

Inter Mediate Group Limited

Report and Accounts

31 December 2002

Registered Number : 2323506



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COMPANIES HOUSE

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21/10/03

Inter Mediate Group Limited

Registered No. 2323506

DIRECTOR

R F Hancox

SECRETARY

D M Hancox

AUDITORS

Ernst & Young LLP
One Colmore Row
Birmingham
B3 2DB

SOLICITORS

Eversheds
115 Colmore Row
Birmingham
B3 3AL

REGISTERED OFFICE

Vines Lane
Droitwich
Worcestershire
WR9 8LU

Inter Mediate Group Limited

DIRECTORS' REPORT

The director presents the report and accounts for the year ended 31 December 2002.

ACTIVITIES

The principal activity of the company during the year has been to provide management services to its subsidiary undertakings.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £1,960,291 (2001: £92,849).

An interim dividend of £nil (2001: £112,000) has been declared. The director recommends a final dividend of £1,966,000 and the retained loss for the year has been deducted from reserves.

DIRECTOR AND INTERESTS

The director at 31 December 2002 was as follows:

R F Hancox

No director had any interest in the shares of the company throughout the year. The interests of the director in the shares of the company's ultimate parent undertaking, Inter Rested Limited, are shown in that company's financial statements.

SUBSEQUENT EVENTS

On 1 May 2003 the business and intellectual property rights of The Northampton Machinery Company Limited were sold under a conditional license. In addition certain assets were also sold. The total consideration was equivalent to the book values at that date.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put forward to the forthcoming Annual General Meeting.

On behalf of the board



R F Hancox
Director

27/06/2003

Inter Mediate Group Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF INTER MEDIATE GROUP LIMITED

We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 18. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

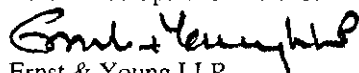
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Birmingham

Date 27/6/03

Inter Mediate Group Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2002

	Notes	2002 £	2001 £
TURNOVER	2	147,129	144,254
Cost of sales		-	-
GROSS PROFIT		147,129	144,254
Administration expenses		(17,564)	(56,864)
Other income	3	1,541,046	-
OPERATING PROFIT	4	1,670,611	87,390
Interest payable	6	(6,320)	(111)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,664,291	87,279
Taxation on profit on ordinary activities	7	296,000	5,570
PROFIT FOR THE YEAR		1,960,291	92,849
Equity dividends	8	(1,966,000)	(112,000)
RETAINED (LOSS)/PROFIT FOR THE YEAR	15	(5,709)	(19,151)


There are no recognised gains or losses other than the profit for the year.

Inter Mediate Group Limited

BALANCE SHEET

at 31 December 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	9	217,085	-
Investments	10	71,000	71,000
CURRENT ASSETS			
Properties held for resale		-	1,026,930
Debtors	11	310,490	12,492
Cash at bank		2,253,752	94
		<u>2,564,242</u>	<u>1,039,516</u>
CREDITORS: amounts falling due within one year	12	(2,013,169)	(265,649)
NET CURRENT ASSETS		<u>551,073</u>	<u>773,867</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>839,158</u>	<u>844,867</u>
CAPITAL AND RESERVES			
Called up share capital	14	142	142
Share premium account	15	838,958	838,958
Profit and loss account	15	58	5,767
SHAREHOLDERS' FUNDS		<u>839,158</u>	<u>844,867</u>


R F Hancox
Director

Dated 27-6-03

Inter Mediate Group Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

1. ACCOUNTING POLICIES

The following accounting policies, have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

Basis of accounting

The accounts have been prepared under the historical cost convention. The accounts present the results and financial position of the company and not of its group. Group accounts are prepared by the ultimate holding company, details of which are given in Note 16.

Depreciation

Depreciation is provided on all tangible fixed assets except freehold land at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

Freehold land and buildings 50 years

Properties held for resale

Freehold land and buildings which are not occupied by group companies for the purpose of their business and which are being actively marketed, are treated as properties held for resale and classified as current assets. Such assets are transferred to current assets at their net book value at the date of transfer. Once they have been transferred they are not depreciated, but the carrying value is reviewed annually. Any reduction of the carrying value is charged to the profit loss account in the period in which the write down occurs.

Deferred taxation

Deferred taxation is provided at the anticipated future rate of taxation using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

Cash flow statement

The company has taken advantage of the exemptions allowed under Financial Reporting Standard No.1 (Revised) not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a UK parent undertaking.

2. TURNOVER

Turnover represents invoiced sales during the year exclusive of valued added tax.

