

2449580

D J HIGGINS ENTERPRISE LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2003



**D J HIGGINS ENTERPRISE LIMITED**  
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**FOR THE YEAR ENDED 31 JULY 2003**

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**D J HIGGINS ENTERPRISE LIMITED**  
**DIRECTORS AND CORPORATE INFORMATION**

**DIRECTORS**

R G Higgins ACIOB (Chairman)  
M J Higgins  
S P Higgins BA  
P H Lewellen BSc FCA

**SECRETARY**

C R Green FCA

**AUDITORS**

Gane Jackson Scott  
144 High Street  
Epping  
Essex CM16 4AS

**BANKERS**

HSBC Bank plc  
City Corporate Banking Centre  
Poultry & Princes Street  
London EC2P 2BX

Nationwide Building Society  
Property Finance  
218A High Street  
Epping  
Essex  
CM16 4AR

**REGISTERED OFFICE**

Hawke House  
Old Station Road  
Loughton  
Essex IG10 4PE

**REGISTERED NUMBER**

2449580

**D J HIGGINS ENTERPRISE LIMITED**  
**DIRECTORS' REPORT**

The Directors hereby submit the Annual Report and Financial Statements for the year ended 31 July 2003.

**RESULTS AND FUTURE PROSPECTS**

The results for the year are shown in the Profit and Loss Account. The Company has entered into a lease for an half acre site at North Weald, Essex upon which it has constructed industrial workshops. During the year the Company has continued to receive rent from its tenant, Bassett Business Units Limited. The future prospects look encouraging. No dividend has been paid during the year. The Directors do not recommend payment of a final dividend (2002: £Nil).

**FIXED ASSETS**

Details of fixed assets are given in notes 7 and 8 to the accounts.

**DIRECTORS AND DIRECTORS' INTERESTS**

The names of the Directors who held office throughout the year and at the date of this report, except where indicated, were as follows:

R G Higgins  
S P Higgins  
M J Higgins  
P H Lewellen

R G Higgins, S P Higgins and M J Higgins are shareholders and Directors of the ultimate parent company Higgins Group PLC, and their interests in the shares of that company are disclosed in the accounts of the parent company. The other Director has no beneficial interest in the shares of the Company or any other Group company. During the financial year the Company has purchased insurance for the Directors against liabilities in relation to the activities of the Company as permitted by the Companies Act 1985.

**TAX STATUS**

In the opinion of the Directors the Company is a close company. No provision for income tax under Section 414 of the Income and Corporation Taxes Act 1988 is considered necessary.

**AUDITORS**

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Gane Jackson Scott as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

**BY ORDER OF THE BOARD**

**8 October 2003**

.....  
**C R GREEN FCA**  
**Company Secretary**

**D J HIGGINS ENTERPRISE LIMITED**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**31 JULY 2003**

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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 year. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.
- Applicable accounting standards have been followed.

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.

**D J HIGGINS ENTERPRISE LIMITED**

**AUDITORS' REPORT**

**FOR THE YEAR ENDED 31 JULY 2003**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF D J HIGGINS ENTERPRISE LIMITED**

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the statement of directors responsibilities 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 directors report 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 directors report and consider the implications for our report if we become aware of any apparent misstatements within it.

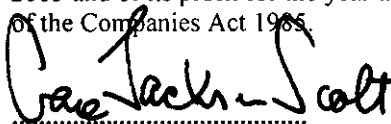
**BASIS OF OPINION**

We conducted our audit in accordance with 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 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 misstatements, 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 at 31 July 2003 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



**GANE JACKSON SCOTT  
CHARTERED CERTIFIED ACCOUNTANTS  
144 HIGH STREET  
EPPING  
ESSEX CM16 4AS**

**8 October 2003**

**REGISTERED AUDITORS**

**D J HIGGINS ENTERPRISE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JULY 2003**

	Notes	<u>2003</u> £	<u>2002</u> £
<b>TURNOVER</b>	2	114,660	101,130
Cost of Sales		-	-
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		114,660	101,130
Administrative Expenses		(1,101)	949
Property revaluation surplus previously written off		-	256,580
Interest Payable	5	(17,402)	(22,333)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	96,157	336,326
Taxation on profit on ordinary activities	6	(24,156)	(98,798)
		<hr/>	<hr/>
<b>TRANSFER TO RESERVES FOR THE FINANCIAL YEAR</b>	13	<u>£72,001</u>	<u>£237,528</u>

