

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012  
FOR  
LONGACRE PARTNERS LIMITED**

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FOR THE YEAR ENDED 30 NOVEMBER 2012**

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**LONGACRE PARTNERS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 NOVEMBER 2012**

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**DIRECTORS**

D W Weaver  
H M Tucker

**SECRETARY**

N M Hardy

**REGISTERED OFFICE**

Vintners Place  
68 Upper Thames Street  
London  
EC4V 3BJ

**REGISTERED NUMBER**

03902703

**AUDITORS**

Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

The directors present their report with the financial statements of the company for the year ended 30 November 2012

**PRINCIPAL ACTIVITY**

The company did not actively trade during the year under review. The company ceased trading on 31 October 2007. The company generates revenues as it disposes of investments held prior to ceasing trading on 31 October 2007. In the financial year ended 30 November 2011 the company generated significant revenue through the sale of its investment in Engine Group Limited.

**RISKS AND UNCERTAINTIES**

The company acknowledges the risks it faces in undertaking its business and seeks to understand, assess and mitigate those risks in such a way that the financial impact is managed in accordance with the overall risk appetite of the Jefferies Group.

The principal risks of the company are

- The credit risk due to adverse changes in a counterparty's credit worthiness or its ability or willingness to meet its financial obligations under the terms and conditions of a financial contract. The precise terms of the fee arrangements between the company and its clients are specified in each individual client contract. At 30 November 2012 the company's exposure to credit risk was £5,830,232 (2011: £5,973,557) of which £4,532,845 (2011: £4,691,348) was an intercompany receivable from Jefferies International Limited.
- The market risk associated with the value of the investment holdings. The company will continue to look to dispose of the existing investment holdings to maximise the profitability of the company. Market forces may adversely affect this future profitability.

The company has exposure to £510,251 (2011: £510,251) of unquoted investments. The directors have performed an analysis of the underlying investee companies and are confident that there is no impairment to the value of these investments as at 30 November 2012.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the financial statements.

The financial statements report results of the company for the year as follows:

	2012 £	2011 £
Turnover	-	-
Profit on ordinary activities before taxation	472	936,654
Tax credit/(charge) on profit on ordinary activities	80,421	(225,167)
Retained profit on ordinary activities	<u>80,893</u>	<u>711,487</u>

The company's performance is within the directors' expectations.

**SUBSEQUENT EVENTS**

On 1 March 2013, Jefferies Group, Inc. (formerly the Company's ultimate parent company) was converted into a Delaware limited liability company and renamed Jefferies Group LLC. In addition, Jefferies Group LLC became a wholly-owned subsidiary of Leucadia National Corporation ("Leucadia") through a series of merger transactions (see note 13).

**GOING CONCERN**

The financial statements have not been prepared on the going concern basis as the directors intend to liquidate the company. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

**DIVIDENDS**

The directors do not recommend the payment of a dividend for the year ended 30 November 2012 (2011: £nil).

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

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**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 December 2011 to the date of this report

D W Weaver  
H M Tucker

The company has qualifying third party indemnity provisions for the benefit of its directors which were renewed during the year and remain in force at the date of this report

**CREDITOR PAYMENT POLICY**

The company agrees payment terms and conditions with individual suppliers, once agreed it is the policy to abide by the terms of payment

**CHARITABLE DONATIONS**

Charitable donations amounting to £nil (2011 £nil) were made by the company during the period

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 (United Kingdom Accounting Standards and applicable law). 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 suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom 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. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 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.

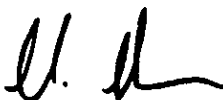
**DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

Deloitte LLP was the company's appointed statutory auditor as at 30 November 2012. On 22 April 2013 PricewaterhouseCoopers LLP replaced Deloitte LLP as the company's statutory auditor. Deloitte LLP resigned as statutory auditor of the company on 29 August 2013.

**ON BEHALF OF THE BOARD**



H M Tucker - Director

Date 29 August 2013

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
LONGACRE PARTNERS LIMITED**

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We have audited the financial statements of Longacre Partners Limited for the year ended 30 November 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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). These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements but under the accounting policies set out therein.

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 a Report of the Auditors 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 explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Report of the Directors 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 30 November 2012 and of its profit 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.

**Emphasis of matter - Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1, which explains that the financial statements have been prepared on a basis other than that of a going concern.

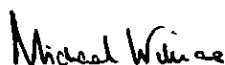
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors 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.



