

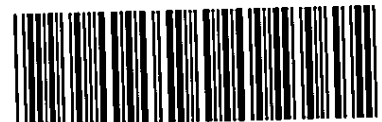
**Limited Liability Partnership**  
**Registration Number OC316197**  
**(England and Wales)**

**APOLLO MANAGEMENT  
INTERNATIONAL LLP**  
**Members' Report and Financial Statements**

**For the Year Ended**

**31 December 2008**

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COMPANIES HOUSE

# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Report and financial statements 2008**

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# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Report and financial statements 2008**

### **Officers and professional advisers**

#### **Members**

Apollo Management (UK) VI, LLC  
Gareth Turner  
AMI (Holdings) LLC  
Mark Thompson

#### **Registered office**

25 St George Street  
London  
W1S 1FS

#### **Bankers**

Coutts & Co  
440 The Strand  
London  
WC2R 0QS

#### **Auditors**

Deloitte LLP  
Chartered Accountants & Registered Auditors  
London

# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Members' report**

The members present their annual report and the audited financial statements for the year ended 31 December 2008.

### **Principal activities**

The principal activity of the partnership continued to be that of finance advisors to various private equity and credit-orientated capital markets funds.

### **Results**

The results for the year are set out on page 6.

Turnover for the year ended 31 December 2008 was £45,280,792 (2007: £32,566,482). Total profit for the year ended 31 December 2008 was £5,364,652 (2007: £5,213,346). Operating costs increased by 47% over the year to £40,624,637 (2007: £27,705,865). These results reflect increased advisory business to private equity funds and Apollo Group Entities' capital markets advisory business.

The partnership's balance sheet remained strong with net assets of £22,093,221 (2007: £14,722,620). The partnership is financed through a combination of members' capital and funding from Apollo Group Entities.

The results for the year and the financial position at the year end were considered satisfactory by the members.

### **Members**

The following designated members have held office since 1 January 2008 except as noted:

Gareth Turner

AMI (Holdings) LLC

Mark Thompson (Appointed 17 May 2008)

Apollo Management (UK) VI, LLC

### **Policy regarding members' drawings and capital**

Members are permitted to make drawings in anticipation of profits that will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash requirements of the business.

New members are required to subscribe a minimum level of capital and in subsequent years members may be invited to subscribe for further capital, the amount of which is determined by the performance and seniority of those members. On retirement capital is repaid to the members.

### **Financial Risk Management**

The partnership is exposed to credit risk, liquidity risk and foreign currency risk.

#### ***Credit risk***

Credit risk is the risk of suffering financial loss should any of the partnership's counterparties fail to fulfil their contractual obligations. Management monitors exposure to credit risk through regular review of credit exposure to its counterparties; this risk is significantly reduced by virtue of the fact that most of the partnership's counterparties are Apollo Group Entities. The maximum exposure to credit risk is represented by the carrying value of financial assets at the balance sheet date. At the balance sheet date the partners believe that there was no major concentration of credit risk, other than to Apollo Group Entities.

#### ***Liquidity risk***

Liquidity risk is the risk that the partnership will be unable to meet its financial obligations when they fall due. Liquidity risk is managed through maintaining sufficient cash and interest-bearing deposits, having no borrowings and through the availability of funding from Apollo Group Entities.

# APOLLO MANAGEMENT INTERNATIONAL LLP

## Members' report

### *Foreign Currency Risk*

Foreign currency risk is the risk of loss resulting from adverse fluctuations in the value of a foreign currency. The partnership's presentational currency is Sterling and its functional currency is US dollar. Foreign exchange risk arises on monetary assets and liabilities denominated in Sterling which have to be translated at each balance sheet date. The partnership manages this risk by ensuring where possible, the majority of transactions carried out with Apollo Group Entities are denominated in Sterling and not US dollars.

### **Going concern**

The partnership's approach to financial risk management is set out above. The partnership has sufficient cash resources and no borrowings. As a consequence, the members believe that the partnership is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the members have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the partnership continues to adopt the going concern basis in preparing the financial statements.

