

Reg no 967850

Report of the Directors and
Financial Statements
for the year ended 31st March 2004
for
Lambert Fenchurch International Group
Limited



Lambert Fenchurch International Group
Limited

Contents of the Financial Statements
for the year ended 31st March 2004

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

Lambert Fenchurch International Group
Limited

Company Information
for the year ended 31st March 2004

DIRECTORS:

H C Champion
K L Leaney
T G Watson
D W Way

SECRETARY:

HL Corporate Services Limited

REGISTERED OFFICE:

Friary Court
Crutched Friars
London
EC3N 2NP

REGISTERED NUMBER:

967850

AUDITORS:

Monahans
Clarks Mill
Stallard Street
Trowbridge
Wiltshire
BA14 8HH

Lambert Fenchurch International Group
Limited

Report of the Directors
for the year ended 31st March 2004

The directors present their report with the financial statements of the company for the year ended 31st March 2004.

PRINCIPAL ACTIVITY

The company did not trade during the year and the directors do not expect the company to trade in future years.

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2004.

DIRECTORS

The directors during the year under review were:

H C Champion	
R J Ewen	
M K Godfrey	
K L Leaney	
T G Watson	
D W Way	
A M Barabino	- resigned 17.3.04
M J Caley	
A Colosso	- resigned 1.4.03
J D Forder	
D C Woodward	- resigned 10.12.03

The directors holding office at 31st March 2004 did not hold any beneficial interest in the issued share capital of the company at 1st April 2003 or 31st March 2004.

M J Caley resigned on 30th June 2004.

J D Forder resigned on 9th July 2004.

R J Ewen resigned on 20th August 2004.

M K Godfrey resigned on 31st December 2004.

The beneficial interests, including family interests, in the securities of the ultimate parent undertaking, Heath Lambert Holdings Limited as at 31st March 2004, according to the register of directors' interests maintained in compliance with the Companies Act 1985, are as follows:

	Ordinary 1p shares
H C Champion	750
A Colosso	2000
K L Leaney	50
T G Watson	325
D W Way	350

COMPANY'S POLICY ON PAYMENT OF CREDITORS

There are no creditors at the year end.

**Lambert Fenchurch International Group
Limited**

**Report of the Directors
for the year ended 31st March 2004**

GROUP RESTRUCTURING

As part of the group restructuring, on 17th December 2003 HLF Group plc (previously the ultimate holding company) sold its interest in Heath Lambert Group Limited, an intermediate holding company of Lambert Fenchurch International Group Limited, to Heath Lambert Holdings Limited. As a result of this restructuring, the ultimate parent undertaking of Lambert Fenchurch International Group Limited is Heath Lambert Holdings Limited, a company incorporated in England and Wales.

Following the restructuring described above the group's directors have taken the decision to rationalise the corporate structure of the group. This rationalisation involves a significant reduction in the number of dormant companies contained within the group. In order to complete this rationalisation the company has written off amounts due to and amounts due from other group undertakings. As a result of making these transactions the company is no longer able to claim exemption from audit and consequently has appointed auditors.

PERSONNEL

The company has no employees. All group employees are employed by Heath Lambert Management Limited, the group's management services company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to

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

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 financial statements 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.

AUDITORS

Monahans were appointed as auditors on 3rd September 2004 to fill a casual vacancy.

ON BEHALF OF THE BOARD:


.....
HL Corporate Services Limited - Secretary

Date: 11 January 2005

Report of the Independent Auditors to the Shareholders of
Lambert Fenchurch International Group
Limited

We have audited the financial statements of Lambert Fenchurch International Group Limited for the year ended 31st March 2004 on pages five to nine. These financial statements have been prepared under the historical cost convention and 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 on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom 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 Report of the Directors 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 Report of the Directors 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 the company's affairs as at 31st March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Monahans

