

COMPANY REGISTRATION NUMBER 1679607

LONHAM GROUP LIMITED
ABBREVIATED ACCOUNTS
31ST MARCH 2004



FINNIGAN AND CO.
Chartered Certified Accountants & Registered Auditors
39, Lower Brook Street,
Ipswich,
Suffolk,
IP4 1AQ.

LONHAM GROUP LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2004

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LONHAM GROUP LIMITED**INDEPENDENT AUDITORS' REPORT TO THE COMPANY****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31st March 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

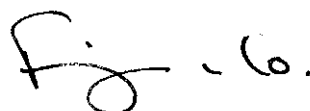
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

39, Lower Brook Street,
Ipswich,
Suffolk,
IP4 1AQ.

23/7/04



FINNIGAN AND CO.
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LONHAM GROUP LIMITED
ABBREVIATED BALANCE SHEET
31ST MARCH 2004

	Note	2004 £	2003 £
FIXED ASSETS	2		
Tangible assets		109,845	102,368
Investments		<u>4</u>	<u>4</u>
		109,849	102,372
CURRENT ASSETS			
Debtors		2,024,347	1,922,285
Cash at bank and in hand		<u>198,739</u>	<u>414,536</u>
		2,223,086	2,336,821
CREDITORS: Amounts falling due within one year	3	<u>1,950,523</u>	<u>2,326,256</u>
NET CURRENT ASSETS		272,563	10,565
TOTAL ASSETS LESS CURRENT LIABILITIES		382,412	112,937
CREDITORS: Amounts falling due after more than one year	4	<u>38,930</u>	<u>45,875</u>
		<u>343,482</u>	<u>67,062</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	100	100
Other reserves		10,000	10,000
Profit and loss account		<u>333,382</u>	<u>56,962</u>
SHAREHOLDER'S FUNDS		<u>343,482</u>	<u>67,062</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 6 June 04 and are signed on their behalf by:

D. Stannard
MISS D. STANNARD

LONHAM GROUP LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST MARCH 2004****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Turnover

The turnover shown in the profit and loss account represents insurance commission earned in the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 2.38% straight line
Fixtures and fittings	- 33.33% straight line
Office equipment	- 33.33% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

LONHAM GROUP LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST MARCH 2004****2. FIXED ASSETS**

	Tangible Assets £	Investments £	Total £
COST			
At 1st April 2003	288,088	4	288,092
Additions	22,682	—	22,682
Disposals	(23,773)	—	(23,773)
Revaluation	(47,178)	—	(47,178)
At 31st March 2004	239,819	4	239,823
DEPRECIATION			
At 1st April 2003	185,720	—	185,720
Charge for year	14,925	—	14,925
On disposals	(23,493)	—	(23,493)
Revaluation adjustment	(47,178)	—	(47,178)
At 31st March 2004	129,974	—	129,974
NET BOOK VALUE			
At 31st March 2004	109,845	4	109,849
At 31st March 2003	102,368	4	102,372

The freehold land and building was professionally revalued by Fenn Wright, Chartered Surveyors, as at 31st December 1997, reducing the value by £163,432. This valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors' Statement of Asset Valuation Practice and Guidance Notes and has not been updated. The company took advantage of the transitional arrangements in the revised Financial Reporting Standard for Smaller Entities to retain existing book values, including those of its unimpaired tangible fixed assets, which were previously stated at valuation.

The investments in subsidiary undertakings consist of a 100% interest in the issued ordinary share capitals of Lonham Marine Underwriters Limited and Lonham Claims and Recovery Bureau Limited. Both companies are incorporated in the U.K. and neither has traded since incorporation. Each has net assets of £2.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2004 £	2003 £
Bank loans and overdrafts	7,992	6,131

LONHAM GROUP LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST MARCH 2004****4. CREDITORS: Amounts falling due after more than one year**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2004	2003
	£	£
Bank loans and overdrafts	<u>38,930</u>	<u>45,875</u>

Included within creditors falling due after more than one year is an amount of £16,266 (2003 - £21,350) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

5. SHARE CAPITAL**Authorised share capital:**

	2004	2003
	£	£
45,000 Ordinary shares of £1 each	<u>45,000</u>	<u>45,000</u>

Allotted, called up and fully paid:

	2004		2003
	No	£	No
	<u>100</u>	<u>100</u>	<u>100</u>
Ordinary shares of £1 each			

6. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Lonham Limited, a company incorporated in the U.K.