### **Charitable donations**

	2008 £	2007 £
During the year the partnership made the following payments:		
Charitable donations	254	5,000

### **Auditors**

Each member at the date of approval confirms that:

- so far as each member is aware, there is no relevant audit information of which the partnership's auditors are unaware; and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the partnership's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Members



Gareth Turner  
Designated Member  
27 April 2009

# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Statement of Members Responsibilities**

The members are responsible for preparing the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

The Limited Liability Partnerships ("LLP") Regulations 2001 made under the Limited Liability Partnerships Act 2000 requires the members to prepare such financial statements for each financial period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 proper accounting records which 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 LLP Regulations 2001 made under the Limited Liability Partnerships Act 2000. 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.

## **Independent auditors' report to the members of APOLLO MANAGEMENT INTERNATIONAL LLP**

We have audited the financial statements of Apollo Management International LLP ('the partnership') (the "financial statements") for the year ended 31 December 2008, which comprise the profit and loss account, the balance sheet, the cash flow statement and the notes to the cash flow statement and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the partnership's members, as a body, in accordance with section 235 of the Companies Act 1985, as applicable to limited liability partnerships. Our audit work has been undertaken so that we might state to the partnership'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 partnership and the 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 auditors**

The members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985, as applicable to limited liability partnerships.

We also report to you if, in our opinion, the partnership has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report (which comprises only the Members' Report). We consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 members in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the partnership, 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the partnership's affairs as at 31 December 2008 and of the partnership's profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, as applicable to limited liability partnerships.



**Deloitte LLP**

Chartered Accountants and Registered Auditors

London, England

27 April 2009

# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Profit and loss account**

**Year ended 31 December 2008**

	Note	Year to 31 December 2008 £	Year to 31 December 2007 £
Turnover	2	45,280,792	32,566,482
Operating expenses		(40,624,637)	(27,705,865)
<b>Operating profit</b>	3	<b>4,656,155</b>	<b>4,860,617</b>
Interest receivable and similar income	4	708,509	354,383
Interest payable and similar expense	5	(12)	(1,654)
<b>Profit on ordinary activities after taxation and for the financial period before members' remuneration and profit shares</b>		<b><u>5,364,652</u></b>	<b><u>5,213,346</u></b>

All results relate to continuing activities.

There have been no recognised gains or losses other than the profit for the current and prior financial periods. Accordingly, no statement of total recognised gains and losses has been presented.

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

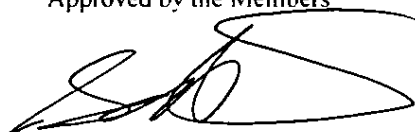
# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Balance sheet** **As at 31 December 2008**

	Note	31 December 2008 £	31 December 2007 £
<b>Fixed assets</b>			
Tangible assets	11	<u>4,438,190</u>	<u>2,767,724</u>
<b>Current assets</b>			
Debtors	12	6,722,273	3,102,229
Cash at bank and in hand		<u>46,123,055</u>	<u>23,755,624</u>
		52,845,328	26,857,853
<b>Creditors : amounts falling due within one year</b>	13	<u>(35,190,297)</u>	<u>(14,902,957)</u>
<b>Net current assets</b>		<u>17,655,031</u>	<u>11,954,896</u>
<b>Total assets less current liabilities and net assets attributable to members</b>		<u>22,093,221</u>	<u>14,722,620</u>
<b>Represented by:</b>			
Loans and other debts due to members within one year		<u>2,333,601</u>	<u>4,360,583</u>
		2,333,601	4,360,583
<b>Equity</b>			
Members' interests	15	<u>19,759,620</u>	<u>10,362,037</u>
		<u>22,093,221</u>	<u>14,722,620</u>
<b>Total members' interests</b>			
Loans and other debts due to members	15	2,333,601	4,360,583
Members' other interests	15	<u>19,759,620</u>	<u>10,362,037</u>
	15	<u>22,093,221</u>	<u>14,722,620</u>

These financial statements were approved by the Members and authorised for issue on 27 April 2009.