Monahans
Clarks Mill
Stallard Street
Trowbridge
Wiltshire
BA14 8HH

Date: *28 January 2005*

**Lambert Fenchurch International Group
Limited**

**Profit and Loss Account
for the year ended 31st March 2004**

		<u>2004</u>	<u>2003</u>
	Notes	£	£
TURNOVER		-	-
OPERATING PROFIT	3	-	-
Exceptional item	4	2	-
		<u>—</u>	<u>—</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2)	-
Tax on loss on ordinary activities	5	-	-
		<u>—</u>	<u>—</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(2)	-
		<u>—</u>	<u>—</u>
DEFICIT CARRIED FORWARD		£(2)	-
		<u>—</u>	<u>—</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

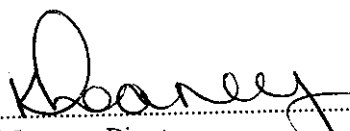
The company has no recognised gains or losses other than the loss for the current year.

Lambert Fenchurch International Group
Limited

Balance Sheet
31st March 2004

		<u>2004</u>	<u>2003</u>
	Notes	£	£
CURRENT ASSETS:			
Debtors	6	-	1,002
CREDITORS: Amounts falling due within one year	7	-	1,000
NET CURRENT ASSETS:		-	2
TOTAL ASSETS LESS CURRENT LIABILITIES:		-	£2
CAPITAL AND RESERVES:			
Called up share capital	8	2	2
Profit and loss account		(2)	-
SHAREHOLDERS' FUNDS:	11	-	£2

ON BEHALF OF THE BOARD:


.....
K L Leaney - Director

Approved by the Board on 11 January 2005

The notes form part of these financial statements

Lambert Fenchurch International Group
Limited

Notes to the Financial Statements
for the year ended 31st March 2004

1. **ACCOUNTING POLICIES**

Accounting convention

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

Cash flow statement

The company is a wholly owned subsidiary of Heath Lambert Group Limited and is included in the consolidated financial statements of Heath Lambert Group Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

2. **STAFF COSTS**

The company has no employees.

3. **OPERATING PROFIT**

Auditors' remuneration for the year amounted to £400 (year ended 31st March 2003: £nil), which was borne on behalf of the company by Heath Lambert Management Limited, a fellow group undertaking.

None of the directors have provided any services to the company during the year and no directors received any emoluments during the year.

During the year the company was provided with certain services from other group companies for which it was not charged.

4. **EXCEPTIONAL ITEMS**

The exceptional item represents the elimination of certain intra-group balances as a result of the group restructure.

5. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st March 2004 nor for the year ended 31st March 2003.

Factors affecting the tax charge

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

	2004
	£
Loss on ordinary activities before tax	(2)
	=
Loss on ordinary activities	
multiplied by the standard rate of corporation tax	
in the UK of 30%	(1)
Effects of:	
Intra-group balances eliminated not allowable for tax purposes	1
	—
Current tax charge	-
	=

**Lambert Fenchurch International Group
Limited**

**Notes to the Financial Statements
for the year ended 31st March 2004**

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Amounts due from group undertakings	-	1,002
	-	1,002
	<u> </u>	<u> </u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Amounts due to group undertakings	-	1,000
	-	1,000
	<u> </u>	<u> </u>

8. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2004 £	2003 £
100	Ordinary	£1.00	100	100
			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2004 £	2003 £
2	Ordinary	£1.00	2	2
			<u> </u>	<u> </u>

9. ULTIMATE PARENT COMPANY

The company is a joint venture. The company is owned in equal shares by Fenchurch Limited, a company incorporated in England and Insurance and Hamalworth Professional Agencies Limited, a company incorporated in England. The ultimate parent undertaking of Fenchurch Limited is Heath Lambert Holdings Limited, a company incorporated in England.

10. RELATED PARTY DISCLOSURES

As a wholly owned subsidiary undertaking of Heath Lambert Holdings Limited, the company has taken advantage of the exemption in Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with other members of the group headed by Heath Lambert Holdings Limited.

Lambert Fenchurch International Group
Limited

Notes to the Financial Statements
for the year ended 31st March 2004

11. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2004 £	2003 £
Loss for the financial year	(2)	-
	—	—
Net (reduction)/addition to shareholders' funds	(2)	-
Opening shareholders' funds	2	2
	—	—
Closing shareholders' funds	-	2
	==	==
Equity interests	-	2
	==	==