDITORS

Each of the members, who is a designated member at the date of approval of this report confirms that:

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

Deloitte LLP indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in accordance with the Partnership agreement.

Approved by the members and signed on their behalf by:



Philip Keller
Director of Intermediate Investments Guarantee Limited

27 July 2012

INTERMEDIATE INVESTMENTS LLP

STATEMENT OF MEMBERS' RESPONSIBILITIES

Members' responsibilities statement

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members 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 Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Partnership will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Board on behalf of the members.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERMEDIATE INVESTMENTS LLP

We have audited the financial statements of Intermediate Investments for the one year periods ended 31 March 2011 and 31 March 2012, which comprises the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 6. 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).

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement, the members 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; 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 2011 and 31 March 2012, and of its profits for the one year periods then ended;
- 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 as applied to limited liability partnerships.

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 as applicable to limited liability partnerships 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
- We have not received all the information and explanations we require for our audit.



Calum Thomson FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
27 July 2012

INTERMEDIATE INVESTMENTS LLP

PROFIT AND LOSS ACCOUNT

	<u>Note</u>	<u>Year ended</u> <u>31 March</u> <u>2012</u>	<u>Year ended</u> <u>31 March</u> <u>2011</u>
		<u>£'000</u>	<u>£'000</u>
Income from investments		-	10
Loss on disposal of investments		-	(3,745)
Net foreign exchange gain/(loss)		311	(1,750)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		<u>311</u>	<u>(5,485)</u>
Members' remuneration charged as an expense	5	<u>(311)</u>	<u>5,485</u>
RESULT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>-</u>	<u>-</u>

All activities represent continuing operations. There are no recognised gains or losses for the current and preceding financial years other than those shown in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented.

The accompanying notes are an integral part of these financial statements.

INTERMEDIATE INVESTMENTS LLP

BALANCE SHEET

	<u>Notes</u>	<u>As at</u> <u>31 March</u> <u>2012</u> <u>£'000</u>	<u>As at</u> <u>31 March</u> <u>2011</u> <u>£'000</u>
CURRENT ASSETS			
Debtors: Amounts owed by group companies		76,636	76,325
		<u>76,636</u>	<u>76,325</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			
		<u>76,636</u>	<u>76,325</u>
REPRESENTED BY:			
Loans and other debts due to members within one year:			
Members' capital classified as a liability	5	45,336	45,336
Other amounts	5	31,300	30,989
		<u>76,636</u>	<u>76,325</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members		<u>76,636</u>	<u>76,325</u>

These financial statements of Intermediate Investments LLP (Registered No OC323795) were approved and authorised for issue by the Members on 27 July 2012.

They were signed on the members' behalf by:



Philip Keller
Director of Intermediate Investments Guarantee Limited

INTERMEDIATE INVESTMENTS LLP

CASH FLOW STATEMENT

		<u>Year ended</u> <u>31 March</u> <u>2012</u> £'000	<u>Year ended</u> <u>31 March</u> <u>2011</u> £'000
	Note		
Net cash outflow from operating activities	3	-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2012

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and in accordance with the Statement of Recommended Practice (SORP) – “Accounting by Limited Liability Partnerships” (2010). They have all been applied consistently throughout the current year and preceding year.

(a) Basis of Accounting

These financial statements are prepared under the historical cost convention.

(b) Going Concern

The company's business activities and factors likely to affect its performance are set out in the Members' report. The financial statements have been prepared on the going concern basis as the Partnership is forecast to continue to meet its obligations as they fall due based on its working capital projections. The Partnership has sufficient financial resources through its ultimate parent company, and is expected to continue in operational existence for the foreseeable future. As a consequence, the designated members believe that the company is well placed to manage its business risks despite the current uncertain economic outlook.

(c) Loans and investments and provision for impairment

Investments are shown at cost less provisions for impairment. The specific provisioning policy of the Partnership is to make a provision against any investment as and when the members consider that the carrying value is wholly or partially impaired.

(d) Foreign currency translation

Transactions denominated in foreign currencies are recorded at actual exchange rates ruling at the dates of the transactions, or where appropriate, at the rate of exchange in related forward exchange contracts. Monetary assets and liabilities denominated in foreign currencies at the year end are translated into sterling at the rates of exchange ruling at that date, or where appropriate, at the rate of exchange in related forward contracts. Exchange differences arising on the translation of fixed asset investments and on foreign currency borrowing, to the extent that they hedge the Company's investment in such operations, are reported in the statement of total recognised gains and losses. All other exchange differences are reported in the profit and loss account.

(e) Revenues

Interest income is accounted for on an accruals basis. Dividend income is recognised in the year in which the right to payment is established. The gain or loss arising on the disposal of a loan or an investment is recognised at the date of disposal. Any gain or loss is stated net of associated selling expenses.