**Michael Williams**  
**Senior Statutory Auditor**  
**For and on behalf of Deloitte LLP, Statutory Auditor**

Chartered Accountants and Statutory Auditors  
London, United Kingdom

Date 29 August 2013

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

	Notes	2012 £	£	2011 £	£
<b>TURNOVER</b>			-		-
Administrative expenses			<u>(16,156)</u>		<u>(18,249)</u>
			(16,156)		(18,249)
Other operating income			<u>-</u>		<u>263,000</u>
<b>OPERATING (LOSS)/PROFIT</b>	3		(16,156)		244,751
Profit on sale of fixed asset investment		878		676,153	
Income from fixed asset investments		<u>15,750</u>		<u>15,750</u>	
			<u>16,628</u>		<u>691,903</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			472		936,654
Tax on profit on ordinary activities	4		<u>80,421</u>		<u>(225,167)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u>80,893</u>		<u>711,487</u>

**DISCONTINUED OPERATIONS**

The company ceased trading activities on 31st October 2007 Profit on fixed asset investment derives from disposal of prior investment holdings

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than those included in the Profit and Loss account above and therefore, no separate statement of total recognised gains and losses has been presented

LONGACRE PARTNERS LIMITED (REGISTERED NUMBER 03902703)

BALANCE SHEET  
30 NOVEMBER 2012

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Investments	5	510,251	510,251
<b>CURRENT ASSETS</b>			
Debtors	6	4,591,748	4,734,501
Cash at bank		<u>1,238,484</u>	<u>1,239,056</u>
		5,830,232	5,973,557
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>12,850</u>	<u>237,068</u>
<b>NET CURRENT ASSETS</b>		<u>5,817,382</u>	<u>5,736,489</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,327,633</u>	<u>6,246,740</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	93,807	93,807
Share premium	9	8,529,582	8,529,582
Capital redemption reserve	9	700,049	700,049
Capital contribution reserve	9	2,754,672	2,754,672
Profit and loss account	9	<u>(5,750,477)</u>	<u>(5,831,370)</u>
<b>SHAREHOLDERS' FUNDS</b>	11	<u>6,327,633</u>	<u>6,246,740</u>

The financial statements were approved by the Board of Directors on 29 August 2013 and were signed on its behalf by



H M Tucker - Director

The notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

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**1 ACCOUNTING POLICIES****Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

**Going concern**

The financial statements have not been prepared on the going concern basis as directors intend to liquidate the company. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

**Investments**

Unquoted investments are included at cost less amounts written off, based upon expectations of their recoverable value. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities

**Cash flow statement**

As permitted by Financial Reporting Standard 1, no cash flow statement is presented in these accounts as the company is a wholly owned subsidiary of Jefferies Group LLC, which presents such a statement in its own published consolidated financial statements

**2 STAFF COSTS**

There were no staff costs for the year ended 30 November 2012 or for the year ended 30 November 2011

**3 OPERATING PROFIT**

The operating profit is stated after charging

	2012	2011
	£	£
Auditors' remuneration	9,000	9,547
Foreign exchange differences	<u>897</u>	<u>402</u>
Directors' remuneration	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2012

## 4 TAXATION

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
UK corporation tax	-	225,167
Over provision for prior year	<u>(80,421)</u>	<u>-</u>
 Tax on profit on ordinary activities	 <u>(80,421)</u>	 <u>225,167</u>

**Factors affecting the tax (credit)/charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>472</u>	<u>936,654</u>
 Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.67% (2011 - 26.67%)	 116	 249,431
Effects of		
Expenses not deductible for tax purposes	-	280
Non taxable income	(3,886)	(16,113)
Utilisation of tax losses	-	(8,431)
Adjustments to tax charge in respect of previous periods	(80,421)	-
Losses carried forward	<u>3,770</u>	<u>-</u>
 Current tax (credit)/charge	 <u>(80,421)</u>	 <u>225,167</u>

The company has losses carried forward of £15,278 (2011: £nil). No deferred tax has been provided in respect of these losses as it is considered more likely than not that there will be no suitable profits in future periods against which to offset these losses.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2012

## 5 FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>COST</b>	
At 1 December 2011	
and 30 November 2012	<u>952,799</u>
<b>PROVISIONS</b>	
At 1 December 2011	
and 30 November 2012	<u>442,548</u>
<b>NET BOOK VALUE</b>	
At 30 November 2012	<u>510,251</u>
At 30 November 2011	<u>510,251</u>

Unquoted investments are included in the accounts in accordance with the company's accounting policy at cost less amounts written off

## 6 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Amounts owed by group undertakings	4,532,845	4,691,348
Other debtors	<u>58,903</u>	<u>43,153</u>
	<u>4,591,748</u>	<u>4,734,501</u>