**STATEMENT OF TOTAL RECOGNISED GAINS  
AND LOSSES FOR THE YEAR ENDED 31 JULY 2003**

	<u>2003</u> £	<u>2002</u> £
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	72,001	237,528
Unrealised surplus on revaluation of properties	-	<u>143,420</u>
<b>TOTAL RECOGNISED GAINS RELATING TO THE YEAR</b>	<u>£72,001</u>	<u>£380,948</u>

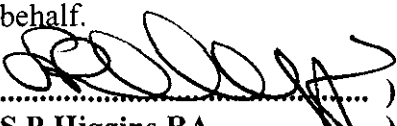
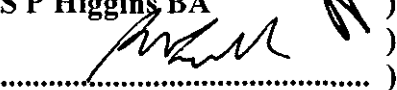
No activities were acquired or discontinued during the year.

The notes on pages 8 to 11 form an integral part of these accounts.

**D J HIGGINS ENTERPRISE LIMITED**  
**BALANCE SHEET**  
**AT 31 JULY 2003**

	Notes	2003		2002	
		£	£	£	£
<b>FIXED ASSETS</b>					
Long Leasehold Property	7		1,100,000		1,100,000
Investments	8		100		100
			<hr/>		<hr/>
			1,100,100		1,100,100
<b>CURRENT ASSETS</b>					
Debtors	9	32,069		26,885	
Cash at bank and in hand		8,209		42,612	
		<hr/>		<hr/>	
		40,278		69,497	
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(474,857)</u>		<u>(547,112)</u>	
<b>NET CURRENT LIABILITIES</b>			(434,579)		(477,615)
			<hr/>		<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			665,521		622,485
<b>CREDITORS: Amounts falling due after more than one year</b>	11		(299,925)		(328,890)
			<hr/>		<hr/>
			<u><b>£365,596</b></u>		<u><b>£293,595</b></u>
<b>CAPITAL &amp; RESERVES</b>					
Called up Share Capital	12		100		100
Revaluation Reserve	13		143,420		143,420
Profit and Loss Account	13		222,076		150,075
<b>SHAREHOLDERS FUNDS</b>			<u><b>£365,596</b></u>		<u><b>£293,595</b></u>

These accounts were approved by the Board of Directors on 8 October 2003 and signed on its behalf.

..... )  
  
S P Higgins BA )  
..... )  
  
P H Lewellen BSc FCA )

Directors

The notes on pages 8 to 11 form an integral part of these accounts.



**D J HIGGINS ENTERPRISE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**31 JULY 2003**

**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

**a) Basis of Preparation**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of the long leasehold property, and in accordance with applicable accounting standards. Compliance with SSAP 19 "Accounting for Investment Properties" requires a departure from the requirements of the Companies Act 1985 relating to depreciation of fixed assets and an explanation of this departure is given in (b) below.

**b) Depreciation**

Depreciation is not provided on the long leasehold investment property shown within tangible fixed assets. The property is stated at open market value and subject to periodic revaluation. Net surpluses on revaluation are credited to the Revaluation Reserve. Any discount from original cost is written off to the Profit and Loss Account to the extent that any balance on the Revaluation Reserve is insufficient to absorb it. This treatment is in accordance with SSAP19 and is required for the financial statements to give a true and fair view. The Directors consider that systematic annual depreciation would be inappropriate as the property is maintained in a sound state of repair. The useful life of the property and its residual value are such that depreciation is not significant.

**c) Taxation**

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that there is a reasonable probability that an actual liability will crystallise.

**d) Cash Flow Statement**

Under Financial Reporting Standard 1, the Company is exempt from the obligation to prepare a cash flow statement on the grounds that its ultimate parent company, Higgins Group PLC, prepares a consolidated cash flow statement, incorporating the cash flows of the Company.

**D J HIGGINS ENTERPRISE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**31 JULY 2003**

**2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Turnover and profit on ordinary activities before taxation are attributable entirely to the Company's principal activity. All activity relates to work done in the United Kingdom.

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated

	<u>2003</u>	<u>2002</u>
after charging:	£	£
Auditors' Remuneration	<u>£850</u>	<u>£850</u>

**4. STAFF COSTS**

The Company had no employees apart from the Directors during the year. All of the Directors are remunerated by the ultimate parent company.

**5. INTEREST PAYABLE**

	<u>2003</u>	<u>2002</u>
	£	£
Interest on Mortgage loan	<u>£17,402</u>	<u>£22,333</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<u>2003</u>	<u>2002</u>
<u>Analysis of charge in year</u>	£	£
Corporation tax at 19% (2002: 19.66%)	23,811	100,436
Adjustment in respect of previous years	345	(1,638)
	<u>£24,156</u>	<u>£98,798</u>

The Company is not aware of any factors that could materially affect the tax charge for the year or future tax charges.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total unprovided for is £43,000. At present, it is not envisaged that any tax will become payable in the foreseeable future.

