

REGISTERED NUMBER: 01110410 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
FOR
J BRIAN HIGGS & CO. LIMITED



J BRIAN HIGGS & CO. LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2004**

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J BRIAN HIGGS & CO. LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2004

DIRECTORS:

A V Wood
Mrs J M Bryant
P Thompson

SECRETARY:

Mrs S A Wood

REGISTERED OFFICE:

806 High Street
KINGSWINFORD
West Midlands
DY6 8AB

REGISTERED NUMBER:

01110410 (England and Wales)

AUDITORS:

E R Grove & Co.
4 Halesowen Street
Rowley Regis
West Midlands
B65 OHG

J BRIAN HIGGS & CO. LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2004

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of insurance brokers and bank agents.

REVIEW OF BUSINESS

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

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of 673.87 per share.

The total distribution of dividends for the year ended 31 December 2004 will be £134,773.

DIRECTORS

The directors during the year under review were:

A V Wood
Mrs J M Bryant
P Thompson

The directors holding office at 31 December 2004 did not hold any beneficial interest in the issued share capital of the company at 1 January 2004 or 31 December 2004.

The interests of the directors in the share capital of the parent undertaking are disclosed in the parent company accounts.

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.

J BRIAN HIGGS & CO. LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2004**

AUDITORS

The auditors, E R Grove & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A. V. Wood

A V Wood - Director

25 March 2005

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
J BRIAN HIGGS & CO. LIMITED**

We have audited the financial statements of J Brian Higgs & Co. Limited for the year ended 31 December 2004 on pages five to twelve. 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 two 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.

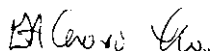
Basis of audit opinion

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 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



E R Grove & Co.
4 Halesowen Street
Rowley Regis
West Midlands
B65 0HG

25 March 2005

J BRIAN HIGGS & CO. LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 £	2003 £
TURNOVER		406,878	417,095
Administrative expenses		221,760	249,954
OPERATING PROFIT	3	185,118	167,141
Interest receivable and similar income		499	275
		185,617	167,416
Interest payable and similar charges	4	(24)	2,413
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		185,641	165,003
Tax on profit on ordinary activities	5	36,342	32,919
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		149,299	132,084
Dividends	6	134,773	116,978
RETAINED PROFIT FOR THE YEAR		14,526	15,106

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 profits for the current and previous years.

J BRIAN HIGGS & CO. LIMITED

**BALANCE SHEET
31 DECEMBER 2004**

	Notes	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	7		9,259		11,058
CURRENT ASSETS					
Debtors	8	82,605		122,468	
Cash at bank and in hand		79,118		86,219	
		<u>161,723</u>		<u>208,687</u>	
CREDITORS					
Amounts falling due within one year	9	<u>114,214</u>		<u>178,393</u>	
NET CURRENT ASSETS			<u>47,509</u>		<u>30,294</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			56,768		41,352
PROVISIONS FOR LIABILITIES AND CHARGES	10		890		-
			<u>55,878</u>		<u>41,352</u>
CAPITAL AND RESERVES					
Called up share capital	11		200		200
Profit and loss account	12		55,678		41,152
SHAREHOLDERS' FUNDS	14		<u>55,878</u>		<u>41,352</u>

ON BEHALF OF THE BOARD:

A. V. Wood

A V Wood - Director

Approved by the Board on 25 March 2005

J BRIAN HIGGS & CO. LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 £	£	2003 £	£
Net cash inflow from operating activities	1		167,721		177,509
Returns on investments and servicing of finance	2		523		(2,138)
Taxation			(32,923)		(14,403)
Capital expenditure	2		-		5,500
Equity dividends paid			(134,773)		(116,978)
			<u>548</u>		<u>49,490</u>
Financing	2		(7,649)		(16,843)
(Decrease)/Increase in cash in the period			<u>(7,101)</u>		<u>32,647</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(7,101)		32,647	
Cash outflow from decrease in debt and lease financing		<u>-</u>		<u>11,544</u>	
Change in net funds resulting from cash flows			<u>(7,101)</u>		<u>44,191</u>
Movement in net funds in the period			(7,101)		44,191
Net funds at 1 January			<u>86,219</u>		<u>42,028</u>
Net funds at 31 December			<u>79,118</u>		<u>86,219</u>

The notes form part of these financial statements

J BRIAN HIGGS & CO. LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2004**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004 £	2003 £
Operating profit	185,118	167,141
Depreciation charges	1,798	3,092
Loss on disposal of fixed assets	-	6,982
Decrease/(Increase) in debtors	47,513	(17,682)
(Decrease)/Increase in creditors	(66,708)	17,976
Net cash inflow from operating activities	<u>167,721</u>	<u>177,509</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	499	275
Interest paid	24	-
Interest element of hire purchase or finance lease rentals payments	-	(2,413)
Net cash inflow/(outflow) for returns on investments and servicing of finance	<u>523</u>	<u>(2,138)</u>
Capital expenditure		
Purchase of tangible fixed assets	-	(2,666)
Sale of tangible fixed assets	-	8,166
Net cash inflow for capital expenditure	<u>-</u>	<u>5,500</u>
Financing		
New loans in year	(7,649)	(5,299)
Capital repayments in year	-	(11,544)
Net cash outflow from financing	<u>(7,649)</u>	<u>(16,843)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.04 £	Cash flow £	At 31.12.04 £
Net cash:			
Cash at bank and in hand	86,219	(7,101)	79,118
	<u>86,219</u>	<u>(7,101)</u>	<u>79,118</u>
Total	<u>86,219</u>	<u>(7,101)</u>	<u>79,118</u>