Approved by the Members



Gareth Turner  
Designated Member  
27 April 2009

# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Cash flow statement** **Year ended 31 December 2008**

	<b>Cash Flow Note</b>	<b>Year to 31 December 2008 £</b>	<b>Year to 31 December 2007 £</b>
<b>Net cash inflow from operating activities</b>	1	21,875,565	14,832,997
<b>Returns on investments and servicing of finance</b>			
Interest received		674,917	354,383
Interest paid		(12)	(1,654)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(2,163,922)	(646,356)
<b>Transactions with members and former members</b>			
Payments to members		(3,031,051)	(852,763)
Contributions by members		5,037,000	6,019,732
<b>Net cash inflow before management of liquid resources and financing</b>		22,392,497	19,706,339
<b>Financing</b>			
Repayment of other long term loans		-	(1,330,000)
<b>Increase in cash in the year</b>	2	<u>22,392,497</u>	<u>18,376,339</u>

# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Notes to cash flow statement** **Year ended 31 December 2008**

### **1. Reconciliation of operating profit to net cash inflow from operating activities**

	<b>31 December 2008 £</b>	<b>31 December 2007 £</b>
Operating profit	4,656,155	4,860,617
Depreciation	493,457	394,446
Increase in debtors	(3,586,450)	(2,598,820)
Increase in creditors	20,312,403	12,176,754
Net cash inflow from operating activities	<u>21,875,565</u>	<u>14,832,997</u>

### **2. Reconciliation of net cash flow to movement in net funds**

	<b>31 December 2008 £</b>	<b>31 December 2007 £</b>
Increase in cash in the year	22,392,497	18,376,339
Cash from loans and other amounts due from members	-	1,330,000
Change in net funds	<u>22,392,497</u>	<u>19,706,339</u>
Net funds at 1 January 2008	<u>23,730,558</u>	<u>4,024,219</u>
Net funds at 31 December 2008	<u>46,123,055</u>	<u>23,730,558</u>

### **3. Analysis of changes in net funds**

	<b>31 December 2007 £</b>	<b>Cash flow £</b>	<b>31 December 2008 £</b>
Cash at bank and in hand	23,755,624	22,367,431	46,123,055
Bank overdraft	(25,066)	25,066	-
Net funds	<u>23,730,558</u>	<u>22,392,497</u>	<u>46,123,055</u>

# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Notes to the accounts**

### **Year ended 31 December 2008**

#### **1. Accounting policies**

The particular accounting policies adopted by the members are set out below:

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including The Consultative Committee of Accountancy Bodies' Statement of Recommended Practice, 'Accounting by Limited Liability Partnerships' approved by the Accounting Standards Board (ASB) in March 2007.

##### **Going concern**

The financial statements have been prepared on the going concern basis which assumes that the partnership will continue in operational existence for the foreseeable future as detailed in the Members' report on page 3.

##### **Turnover**

Turnover comprises amounts receivable for investment advisory and sub advisory services provided net of VAT. Turnover is recognised on an accruals basis as advisory fees are rendered.

##### **Tangible fixed assets**

Tangible fixed assets are held at cost less depreciation and any impairment.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of assets at the following rates:

Computer equipment	Straight-line basis over 36 months
Leasehold property	Straight-line basis over 192 months
Office equipment	Straight-line basis over 60 months
Fixtures, fittings & equipment	Straight-line basis over 60 months

The method for charging depreciation was changed from a reducing balance basis to a straight-line basis at 1 January 2008 to align the basis of depreciation with that used by other Apollo Group Entities. The net effect of this is reflected in Note 11.

##### **Operating leases**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease. Benefits received and receivable as an incentive to sign an operating lease are similarly spread over the lease term on a straight line basis. Lease premiums are amortised on a straight-line basis over the lease term.

# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Notes to the accounts**

**Year ended 31 December 2008**

### **Accounting policies (continued)**

#### **Pensions**

The partnership operates a defined contribution scheme for the benefit of some of its employees. Contributions payable are charged to the profit and loss account in the period in which they are payable. Differences between the contributions payable in the period and the contributions actually paid are shown within accruals and deferred income or prepayments and accrued income on the balance sheet.

#### **Foreign currency translation**

The functional currency of the partnership is the US dollar, which is the functional currency of all Apollo Group Entities. The presentational currency of the partnership is Pounds Sterling, which is the currency in which the partnership primarily generates and expends cash. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the prevailing average monthly rate ruling at the date of transaction. All exchange differences are included in the profit and loss account.

#### **Members' participation rights**

Members' participation rights are the rights of a member against the partnership that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the partnership are analysed between those that are, from the partnership's perspective, either a financial liability or equity, in accordance with FRS 25 Financial Instruments: Disclosure and Presentation and UITF Abstract 39 Members' Shares in Co-operative Entities and Similar Instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the partnership.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classified as equity if the partnership has an unconditional right to refuse payment to members. If the partnership does not have an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the partnership does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the profit and loss account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities on the balance sheet.

#### **Share-based payments**

Equity-settled share-based payments are issued by other Apollo Group Entities to partners and employees of Apollo Group Entities including those of the partnership. The partnership accounts for the cost of options granted to employees or partners of the partnership.

In accordance with FRS 20: Share-based Payment, equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight line basis over the vesting period. The fair value is determined based on the market price of the respective group entities' shares, discounted for transfer restrictions and lack of dividends, at the date of grant.

# APOLLO MANAGEMENT INTERNATIONAL LLP

## Notes to the accounts

Year ended 31 December 2008

### 2. Turnover

	31 December 2008 £	31 December 2007 £
Geographical market:		
France	1,047,089	287,773
Germany	4,112,907	2,638,858
USA	40,120,796	29,639,851
	<u>45,280,792</u>	<u>32,566,482</u>

### 3. Operating profit

	31 December 2008 £	31 December 2007 £
Operating profit is stated at after charging:		
Auditors' remuneration - audit fees for the audit of the annual accounts	44,000	27,500
- taxation, regulatory and business advisory	352,136	59,870
Operating lease rentals - plant and machinery	20,729	-
- other	2,766,858	646,455
Loss on foreign exchange translations	4,394,947	40,207
Depreciation	<u>493,457</u>	<u>394,446</u>

### 4. Other interest receivable and similar income

	31 December 2008 £	31 December 2007 £
Bank interest received	<u>708,509</u>	<u>354,383</u>

### 5. Interest payable

	31 December 2008 £	31 December 2007 £
On bank loans and overdrafts	-	1,380
Other interest	12	274
	<u>12</u>	<u>1,654</u>

# APOLLO MANAGEMENT INTERNATIONAL LLP

## Notes to the accounts

Year ended 31 December 2008

### 6. Staff costs

	31 December 2008 £	31 December 2007 £
Wages and salaries	16,672,665	13,290,103
Social security costs	1,779,260	1,624,406
Other pension costs	23,488	115,916
	<u>18,475,413</u>	<u>15,030,425</u>

### 7. Number of employees

	31 December 2008	31 December 2007
Average number of employees during the period	<u>55</u>	<u>18</u>

### 8. Members' shares of profits

	31 December 2008	31 December 2007
Average number of members	<u>4</u>	<u>3</u>
Average profit per member	<u>£1,341,163</u>	<u>£1,737,782</u>

The total remuneration of the highest paid member in the year was £4,166,518 (31 December 2007: £4,360,583).

