

**INTERMEDIATE INVESTMENTS GUARANTEE LTD**  
(A company limited by guarantee)

**Annual Report and Financial Statements**

**For the year to 31 March 2016**

(Company No - 06009589)



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## INTERMEDIATE INVESTMENTS GUARANTEE LTD

### STRATEGIC REPORT

#### BUSINESS REVIEW

Intermediate Investments Guarantee Ltd (IIG or the Company) is a member of Intermediate Investments Limited Liability Partnership (II LLP). The principal activity was holding the investment in II LLP which has been redeemed in the current year. The Company will continue as a non trading entity.

The Company made a loss before taxation of £0.3m (2015: £nil) and a retained loss of £0.4m (2015: £1.0m).

The Company is a wholly-owned subsidiary within the Intermediate Capital Group plc (ICG) group.

#### FUTURE PROSPECTS

The Directors consider the Company will continue in operational existence for the forthcoming year.

#### KEY PERFORMANCE INDICATORS (KPIs) AND PRINCIPAL RISKS AND UNCERTAINTIES

The Company is a holding company, as a result the Directors do not specifically review KPIs for the Company.

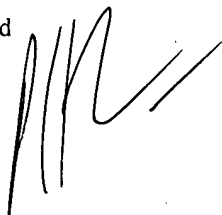
#### FINANCIAL RISK MANAGEMENT

The Company is a non trading entity. As such, it is not considered that the Company is exposed to significant financial risk and no specific financial risk and operational management policies have been necessary.

#### GOING CONCERN

The Directors believe that IIG has adequate financial resources to continue in operational existence for the foreseeable future as a non trading entity. 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. Accordingly they continue to adopt the going concern basis in preparing the annual financial statements.

By Order of the Board



P H Keller  
Director

22 November 2016  
Juxon House  
100 St Paul's Churchyard  
London EC4M 8BU

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## INTERMEDIATE INVESTMENTS GUARANTEE LTD

### DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2016.

#### DIRECTORS

The Directors of the Company who served during the year and to the date of this report were:

P H Keller  
C A Evain

The Directors had no interests, as defined by the Companies Act, in the shares of the Company at any time during the year. Their interests in the shares of the parent company, Intermediate Capital Group plc (ICG), are disclosed in the financial statements of that company.

#### DIVIDEND

The Directors declared and settled a dividend of £21.4m during the year (2015: £nil).

#### POST BALANCE SHEET EVENTS

There have been no material events affecting the company since the reporting date.

#### DIRECTORS' INDEMNITY

The Company has Directors' and Officers' Insurance for all Directors and executives through the ICG group that covers all employment related activities.

#### FUTURE DEVELOPMENTS, GOING CONCERN AND PRINCIPAL RISKS AND UNCERTAINTIES

Future developments, going concern and principal risks and uncertainties of the Company are discussed in the Strategic Report.

#### AUDITOR

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

#### APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. The Company has only one shareholder and no objection is expected in this regard.

#### DISCLOSURE OF INFORMATION TO THE AUDITOR

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

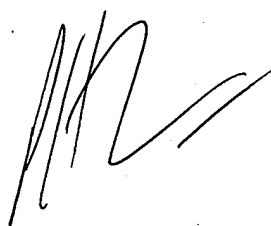
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor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

22 November 2016  
Juxon House  
100 St Paul's Churchyard  
London EC4M 8BU



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## **INTERMEDIATE INVESTMENTS GUARANTEE LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 and apply suitable accounting policies,
- make judgments and accounting 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 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.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERMEDIATE INVESTMENTS GUARANTEE LIMITED

We have audited the financial statements of Intermediate Investments Guarantee Limited for the year ended 31 March 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

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, 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 March 2016 and of its loss for the year 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.

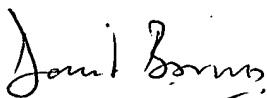
### **Opinion on other matter prescribed by the Companies Act 2006**

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.



David Barnes (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
22 November 2016

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**INTERMEDIATE INVESTMENTS GUARANTEE LTD**

**PROFIT AND LOSS ACCOUNT**

**for the year ended 31 March 2016**

	<u>Notes</u>	<b>2016 £m</b>	<b>2015 £m</b>
Other operating expense	3	<u>(0.3)</u>	<u>-</u>
LOSS BEFORE TAX		(0.3)	-
Tax on loss	4	(0.1)	(1.0)
LOSS FOR THE FINANCIAL YEAR		<u>(0.4)</u>	<u>(1.0)</u>

All activities represent continuing operations.