INTERMEDIATE INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ending 31 March 2012

1. ACCOUNTING POLICIES (continued)

(f) Remuneration of members

Profits arising from investments and any other profits shall be attributed to each member as at the date on which the profits are converted into cash. Losses shall be attributed to each member at the date on which the losses are realised.

Members may draw their share of profits monthly, such sum as determined by the designated members. Outgoing members are entitled to the repayment of any capital plus any undrawn balance of its profit share at that date.

Members' remuneration is charged as an expense.

Members' remuneration which gives rise to a liability in accordance with FRS 25 and UITF 39 will be charged as an expense. Members' remuneration charged as an expense is not restricted to amounts that are payable by the Partnership regardless of the existence or extent of profits; it also includes, for example, any profits that are automatically divided between members by virtue of a members' agreement.

Unallocated profit

Profits of the Partnership (after deducting members' remuneration charged as an expense) that have been ascertained but which are not yet divided among the members is considered to be unallocated profits and will be shown under 'Other reserves' on the balance sheet.

(g) Members participation rights and other interests

All rights of a member against the Partnership arise under the members' agreement and have been outlined in the statement of members' responsibilities report.

Members' interests other than debt due to them by the Partnership, which constitute equity in the Partnership are disclosed in note 5 of the financial statements. Members' other interests include "Members' capital" that is classified as a liability.

(h) Taxation

Tax payable on the profits of the Partnership is the liability of the members.

2. ADMINISTRATIVE EXPENSES

Auditor's remuneration in respect of the current year has been borne by the parent company. The audit fee for the year ended 31 March 2012 was £6,000 (year ended 31 March 2011: £5,250). The Partnership had no employees during the year (2011: none).

INTERMEDIATE INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ending 31 March 2012

3. RECONCILIATION OF OPERATING PROFIT TO NET CASH

	<u>Note</u>	<u>Year ended</u> <u>31 March 2012</u> £'000	<u>Year ended</u> <u>31 March 2011</u> £'000
Operating profit/(loss)	3	311	(5,485)
Increase in Debtors		(311)	(4,116)
Proceeds from sale of fixed asset investments		-	9,601
Net Cash inflow from operating activities		-	-

4. PARENT COMPANY

The controlling party and ultimate parent company is Intermediate Capital Group PLC, a company incorporated in Great Britain and registered in England and Wales. This is also the parent undertaking of the smallest and largest group which includes the Partnership and for which consolidated financial statements are prepared. Copies of the financial statements of that company are obtainable from Juxon House, 100 St Paul's Churchyard, London EC4M 8BU.

INTERMEDIATE INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ending 31 March 2012

5. TRANSACTIONS WITH MEMBERS

<u>As at 31 March 2012</u>	<u>JOG Partners Limited</u>	<u>Intermediate Capital Limited</u>	<u>Intermediate Investments Guarantee Limited</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Loans and other debts due to members				
Capital introduced by member	226	226	44,884	45,336
Other amounts	157	157	30,986	31,300
	<u>383</u>	<u>383</u>	<u>75,870</u>	<u>76,636</u>

<u>As at 31 March 2011</u>	<u>JOG Partners Limited</u>	<u>Intermediate Capital Limited</u>	<u>Intermediate Investments Guarantee Limited</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Loans and other debts due to members				
Capital introduced by member	226	226	44,884	45,336
Other amounts	155	155	30,679	30,989
	<u>381</u>	<u>381</u>	<u>75,563</u>	<u>76,325</u>

In the event of a winding up of the Partnership, loans and other debts due to members rank pari passu with the Partnership's obligations to other creditors.

<u>As at 31 March 2012</u>	<u>Members capital classified as a liability</u>	<u>Other amounts</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Amounts due to members	45,336	30,989	76,325
Balance as at 31 March 2011	45,336	30,989	76,325
Members remuneration charged as an expense	-	311	311
Amounts due to members as at 31 March 2012	45,336	31,300	76,636
Balance as at 31 March 2012	<u>45,336</u>	<u>31,300</u>	<u>76,636</u>

INTERMEDIATE INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ending 31 March 2011

5. TRANSACTIONS WITH MEMBERS (continued)

<u>As at 31 March 2011</u>	<u>Members capital classified as a liability</u>	<u>Other amounts</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Amounts due to members	45,336	36,474	81,810
Amounts due from members	-	-	-
Balance as at 31 March 2010	45,336	36,474	81,810
Members remuneration charged as an expense	-	(5,485)	(5,485)
Other movements	-	-	-
Amounts due to members as at 31 March 2011	45,336	30,989	76,325
Amounts due from members as at 31 March 2011	-	-	-
Balance as at 31 March 2011	45,336	30,989	76,325

6. RELATED PARTY TRANSACTIONS

The Partnership is exempt under paragraph 3(c) of Financial Reporting Standard 8 "Related Party Disclosures" from the requirement to disclose related party transactions relating to group companies. There were no other transactions that require disclosure in accordance with FRS 8

CONTACTS

REGISTERED OFFICE

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