

Lighthouse Group plc

Interim Company Accounts for the 3 months

ended 31 March 2008

Registered number: 04042743

Lighthouse Group plc

Interim company accounts

Company details

Registered Office:

26 Throgmorton Street

London EC2N 5AN

Directors:

David Hickey

Malcolm Streatfield

Päivi Grigg

John Stevenson

Richard Last

Philip Whitehead

Secretary:

Mark Ross

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Income Statement for the 3 months ended 31 March 2008

	Note	3 months to 31 March 2008	Audited year ended 31 December 2007
		£	£
Administrative expenses			
Exceptional operating expenses	4	-	(1,909,010)
Operating loss		-	(1,909,010)
Finance revenue	5	450,000	500,000
Profit/(loss) before taxation		450,000	(1,409,010)
Tax expense	7	-	-
Profit/(loss) for the year attributable to equity holders		450,000	(1,409,010)

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Balance sheet as at 31 March 2008

	Note	31 March 2008	Audited 31 December 2007
		£	£
Non current assets			
Investments	8	2,402,328	2,402,328
		2,402,328	2,402,328
Current assets			
Trade and other receivables	9	6,611,790	7,110,981
Cash and cash equivalents	10	950,000	-
		7,561,790	7,110,981
Total assets		9,964,118	9,513,309
Current liabilities			
Provisions		871,230	871,230
		871,230	871,230
Total liabilities		871,230	871,230
Net assets		9,092,888	8,642,079
Capital and reserves			
Called up share capital	11	837,186	836,377
Share premium account		5,695,963	5,695,963
Special undistributable reserve		90,364	90,364
Other reserves		1,519,375	1,519,375
Profit and loss account		950,000	500,000
Shareholders' equity		9,092,888	8,642,079

The interim financial statements on pages 2 to 10 were approved by the Board on 24 April 2008 and signed on its behalf by:

M Streatfield) Directors

P Grigg)

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Statement of changes in equity for the 3 months ended 31 March 2008

	Share capital	Share premium account	Special undistributable reserve arising from reduction in share premium	Reserves arising from share based payments	Profit and loss reserve	Total
	£	£	£	£	£	£
At 1 January 2008	836,377	5,695,963	90,364	1,519,375	500,000	8,642,079
Issue of ordinary share capital	809	-	-	-	-	809
Total recognised income and expense for the year	-	-	-	-	450,000	450,000
At 31 March 2008	837,186	5,695,963	90,364	1,519,375	950,000	9,092,888
At 1 January 2007	752,669	15,713,946	-	1,519,375	(9,900,626)	8,085,364
Issue of ordinary share capital	83,708	1,882,017	-	-	-	1,965,725
Total recognised income and expense for the year	-	-	(1,909,010)	-	500,000	(1,409,010)
Reduction in share premium account	-	(11,900,000)	1,999,374	-	9,900,626	-
At 31 December 2007	836,377	5,695,963	90,364	1,519,375	500,000	8,642,079

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Cashflow statement for the 3 months ended 31 March 2008

	Note	3 months ended	Audited year ended
		31 March 2008	31 December 2007
		£	£
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Operating activities			
Profit/(loss) for the period		450,000	(1,409,010)
Adjustments to reconcile profit for the year to net cash (outflows)/inflows from operating activities			
Decrease in trade and other receivables		-	(700,000)
Decrease in trade and other receivables		500,000	200,000
Movement in provisions		-	1,909,010
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Net cash flow from operating activities		950,000	-
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Increase in cash and cash equivalents		950,000	-
Cash and cash equivalents at the beginning of the period		-	-
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Cash and cash equivalents at the period end		950,000	-
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Notes to the interim company accounts for the 3 months ended 31 March 2008

1. Authorisation of financial statements

The interim company accounts of Lighthouse Group plc for the 3 months ended 31 March 2008 were authorised for issue by the board of directors on 24 April 2008 and the balance sheet was signed on the board's behalf by Malcolm Streatfield and Päivi Grigg. Lighthouse Group plc is a public limited company incorporated and domiciled in England and Wales. The company's ordinary shares are traded on the London Alternative Investment Market.

2. Basis of preparation

(a) The results for the 3 months ended 31 March 2008 have been prepared on the basis of the accounting policies set out in Lighthouse Group plc's Annual Report and Financial Statements for 2007. The results for the 3 months to 31 March 2008 are unaudited. The interim financial statements do not constitute statutory accounts as defined in section 240 of the Companies Act 1985 and have been prepared in accordance with section 270 of the Companies Act 1985. The comparative figures for the full year 2007 have been taken from the company's 2007 Annual report and Financial Statements. The auditor has reported on the 2007 financial statements, the report was unqualified and did not contain a statement under section 273(2) or (3) of the Companies Act 1985. The company's 2007 Report and Financial Statements will be filed with the Registrar of Companies in due course.

(b) The interim financial statements of the company have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. The accounting policies applied are consistent with the policies set out in the 2007 Annual report and Financial Statements. The interim financial statements of the company have not been prepared in accordance with the disclosure requirements of IFRS issued by the IASB as endorsed by the European Union including, but not limited to, *IAS 34, Interim Accounts*.