**D J HIGGINS ENTERPRISE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**31 JULY 2003**

**7. LONG LEASEHOLD PROPERTY**

Long leasehold property comprises the Company's long leasehold interest in industrial workshops. The property was professionally valued at £1,100,000 by Glenny, Chartered Surveyors, on the basis of open market value at 31 July 2002 in compliance with RICS Statement of Asset Valuation Practice and Guidance Notes. The historical cost of the property is £956,580. The surplus above previous valuation was credited to the profit and loss account up to historical cost with the balance to revaluation reserve.

**8. FIXED ASSET INVESTMENTS**

Fixed asset investments represent 100% of the allotted share capital of Bassett Business Units Limited at their nominal value. Bassett Business Units Limited (a company registered in England) is a property management and development company.

**9. DEBTORS**

	<u>2003</u>	<u>2002</u>
	£	£
Due within one year:		
Amounts owed by Fellow Subsidiary Undertakings	32,069	26,885
	<u>£32,069</u>	<u>£26,885</u>

**10. CREDITORS: Amounts Falling Due Within One Year**

	<u>2003</u>	<u>2002</u>
	£	£
Mortgage Loan	25,000	25,000
Amounts owed to Parent company	359,461	420,826
Accruals and Deferred Income	850	850
Corporation Tax Payable	89,546	100,436
	<u>£474,857</u>	<u>£547,112</u>

The mortgage loan is secured by a Fixed charge on the Company's long leasehold property by Floating charge over the Company's assets and guarantee from the ultimate holding company

**D J HIGGINS ENTERPRISE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**31 JULY 2003**

**11. CREDITORS: Amounts Falling Due After More Than One Year**

	<u>2003</u> £	<u>2002</u> £
<b>Mortgage Loan</b>		
Amounts due between one and two years	25,000	25,000
Amounts due between two and five years	100,000	100,000
Amounts due after five years	<u>174,925</u>	<u>203,890</u>
	<b><u>£299,925</u></b>	<b><u>£328,890</u></b>

The mortgage loan is secured by a fixed charge on the Company's long leasehold property by floating charge over the Company's assets and guarantee from the ultimate holding company. The interest rate is 1.25% above the prevailing variable mortgage rate and the amount advanced is repayable by May 2012.

**12. CALLED UP SHARE CAPITAL**

	<u>2003</u> £	<u>2002</u> £
Authorised, allotted and fully paid 100 Ordinary Shares of £1.00 each	<b><u>£100</u></b>	<b><u>£100</u></b>

**13. RESERVES**

	<u>Share Capital</u> £	<u>Revaluation Reserve</u> £	<u>Profit and Loss Account</u> £	<u>Total</u> £
At beginning of year	100	143,420	150,075	293,595
Movement in the year	-	-	72,001	72,001
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	<b><u>£100</u></b>	<b><u>£143,420</u></b>	<b><u>£222,076</u></b>	<b><u>£365,596</u></b>

Shareholder's funds are attributable entirely to equity interests.

**14. ULTIMATE PARENT COMPANY**

The ultimate parent company is Higgins Group PLC, registered in England and Wales. The ultimate parent company has undertaken to support the continuing operations of the Company.

Copies of the financial statements of Higgins Group PLC and its subsidiary undertakings (which incorporate the results of this Company) can be obtained from the Company's registered office.

**D J HIGGINS ENTERPRISE LIMITED**  
**NOTICE OF MEETING**

Short notice, having been approved, is hereby given that the Annual General Meeting of D J Higgins Enterprise Limited will be held at Hawke House, Old Station Road, Loughton, Essex on 24<sup>th</sup> October 2003 at 11am to transact the following business:

1. To receive and approve the Report and Accounts for the year ended 31 July 2003 and the reports of the Directors and Auditors thereon.
2. To re-appoint Gane Jackson Scott as auditors of the Company and to authorise the Directors to fix their remuneration.
3. To transact any other business which may be transacted at an Annual General Meeting.

**BY ORDER OF THE BOARD**



**C R GREEN FCA**  
**Company Secretary**

**8 October 2003**

*The Register of Directors and interests in the Company's shares are available for inspection at Hawke House, Old Station Road, Loughton, Essex during usual business hours (weekends and public holiday excepted) and at the meeting from 15 minutes prior to and during the meeting.*