**STATEMENT OF COMPREHENSIVE INCOME**

	<b>2016 £m</b>	<b>2015 £m</b>
LOSS FOR THE FINANCIAL YEAR	(0.4)	(1.0)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME	<u>(0.4)</u>	<u>(1.0)</u>

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

# INTERMEDIATE INVESTMENTS GUARANTEE LTD

## BALANCE SHEET


As at 31 March 2016

	<u>Notes</u>	<b>2016</b> <b>£m</b>	<b>2015</b> <b>£m</b>
<b>FIXED ASSETS</b>			
Investments	5	-	44.9
<b>CURRENT ASSETS</b>			
Due from group companies		-	32.0
		<u>-</u>	<u>76.9</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade and other payables	6	-	(55.1)
<b>NET ASSETS</b>		<u>-</u>	<u>( 21.8)</u>
<b>SHAREHOLDERS FUNDS</b>			
Profit and loss account	8	-	21.8
<b>TOTAL SHAREHOLDERS FUNDS</b>		<u>-</u>	<u>21.8</u>

These financial statements of Intermediate Investments Guarantee Ltd (Registered Number 06009589) were approved by the Board of Directors and authorised for issue on 22 November 2016.

Signed on behalf of the Board of Directors by:

P H Keller  
Director



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

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**INTERMEDIATE INVESTMENTS GUARANTEE LTD**

**STATEMENT OF CHANGES IN EQUITY**

**As at 31 March 2016**

	<b>Profit and loss account</b>
Balance at 1 April 2015	21.8
Loss for the year	(0.4)
Dividends declared	(21.4)
<b>Balance at 31 March 2016</b>	<b>-</b>

	<b>Profit and loss account</b>
Balance at 1 April 2014	22.8
Loss for the year	(1.0)
<b>Balance at 31 March 2015</b>	<b>21.8</b>



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## INTERMEDIATE INVESTMENTS GUARANTEE LTD

### Notes to the financial statements for the year ended 31 March 2016

#### 1. GENERAL INFORMATION

Intermediate Investments Guarantee Ltd is a company incorporated in the United Kingdom under the Companies Act with registration number 06009589. The address of the registered office is detailed on page 12. The nature of the Company's operations and principal activities are set out in the Strategic Report.

#### 2. ACCOUNTING POLICIES

##### (a) Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice. The principal accounting policies are set out below and have been applied consistently throughout the current year and preceding year. The financial statements are prepared under the historical cost convention, modified to include certain items at fair value and in accordance with section 1A of financial reporting standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the financial reporting council.

The Company is exempt from the preparation of consolidated financial statements under Section 400 of the Companies Act 2006, as the Company is a wholly owned subsidiary of Intermediate Capital Group PLC (a company incorporated in the United Kingdom), a company which produces consolidated financial statements available for public use. Copies of the financial statements of that company are obtainable from Juxon House, 100 St Paul's Churchyard, London EC4M 8BU.

The functional and presentational currency of the Company is Sterling. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### (b) Effect of Adopting New Accounting Standards

Having assessed the impact of the adoption of FRS 102, there have been no material adjustments on the adoption of FRS 102 in the current year.

##### (c) Going Concern

The Company's business activities are set out in the Strategic report. As at 31 March 2016, the Company had net current liabilities of £nil (2015: £23.1m) and made a loss after taxation of £0.4m (2015: £1.0m). 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. The Company has not traded in the current year but will continue in existence as a non trading entity. Accordingly the going concern basis is adopted in preparing the financial statements.

##### (d) Fixed Asset Investments and Provisions for Impairment

Investments are shown at cost less provisions for impairment. The specific provisioning policy of the Company provides against any investment as and when the Directors consider that the carrying value is impaired.

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## INTERMEDIATE INVESTMENTS GUARANTEE LTD

### Notes to the financial statements (continued) for the year ended 31 March 2016

#### 2. ACCOUNTING POLICIES (continued)

(e) Income from investments

Investment income is accounted for on an accruals basis. The gain or loss arising on the disposal of an investment is recognised at the date of disposal. Any gain or loss is stated net of associated selling expenses.