## 7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	900	601
Amounts payable in respect of group relief	-	225,167
Accrued expenses	<u>11,950</u>	<u>11,300</u>
	<u>12,850</u>	<u>237,068</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2012

## 8 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2012 £	2011 £
14,990,961	Ordinary	10p	1,499,095	1,499,095
1,013	Cumulative 3% per quarter Class A	10p	101	101
8,024	Cumulative 3% per quarter Class B	10p	802	802
1	Cumulative 10% per annum Class C1	10p	1	1
1	Class C2	10p	1	1
			<u>1,500,000</u>	<u>1,500,000</u>

Allotted and issued Number	Class	Nominal value	2012 £	2011 £
938,066	Ordinary	10p	<u>93,807</u>	<u>93,807</u>

The Class A, Class B and Class C1 Preference Shares are non voting and non convertible, but are redeemable and carry a cumulative dividend. The Class C2 shares are non voting and non convertible and do not carry a cumulative dividend, but are redeemable.

## 9 RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Capital contribution reserve £	Totals £
At 1 December 2011	(5,831,370)	8,529,582	700,049	2,754,672	6,152,933
Profit for the year	<u>80,893</u>				<u>80,893</u>
At 30 November 2012	<u>(5,750,477)</u>	<u>8,529,582</u>	<u>700,049</u>	<u>2,754,672</u>	<u>6,233,826</u>

The capital redemption reserve has been set up on account of redemption of ordinary shares during the year ended 31 December 2007 as a result of section 171 (4) of the Companies Act 1985. This requires that where the permissible capital payments for shares redeemed is less than their nominal value, the difference should be transferred to the company's capital redemption reserve. This reserve is non-distributable.

The capital contribution reserve was generated in 2007 when two employees were awarded shares in the company at a substantial discount. The fair value charge has been treated as an equity-settled share based payment and was credited to the reserve under FRS 20. This reserve is non-distributable.

## 10 RELATED PARTY DISCLOSURES

Advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions or balances with Jefferies Group LLC or any other group or associated undertakings, as the consolidated accounts of Jefferies Group LLC in which the Company is included are publicly available. There were no related party transactions other than those covered under the above exemption either in the year to 30 November 2012 or in the prior year.

## 11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	<u>80,893</u>	<u>711,487</u>
Net addition to shareholders' funds	80,893	711,487
Opening shareholders' funds	<u>6,246,740</u>	<u>5,535,253</u>
Closing shareholders' funds	<u>6,327,633</u>	<u>6,246,740</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2012

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**12 IMMEDIATE AND ULTIMATE HOLDING COMPANY**

The smallest group in which results of the company are consolidated is Jefferies International (Holdings) Limited which is registered in England and Wales. The ultimate parent company was Jefferies Group LLC (formerly Jefferies Group, Inc), which is incorporated in the United States of America. Jefferies Group LLC is now a wholly-owned subsidiary of Leucadia National Corporation, the new ultimate parent company. This company also heads the largest group in which these results are incorporated.

**13 SUBSEQUENT EVENTS**

On 1 March 2013, Jefferies Group, Inc. was converted into a Delaware limited liability company and renamed Jefferies Group LLC. In addition, Jefferies Group LLC became a wholly-owned subsidiary of Leucadia National Corporation ("Leucadia") through a series of merger transactions whereby Jefferies Group LLC continues to operate as the holding company to the various regulated and unregulated operating subsidiaries, including the company. Upon completion of the merger, the outstanding shares of Jefferies Group, Inc. Common Stock were converted into 0.810 shares of Leucadia Common Stock. Further, the Chairman and Chief Executive Officer of Jefferies Group LLC, whilst retaining such positions, was appointed the Chief Executive Officer and a Director of Leucadia and the Chairman of the Executive Committee and Director of Jefferies was appointed President and a Director of Leucadia.

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

	2012		2011	
	£	£	£	£
<b>Income</b>		-		-
<b>Other income</b>				
Commission fees	-		263,000	
Profit on sale of fixed asset investment	878		676,153	
Preference dividend receivable	<u>15,750</u>		<u>15,750</u>	
		<u>16,628</u>		<u>954,903</u>
		16,628		954,903
<b>Expenditure</b>				
Accountancy	4,650		5,800	
Auditors' remuneration	9,000		9,547	
Foreign exchange loss	897		402	
Irrecoverable input VAT	<u>160</u>		<u>1,052</u>	
		<u>14,707</u>		<u>16,801</u>
		1,921		938,102
<b>Finance costs</b>				
Bank charges		<u>1,449</u>		<u>1,448</u>
<b>NET PROFIT</b>		<u><u>472</u></u>		<u><u>936,654</u></u>