# APOLLO MANAGEMENT INTERNATIONAL LLP

## Notes to the accounts

Year ended 31 December 2008

### 9. Share-based payments

#### Restricted Share Units

The ultimate parent undertaking, Apollo Global Management LLC, grants Apollo Global Management LLC (the group) Restricted Share Units (RSUs) to employees and partners of the partnership. The costs of the grants are charged to the partnership based on grant date fair value of RSUs expected to vest. The fair value is calculated on the grant date based on the public share price discounted for transfer restrictions and lack of dividends until vested and will be charged to the profit and loss account on a straight line basis over the vesting period. It has been estimated that 3% (2007: 8%) will be forfeited based on the employee population.

The weighted average fair value of the outstanding RSUs at 31 December 2008 was US\$32,718,168 (2007: US\$33,853,771). The 2008 expenditure incurred for the RSU scheme was £4,618,184 (2007: £248,800).

The RSU activity is summarised in the table below:

	31 December 2008	31 December 2007
	No. of shares	No. of shares
Outstanding at the beginning of the year	2,133,335	-
Granted during the year	1,964,582	2,133,335
Forfeited during the year	(229,167)	-
Vested during the year	(782,968)	-
	<u>3,085,782</u>	<u>2,133,335</u>
Outstanding at the end of the year	3,085,782	2,133,335

#### Restricted Depository Units

On 15 June 2006, AAA Holdings, L.P., a subsidiary entity of the group, purchased Restricted Depository Units (RDUs) of AP Alternative Assets L.P. The group periodically grants these RDUs to certain employees and partners of the partnership. The RDU once vested, can be converted into units of A.P. Alternative Assets L.P.

The grant date fair value, based on an observable market price, of the RDUs is recognised on a straight line basis over the vesting period. It has been estimated that 5.5% (2007: 8%) will be forfeited based on the employee population.

The weighted average fair value of the outstanding RDUs at 31 December 2008 was US\$1,752,105 (2007: US\$617,439). The 2008 expenditure incurred for the RDU scheme by the partnership was £506,649 (2007: £182,127).

The RDU activity is summarised in the table below:

	31 December 2008	31 December 2007
	No. of shares	No. of shares
Outstanding at the beginning of the year	31,500	48,250
Granted during the year	128,496	-
Forfeited during the year	-	-
Vested during the year	(58,915)	(16,750)
	<u>101,081</u>	<u>31,500</u>
Outstanding at the end of the year	101,081	31,500

# APOLLO MANAGEMENT INTERNATIONAL LLP

## Notes to the accounts

Year ended 31 December 2008

### 10. Pensions

The partnership operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the partnership in an independently administered fund. The pension cost charge represents contributions payable by the partnership to the fund.

	31 December 2008 £	31 December 2007 £
Cost for the year	23,488	115,916
Outstanding contributions included within creditors: amounts falling due within one year	<u>57,466</u>	<u>539,726</u>

### 11. Tangible fixed assets

	Land and Buildings Leasehold £	Computer and Office Equipment £	Fixtures, Fittings & Equipment £	Total £
<b>Cost</b>				
1 January 2008	1,931,576	753,995	883,740	3,569,311
Additions	<u>1,749,049</u>	<u>192,876</u>	<u>221,998</u>	<u>2,163,923</u>
31 December 2008	<u>3,680,625</u>	<u>946,871</u>	<u>1,105,738</u>	<u>5,733,234</u>
<b>Depreciation</b>				
1 January 2008	229,448	297,432	274,707	801,587
Adjustment due to change in depreciation policy	<u>(15,283)</u>	<u>(28,716)</u>	<u>(101,362)</u>	<u>(145,361)</u>
Charge for the year	<u>184,565</u>	<u>236,805</u>	<u>217,448</u>	<u>638,818</u>
31 December 2008	<u>398,730</u>	<u>505,521</u>	<u>390,793</u>	<u>1,295,044</u>
<b>Net book value</b>				
31 December 2008	<u>3,281,895</u>	<u>441,350</u>	<u>714,945</u>	<u>4,438,190</u>
31 December 2007	<u>1,702,128</u>	<u>456,563</u>	<u>609,033</u>	<u>2,767,724</u>

