

INTERMEDIATION GROUP LIMITED

Company No. 3245756

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 2001



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COMPANIES HOUSE 16/12/02

**InterMediation Group Limited
Company Information**

Directors

Mr DM Mills
Mr PD Ashdown-Barr
Mr D Barr
Mr JD Gunner
Mr F Varela

Secretary

BBR Secretaries Limited
42 Bedford Row
London WC1R 4JL

Solicitors

Vizards Oldham Brooke Blain
42 Bedford Row
London WC1R 4JL

Accountants

Tenon Limited
66 Chiltern Street
London W1U 4JL

Registered Office

42 Bedford Row
London WC1R 4JL

InterMediation Group Limited

Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 31st December 2001.

Principal activity and business review

The principal activity of the company throughout the year was that of parent to InterMediation Ltd ('InterMediation'), its wholly owned subsidiary involved in dispute resolution, conflict prevention and training/consultancy services.

InterMediation has weathered the continued slow pace of ADR take up by the legal profession which remains despite the strong efforts of the government and the courts to promote it. InterMediation's strategy has therefore been to develop the market for ADR and conflict prevention amongst those with a direct need in the insurance, reinsurance, corporate, healthcare and public sectors. This has been a costly and time consuming process but ultimately the directors believe the right course of action and one which should bring strong and sustained growth in due course.

InterMediation has now established schemes for health trusts, capital projects, in-house lawyers and for the insurance/reinsurance markets. In particular it has recently launched the Claims Mediation Centre – a permanent facility at the Lloyd's Building in the heart of the London insurance market. It has also developed the Insurance Disputes Panel as a market-wide response to the World Trade Centre atrocity in conjunction with other organisations in the UK and US.

At the end of 2001 the company successfully completed a second private placing in the light of the above in order to allow InterMediation to continue to develop these activities.

The company looks forward to continuing its programme and to InterMediation developing reliable revenue streams from all these activities.

InterMediation Group Limited
Abbreviated Balance Sheet
31st December 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed Assets					
Investments	3		99		99
Current Assets					
Debtors	4	531,670		282,574	
Cash at bank		59,402		(14,057)	
		<u>591,072</u>		<u>268,517</u>	
Creditors: Amounts falling due in more than one year					
	5	<u>(13,586)</u>		<u>(13,586)</u>	
Net Current Liabilities					
			<u>577,486</u>		<u>254,930</u>
			<u><u>577,585</u></u>		<u><u>255,030</u></u>
Capital and Reserves					
Called up share capital	6		223,540		220,040
Share premium			429,651		83,151
Profit and loss account			<u>(75,606)</u>		<u>(48,161)</u>
Shareholders' Funds					
			<u><u>577,585</u></u>		<u><u>255,030</u></u>

The directors confirm that, in accordance with Section 249B(4) of the Companies Act 1985 for the financial year ended 31st December 2001 the company was entitled to exemption under Section 249A(1) of the Act from the requirement to have an audit.

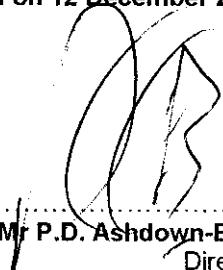
No notice has been deposited under Section 249B(2) of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and its profit and loss for the financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 so far as is applicable.

These abbreviated accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

InterMediation Group Limited
The Lloyds Building
Gallery 4, 12 Leadenhall Street
London
EC3V 1LP

Approved by the board on 12 December 2002


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Mr P.D. Ashdown-Barr
Director

InterMediation Group Limited
Notes to the Abbreviated Accounts
For the year ended 31st December 2001

1. Basis of Preparing the Abbreviated Accounts

The company continues to assist InterMediation actively develop its projects and potential new income streams as set out in the business review within the Directors' Report. In addition it also successfully completed an additional private placing in November 2001 to raise further working capital for InterMediation. On the basis of the above, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2. Principal Accounting Policies

Accounting basis and standards

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Group accounts

The company has taken advantage of the exemptions conferred by section 248 of the Companies Act 1985 from preparing group accounts.

Investments

Investments are included at cost. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Deferred taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Development expenditure incurred on an individual project is carried forward when its future recoverability can be foreseen with reasonable assurance. Any expenditure carried forward is amortised in line with the sales from the related project.

3. Investments

	Shares in Group Undertakings £
Cost	
At 31 st December 2000 and at 31 st December 2001	99
Net Book Value	
At 31 st December 2000 and at 31 st December 2001	99

4. Debtors

	2001 £	2000 £
Amounts owed by group undertakings	531,670	282,574
Other debtors	-	-
Prepayments	-	-
	531,670	282,574

InterMediation Group Limited
Notes to the Abbreviated Accounts
For the year ended 31st December 2001 (continued)

Amount owed by group undertakings of £531,670 (2000:282,574) will not be demanded in the next twelve months.

5. Creditors: Amounts Falling Due Within One Year

	2001 £	2000 £
Trade creditors	-	-
Directors' loan	10,348	10,348
Accruals and deferred income	3,200	3,200
	<u>13,548</u>	<u>13,548</u>

6. Shareholders' Funds

The share capital comprises:

	2001 £	2000 £
Authorised:		
450,000 (2000: 100,000) 'A' Ordinary shares of 1 pence each	4,500	1,000
96,000 'B' Ordinary shares of £1 each	96,000	96,000
200,000 Preference shares of £1 each	200,000	200,000
	<u>300,500</u>	<u>297,000</u>
Called up, allotted and fully paid		
450,000 (2000: 100,000) 'A' Ordinary shares of 1 pence each	4,500	1,000
71,040 'B' Ordinary shares of £1 each	71,040	71,040
148,000 'Preference shares of £1 each	148,000	148,000
	<u>223,540</u>	<u>220,040</u>

During the year 350,000 A shares of 1p each were sold at £1 each, raising £350,000 of new capital.

7. Controlling Party

The company has no ultimate controlling party.