(c) In the company's balance sheet, investments in group undertakings are stated at cost less accumulated impairment losses.

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Notes to the interim company accounts for the 3 months ended 31 March 2008

3. Operating profit

The operating profit is stated after charging:

Exceptional operating expenses

	3 months ended 31 March 2008	Audited year ended 31 December 2007
	£	£
Impairment of investments in subsidiary undertakings	-	336,316
Impairment of recoverable amounts owed from group undertakings	-	701,472
Provision for impairment of subsidiary undertakings	-	871,230
	-	1,909,010

4. Directors and employees

All directors are remunerated by Lighthouse Corporate Services Limited, a subsidiary of Lighthouse Group plc. The emoluments of these directors are not recharged to the company. The company has no employees.

5. Finance revenue and costs

	3 months ended 31 March 2008	Audited year ended 31 December 2007
	£	£
Dividends receivable	450,000	500,000

Finance revenue is dividend income from investments in subsidiary undertakings.

6. Dividends proposed

As approved by shareholders at the Annual General Meeting on 24 April 2008 in respect of the 2007 final dividend, and as described in Section 9 of the Rule 2.5 announcement on 11 March 2008 in respect of the special interim dividend which is conditional on the merger with Sumus plc.:

	£
Special interim dividend for 2008 0.5p	418,594
Final dividend for 2007 0.5p	418,594
	837,188

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Notes to the interim company accounts for the 3 months ended 31 March 2008

7. Taxation

(a) Analysis of charge in period	3 months ended 31 March 2008	Audited year ended 31 December 2007
	£	£
Current tax:		
UK corporation tax	-	-
Tax on profit on ordinary activities	-	-

(b) Reconciliation of the total tax charge

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

	£	£
Profit/(loss) on ordinary activities before tax	<u>450,000</u>	<u>(1,409,010)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	135,000	(422,703)
Effects of:		
Expenses not deductible for tax purposes	-	572,703
Non taxable income	<u>(135,000)</u>	<u>(150,000)</u>
Current Tax charge for year	<u>-</u>	<u>-</u>

8. Investments

Investments in subsidiary undertakings

	31 March 2008	Audited 31 December 2007
	£	£
Cost at 1 January	6,119,895	6,572,375
Adjustment in respect of acquisition of Carrwood Barker Holdings Limited	-	(552,480)
Additional investment in subsidiary	-	100,000
Cost at 31 end of period	<u>6,119,895</u>	6,119,895
Provision for impairment at 1 January	(3,717,567)	(3,381,251)
Provision made in the period	-	(336,316)
Provision for impairment at end of period	<u>(3,717,567)</u>	<u>(3,717,567)</u>
Net book value	<u>2,402,328</u>	<u>2,402,328</u>

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Subsidiary undertakings

The principal subsidiary undertakings are:

Name of company	Nature of business	% of issued shares held and voting rights
LighthouseWealth Limited	Provision of Independent Financial Advice	100%
Lighthouse Corporate Services Limited	Provision of Business services	100%
LighthouseCorporate Limited	Provision of Independent Financial Advice	100%
City Pensions Limited	Administration of pension schemes	100%
LighthouseCarrwood Limited	Provision of Independent Financial Advice	100%
LighthouseXpress Limited	Provision of regulatory authorisation and business services	100%
Temple Mortgages Limited	Provision of Independent Financial Advice	100%
LighthousePensions Limited	Provision of Business services	100%
LighthouseTemple Limited	Provision of Independent Financial Advice	100%
Brighthelm Business Solutions Limited	Provision of Business services	100%

All companies are incorporated and operate in Great Britain and are trading. All holdings relate to ordinary share capital in the subsidiaries.

9. Trade and other receivables

	At 31 March 2008	Audited at 31 December 2007
	£	£
Amounts owed by group undertakings	6,611,790	7,110,981
	6,611,790	7,110,981

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Notes to the interim company accounts for the 3 months ended 31 March 2008

10. Cash and short term deposits

	At 31 March 2008	Audited at 31 December 2007
	£	£
Cash at bank and in hand	950,000	-
	950,000	-

The fair value of cash and cash equivalents is £950,000 (2007: £nil).

11. Authorised and issued share capital

	As at 31 March 2008		Audited as at 31 December 2007	
	Number	£	Number	£
Authorised				
Ordinary shares of 1p each				
At 31 December	120,000,000	1,200,000	120,000,000	1,200,000
Allotted issued and fully paid				
Ordinary shares of 1p each				
At 1 January	83,637,838	836,377	75,266,983	752,669
Issued on 2 April 2007 to acquire customer relationships from Liverpool Victoria Financial Advice Services Ltd.	-	-	4,172,672	41,727
Issued on 2 April 2007 for cash raising £1,045,259	-	-	4,181,034	41,810
Options exercised during the year at 23.5p	-	-	10,256	102
Options exercised during the year at 1p	80,900	809	6,893	69
	83,718,738	837,186	83,637,838	836,377