# **APOLLO MANAGEMENT INTERNATIONAL LLP**

## **Notes to the accounts**

**Year ended 31 December 2008**

### **12. Debtors**

	31 December 2008 £	31 December 2007 £
Amounts falling due within one year:		
Trade debtors	-	142,231
Other debtors	3,995,417	1,770,556
Prepayments & accrued income	2,117,539	1,189,442
	<u>6,112,956</u>	<u>3,102,229</u>
Amounts falling due after more than one year:		
Prepayments & accrued income	609,317	-
	<u>6,722,273</u>	<u>3,102,229</u>

### **13. Creditors: amounts falling due within one year**

	31 December 2008 £	31 December 2007 £
Bank loans and overdrafts	-	25,066
Trade creditors	1,190,693	-
Amounts owed to group undertakings	24,292,172	6,949,145
Other taxation and social security	3,699,052	4,924,646
Other creditors	3,706,536	1,030,751
Accruals and deferred income	2,301,844	1,973,349
	<u>35,190,297</u>	<u>14,902,957</u>

### **14. Commitments and Guarantees**

The group is committed to make the following payments in the coming period in respect of land and buildings:

	31 December 2008 £	31 December 2007 £
Operating leases which expire:		
Within one year	405,652	-
After five years	1,523,720	919,463

The partnership has funds of £1,778,618 (2007: £1,780,000) (under charge) with Coutts & Co, London for guarantees which they have provided in respect of operating lease rentals on the partnership's premises. The partnership continues to receive interest income on the amounts placed on deposit.

# APOLLO MANAGEMENT INTERNATIONAL LLP

## Notes to the accounts

Year ended 31 December 2008

### 15. Total members' interests

Parent	Members' capital £	Other reserves £	Total £	Loans and other debts due to members £	Total members' interests £
<b>Members' interests:</b>	10,362,037	-	10,362,037	4,360,583	14,722,620
<b>1 January 2008</b>					
Profit for the financial year available for discretionary division among members	-	5,364,652	5,364,652	-	5,364,652
<b>Members' interests after profit for the year</b>	10,362,037	5,364,652	15,726,689	4,360,583	20,087,272
Other division of profits	-	(5,364,652)	(5,364,652)	5,364,652	-
Capital introduced by members	5,037,000	-	5,037,000	-	5,037,000
Drawings	-	-	-	(3,031,051)	(3,031,051)
Transfer undrawn profits to capital	4,360,583	-	4,360,583	(4,360,583)	-
<b>Members' interests:</b>	19,759,620	-	19,759,620	2,333,601	22,093,221
<b>31 December 2008</b>					

### 16. Related party transactions

The partnership has entered into investment advisory and sub-advisory agreements with other Apollo Global Management LLC group subsidiaries and affiliates "Apollo Group Entities". Under these agreements the partnership earns and pays advisory fees, on an arm's length basis, for services performed and received. Under an Apollo Management group settlement agreement, the partnership can elect to settle the net balance due to/from other Apollo Group Entities on a net settlement basis, with Apollo Global Management LLC. Accordingly, the net amounts due to Apollo Global Management LLC at year end was, £24,292,172 (2007: £6,949,145).

Included within the profit and loss account is turnover earned from Apollo Group Entities of £45,280,792 (2007: £32,566,482) and operating expenses incurred on behalf of Apollo Group Entities of £5,159,996 (2007: £2,926,631).

The partnership also pays expenses on behalf of funds which are managed by other Apollo Group Entities. These expenses are not treated as expenses of the partnership and accordingly are not included within the partnership's profit and loss account. The amounts due from these funds at 31 December 2008 are included within other debtors.

### 17. Ultimate Controlling Party

The partnership's ultimate controlling party is deemed to be Apollo Global Management LLC, a Delaware, United States, Limited Liability Corporation. Apollo Global Management LLC consolidates the results of Apollo Management International LLP.