(f) Taxation

Corporation tax is provided on the taxable profits of the company using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences which represent an asset or liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries where there is no commitment to remit these earnings. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognised to the extent they are recoverable.

(g) 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 income and expense items are translated using the exchange rates at the date of the transactions.

Foreign currency monetary transactions are translated into Sterling using the exchange rate prevailing at the dates of the transactions. At each reporting date, foreign currency monetary assets and liabilities are re-translated at the rates prevailing on the reporting date. Exchange differences on the retranslation of monetary items are recognised in profit or loss for the year.

(h) Cash Flow Statement

The cash flows of the Company are included in the cash flow statement prepared by Intermediate Capital Group PLC, which produces consolidated financial statements available for public use. Accordingly, the Company has taken advantage of the exemption in FRS 102 Section 7 "Statement of Cash Flows", and not published its own cash flow statement.

#### 3. ADMINISTRATIVE EXPENSES

The Directors did not receive any remuneration for their services to the company in the current or prior year, but are paid for their services by the ICG group. The Company has not employed any staff in the current or prior year. The fees payable to the company's auditors and their associates for the company's annual accounts in respect of this and prior years has been borne by the parent company. The audit fee for the year ended 31 March 2016 was £3,000 (2015: £3,750).

# INTERMEDIATE INVESTMENTS GUARANTEE LTD

## Notes to the financial statements (continued) for the year ended 31 March 2016

### 4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2016 £m	2015 £m
Analysis of total tax charge		
Current tax	0.1	0.2
Adjustment in respect of prior years	-	0.8
	<u>0.1</u>	<u>1.0</u>

The current year tax charge is higher than (2015: higher than) the UK standard rate of corporation tax of 20% (2015: 21%) for the reasons set out in the following reconciliation:

#### Factors affecting the tax charge for the current year

	2016 £m	2015 £m
Loss on ordinary activities before tax	(0.3)	-
Tax charge at 20% (2015: 21%) thereon	(0.1)	-
Permanent differences	0.2	0.2
Prior year adjustment to current tax	-	0.8
Current tax charge for year	<u>0.1</u>	<u>1.0</u>

### 5. INVESTMENTS

	2016 £m	2015 £m
Capital contribution to Intermediate Investments LLP (representing 99% of Members' capital)	-	44.9
	<u>-</u>	<u>44.9</u>

In the prior year, investment in subsidiaries relate to a 99% investment in Intermediate Investments LLP, a partnership registered in England and Wales and incorporated in United Kingdom. The investment has been redeemed in the current year.

### 6. TRADE AND OTHER PAYABLES

	2016 £m	2015 £m
Due to Group companies	-	54.1
Corporation tax	-	1.0
	<u>-</u>	<u>55.1</u>

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## INTERMEDIATE INVESTMENTS GUARANTEE LTD

### Notes to the financial statements (continued) for the year ended 31 March 2016

#### 7. CALLED UP SHARE CAPITAL AND GUARANTEE

IIG has no issued or authorised share capital as it is a Company limited by guarantee. Each member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while they are a member or within one year after they cease to be a member, for payment of the Company's debts and liabilities contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributions among themselves.

#### 8. PROFIT AND LOSS ACCOUNT

	2016 £m	2015 £m
Balance at the beginning of the year	21.8	22.8
Loss after taxation for the year	(0.4)	(1.0)
Dividends and settled declared	(21.4)	-
Balance at the end of the year	-	21.8

#### 9. PARENT COMPANY

The controlling party and ultimate parent company is Intermediate Capital Group PLC (ICG), a company incorporated in United Kingdom and registered in England and Wales. This is also the parent undertaking of the largest and smallest 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.

#### 10. RELATED PARTY TRANSACTIONS

The Company is exempt under FRS 102 Section 33 "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 102 Section 33.

#### 11. SUBSIDIARIES

In the prior year, the Company had an investment in subsidiary, Intermediate Investments LLP, of 99%. The investment has been redeemed in the current year.

#### 12. SUBSEQUENT EVENTS

There have been no material events since the reporting date.

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## **COMPANY INFORMATION**

### **REGISTERED OFFICE**

Juxon House  
100 St Paul's Churchyard  
London  
EC4M 8BU

### **AUDITORS**

Deloitte LLP  
Chartered Accountants and  
Statutory Auditor  
2 New Street Square  
London  
EC4A 3BZ