All of the company's turnover and profit on ordinary activities before taxation relate to the company's principal activity.

3. OTHER INCOME

Other income relates to the profit on the sale of the property that was held for resale in 2001

4. OPERATING PROFIT

Operating profit is stated after charging:	2002	2001
	£	£
Depreciation	5,892	27,145
	=====	=====

Auditors remuneration has been paid by the ultimate parent undertaking, Inter Rested Limited.

Inter Mediate Group Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS

The company has no paid employees and the directors do not receive any remuneration from the company.

6. INTEREST

	2002	2001
	£	£
Interest payable	(6,320)	(111)

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2002	2001
	£	£
Corporation tax	-	5,570
Deferred tax	296,000	-

The tax charge has been reduced because of the recognition of deferred tax on trading losses brought forward on which no deferred tax provision had previously been made.

Reconciliation of tax charge

Effective rate of tax on profit on ordinary activities	18%	6%
Standard rate of tax	(30%)	(30%)
Difference	48%	36%
Explanation of difference		
Capital gain offset by brought forward losses	28%	-
Brought forward tax losses on which no deferred tax previously recognised	18%	44%
Non deductible and non taxable items	2%	(8%)
Total	48%	36%

8. DIVIDENDS

	2002	2001
	£	£
Equity dividends on ordinary shares:		
Interim paid	-	112,000
Final proposed	1,966,000	-

Inter Mediate Group Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

9. TANGIBLE FIXED ASSETS

	<i>Freehold land buildings £</i>
Cost:	
At 1 January 2002	-
Transferred from assets held for resale	235,743
	<u>235,743</u>
At 31 December 2002	
Depreciation:	
At 1 January 2002	-
Transferred from assets held for resale	12,766
Provided during the year	5,892
	<u>18,658</u>
At 31 December 2002	
Net book value at 31 December 2002	<u>217,085</u>
Net book value at 1 January 2002	<u>-</u>

10. INVESTMENTS

Investment in subsidiary companies	<i>£</i>
Cost and net book value	
At 1 January 2002 and 31 December 2002	<u>71,000</u>

The company holds the entire issued share capital of the following subsidiaries:

<i>Name of company</i>	<i>Nature of business</i>
The Northampton Machinery Company Limited	Manufacture of machinery for power and communication cable machines
Prism Consultants Limited	Semi dormant

11. DEBTORS

	<i>2002 £</i>	<i>2001 £</i>
Amounts owed by group undertakings	-	3,762
Trade debtors	8,920	3,160
Corporation tax recoverable	5,570	5,570
Deferred tax	296,000	-
	<u>310,490</u>	<u>12,492</u>

Inter Mediate Group Limited

NOTES TO THE ACCOUNTS at 31 December 2002

12. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Bank Overdraft	-	144,804
Amounts owed to group companies	6,190	112,000
Trade creditors	-	2,056
Other creditors	18,688	6,789
Other taxation and social security costs	22,291	-
Dividend payable	1,966,000	-
	<u>2,013,169</u>	<u>265,649</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	2002	2001
	£	£
Deferred taxation:		
Capital allowances	-	86,677
Other timing differences	296,000	(86,677)
	<u>296,000</u>	<u>-</u>

In addition to the losses provided the company has further unprovided trading losses carried forward amounting to £ nil (2001:£ 289,931).

14. SHARE CAPITAL

	No.	2002	No.	2001
		£		£
Authorised, allotted, called up and fully paid:				
Ordinary shares of 10p each	1,423	142	1,423	142
	<u>1,423</u>	<u>142</u>	<u>1,423</u>	<u>142</u>

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Share premium £	Profit and loss £	Total £
At 1 January 2002	142	838,958	5,767	844,867
Retained loss for the year	-	-	(5,709)	(5,709)
At 31 December 2002	<u>142</u>	<u>838,958</u>	<u>58</u>	<u>839,158</u>

16. CONTINGENT LIABILITIES

The company is party, together with the parent company and fellow subsidiary companies to a cross guarantee in favour of Lloyds TSB Bank plc. At 31 December 2002 the contingent liability under this arrangement was £1,019,000.

Inter Mediate Group Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

17. RELATED PARTY DISCLOSURE

At 31 December 2002, the company was a wholly owned subsidiary of Inter Rested Limited, and is therefore exempt from making disclosures under paragraph 3(c) of FRS8 "Related Party Transactions".

18. ULTIMATE HOLDING COMPANY

The ultimate holding company is Inter Rested Limited, a company incorporated in England. Copies of the Inter Rested Limited accounts are available from:

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3HZ