The notes form part of these financial statements

J BRIAN HIGGS & CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 10% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2004	2003
	£	£
Wages and salaries	121,945	124,792
Social security costs	447	1,610
Other pension costs	6,227	6,239
	<u>128,619</u>	<u>132,641</u>

The average monthly number of employees during the year was as follows:

2004	2003
<u>11</u>	<u>11</u>

J BRIAN HIGGS & CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2004**

3. OPERATING PROFIT

The operating profit is stated after charging:

	2004	2003
	£	£
Hire of plant and machinery	-	743
Depreciation - owned assets	1,798	3,092
Loss on disposal of fixed assets	-	6,982
Auditors remuneration	<u>3,738</u>	<u>3,818</u>
Directors' emoluments	16,842	17,008
Directors' pension contributions to money purchase schemes	<u>6,227</u>	<u>6,239</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Other interest	(24)	-
Hire purchase	<u>-</u>	<u>2,413</u>
	<u>(24)</u>	<u>2,413</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2004	2003
	£	£
Current tax:		
UK corporation tax	35,452	32,919
Deferred tax	<u>890</u>	<u>-</u>
Tax on profit on ordinary activities	<u>36,342</u>	<u>32,919</u>

6. DIVIDENDS

	2004	2003
	£	£
Equity shares:		
Final	<u>134,773</u>	<u>116,978</u>

J BRIAN HIGGS & CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2004**

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2004	
and 31 December 2004	49,660
DEPRECIATION	
At 1 January 2004	38,603
Charge for year	1,798
At 31 December 2004	40,401
NET BOOK VALUE	
At 31 December 2004	9,259
At 31 December 2003	11,057

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Trade debtors	28,726	97,633
Amounts owed by group undertakings	12,949	5,299
Prepayments	40,930	19,536
	<u>82,605</u>	<u>122,468</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Trade creditors	71,589	133,275
Tax	35,452	32,923
Social security and other taxes	2,429	1,770
Accrued expenses	4,744	10,425
	<u>114,214</u>	<u>178,393</u>

10. PROVISION FOR LIABILITIES AND CHARGES

	2004	2003
	£	£
Deferred tax	890	-
	<u>890</u>	<u>-</u>
		Deferred tax
		£
Accelerated capital allowances		890
Balance at 31 December 2004		<u>890</u>

J BRIAN HIGGS & CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2004**

11. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2004	2003
Number:	Class:		£	£
15,000	Ordinary	1	<u>15,000</u>	<u>15,000</u>

Allotted, issued and fully paid:		Nominal value:	2004	2003
Number:	Class:		£	£
200	Ordinary	1	<u>200</u>	<u>200</u>

12. RESERVES

	Profit and loss account £
At 1 January 2004	41,152
Retained profit for the year	<u>14,526</u>
At 31 December 2004	<u>55,678</u>

13. ULTIMATE PARENT COMPANY

The ultimate parent company is J Brian Higgs (Kingswinford) Limited, a company registered in England and Wales. A copy of the ultimate parent undertakings accounts may be obtained from its registered office at 806 High Street, Kingswinford, West Midlands DY6 8AB.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	149,299	132,084
Dividends	<u>(134,773)</u>	<u>(116,978)</u>
Net addition to shareholders' funds	14,526	15,106
Opening shareholders' funds	<u>41,352</u>	<u>26,246</u>
Closing shareholders' funds	<u>55,878</u>	<u>41,352</u>
Equity interests	<u>55,878</u>	<u>41,352</u>

J BRIAN HIGGS & CO. LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004		2003	
	£	£	£	£
Turnover				
Sales	309,477		334,063	
Building society commissions	97,401		83,032	
	<u> </u>	406,878	<u> </u>	417,095
 Other income				
Deposit account interest		499		275
		<u> </u>		<u> </u>
		407,377		417,370
 Expenditure				
Rent	13,675		13,300	
Rates and water	2,540		3,009	
Insurance	11,511		12,407	
Light and heat	1,404		1,694	
Directors' salaries	16,842		17,008	
Directors' social security	447		1,610	
Directors' pension contributions	6,227		6,239	
Wages	105,103		107,784	
Hire of equipment	-		743	
Telephone	8,470		7,578	
Printing, postage & stationary	7,474		7,203	
Travelling	268		181	
Motor expenses	11,534		11,934	
Computer expenses	12,400		10,909	
Repairs and renewals	3,428		6,643	
Sundry expenses	8,527		9,671	
Accountancy	-		10,726	
Professional fees	5,322		6,485	
Auditors remuneration	3,738		3,818	
Entertainment	558		236	
	<u> </u>	219,468	<u> </u>	239,178
		187,909		178,192
 Finance costs				
Bank charges	494		702	
Other interest	(24)		-	
Hire purchase	-		2,413	
	<u> </u>	470	<u> </u>	3,115
		187,439		175,077
 Depreciation				
Fixtures and fittings		1,798		3,092
		<u> </u>		<u> </u>
Carried forward		185,641		171,985

This page does not form part of the statutory financial statements

J BRIAN HIGGS & CO. LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

	2004		2003
	£	£	£
Brought forward		185,641	171,985
Loss on disposal of fixed assets			
Motor vehicles		-	6,982
		<hr/>	<hr/>
NET PROFIT		185,641	165,003
		<hr/> <hr/>	<hr/> <hr/>