



# Financial statements Davenport Developments Limited

---

**For the Year Ended 30 November 2009**



**Company No. 1115340**

## Company information

<b>Company registration number</b>	1115340
<b>Registered office</b>	856 Melton Road Thurmaston Leicester LE4 8BT
<b>Directors</b>	Mr H P Murphy Mrs M A Murphy Mr P H Murphy Mr J J Murphy Mrs W M Linnett
<b>Secretary</b>	Mr R H Smith FCA
<b>Solicitors</b>	Crane & Walton 113, 115 & 117 London Road Leicester LE2 0RG
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors Regent House 80 Regent Road LEICESTER LE1 7NH

## Index

<b>Report of the directors</b>	3 - 4
<b>Report of the independent auditor</b>	5 - 6
<b>Principal accounting policies</b>	7 - 8
<b>Profit and loss account</b>	9
<b>Balance sheet</b>	10
<b>Other primary statements</b>	11
<b>Notes to the financial statements</b>	12 - 17

## Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 November 2009

### **Principal activities**

The principal activity of the company during the year was the holding of freehold property for investment purposes and its income is principally derived from rents

During the year ended 30 November 2009 the company's immediate parent company, Foldstyle Limited was liquidated under a members' voluntary arrangement as part of a group reorganisation. As part of this arrangement £1,106,079 of intercompany debt owed to that company has been waived and released as a credit to the profit and loss account for the year

It is the directors' intention to develop the existing activities of the company and to take advantage of opportunities to expand as they arise

### **Directors**

The directors who served the company during the year were as follows

Mr H P Murphy  
Mrs M A Murphy  
Mr P H Murphy  
Mr J J Murphy  
Mrs W M Lannett

Mr J J Murphy was appointed as a director on 13 March 2009

### **Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these 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,
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

**Auditor**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

BY ORDER OF THE BOARD



Mr R H Smith FCA  
Secretary  
23 March 2010



## Report of the independent auditor to the members of Davenport Developments Limited

We have audited the financial statements of Davenport Developments Limited for the year ended 30 November 2009 which comprise the principal accounting policies, profit and loss account, balance sheet, statement of total recognised gains and losses and notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Report of the independent auditor to the members of Davenport Developments Limited (continued)

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



John Bowler  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
EAST MIDLANDS  
23 March 2010

## Principal accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable UK accounting standards

The principal accounting policies of the company have remained unchanged from the previous year

### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

### **Rental income**

Rental income comprises rent receivable from freehold investment property

### **Investment property**

Investment property is included at open market value in accordance with the requirements of Statement of Standard Accounting Practice No 19 Accounting for investment properties. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve

Diminutions in value of investment property below historical cost are treated as follows

- if the fall in value is expected to be permanent then the amount is dealt with through the profit and loss account
- if the fall in the value is expected to be temporary that the amount is dealt with through the revaluation reserve

No depreciation is provided on investment property comprising freehold investment property or plant and equipment installed in buildings. This policy represents a departure from statutory accounting principles, which requires depreciation to be provided on all fixed assets, but is in accordance with Statement of Standard Accounting Practice No 19. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date



**Investments**

Investments are included at cost

## Profit and loss account

	Note	2009 £	2008 £
Rental income	1	122,500	122,508
Other operating charges	2	1,669	1,670
<b>Operating profit</b>	3	<b>120,831</b>	<b>120,838</b>
Interest receivable and similar income		3	991
Waiver of intercompany debt	5	1,106,079	–
<b>Profit on ordinary activities before taxation</b>		<b>1,226,913</b>	<b>121,829</b>
Tax on profit on ordinary activities	6	33,834	34,806
<b>Profit for the financial year</b>	14	<b>1,193,079</b>	<b>87,023</b>

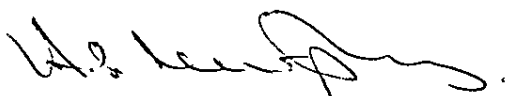
All of the activities of the company are classed as continuing

**The accompanying accounting policies and notes form part of these financial statements.**

## Balance sheet

	Note	£	2009 £	2008 £
<b>Fixed assets</b>				
Tangible assets	7		<b>1,710,000</b>	1,416,000
Investments	8		<b>300,000</b>	300,000
			<u><b>2,010,000</b></u>	<u>1,716,000</u>
<b>Current assets investments</b>				
Debtors	9	<b>1,625,746</b>		1,521,207
Cash at bank		<b>–</b>		14,318
		<u><b>1,625,746</b></u>		<u>1,535,525</u>
<b>Creditors: amounts falling due within one year</b>	10	<b>31,145</b>		<u>1,137,588</u>
<b>Net current assets</b>			<u><b>1,594,601</b></u>	<u>397,937</u>
<b>Total assets less current liabilities</b>			<u><b>3,604,601</b></u>	<u>2,113,937</u>
<b>Provisions for liabilities</b>				
Deferred taxation	11		<u><b>82,087</b></u>	<u>78,502</u>
			<u><b>3,522,514</b></u>	<u>2,035,435</u>
<b>Capital and reserves</b>				
Called-up equity share capital	13		<b>2,000,000</b>	2,000,000
Revaluation reserve	14		<b>(108,552)</b>	(402,552)
Profit and loss account	14		<b>1,631,066</b>	437,987
<b>Shareholders' funds</b>	15		<u><b>3,522,514</b></u>	<u>2,035,435</u>

These financial statements were approved by the directors and authorised for issue on 23 March 2010, and are signed on their behalf by



Mr H P Murphy  
Director

**Company Number 1115340**

**The accompanying accounting policies and notes form part of these financial statements.**

## Other primary statements

### Statement of total recognised gains and losses

	2009 £	2008 £
Profit for the financial year	1,193,079	87,023
Unrealised gain/(loss) on revaluation of freehold investment property	294,000	(257,000)
<b>Total recognised gains and losses for the year</b>	<b>1,487,079</b>	<b>(169,977)</b>
Prior year adjustment	–	(145,552)
<b>Total gains and losses recognised since the last financial statements</b>	<b>1,487,079</b>	<b>(315,529)</b>

**The accompanying accounting policies and notes form part of these financial statements.**

## Notes to the financial statements

### **1 Rental income**

Rental income and profit before tax are attributable to the one principal activity of the company. Rental income arises wholly in the United Kingdom.

### **2 Other operating charges**

	2009 £	2008 £
Administrative expenses	<u>1,669</u>	<u>1,670</u>

### **3 Operating profit**

Operating profit is stated after charging

	2009 £	2008 £
Auditor's remuneration		
Audit fees	<u>400</u>	<u>400</u>

### **4 Directors and employees**

The average number of persons employed by the company during the financial year, including the directors, amounted to 5 (2008 - 4).

No salaries or wages have been paid to employees, including the directors, during the year.

### **5 Waiver of intercompany debt**

	2009 £	2008 £
Foldstyle Limited	<u>1,106,079</u>	<u>—</u>

Following the liquidation of the company's immediate parent company, Foldstyle Limited, as part of a group reorganisation £1,106,079 of intercompany debt owed to that company has been waived and released as a credit to the profit and loss account for the year.

**6 Taxation on ordinary activities**

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2008 - 28.67%)	30,249	29,848
Total current tax	30,249	29,848
Deferred tax		
Origination and reversal of timing differences	3,585	4,958
Tax on profit on ordinary activities	33,834	34,806

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 28.67%)

	2009 £	2008 £
Profit on ordinary activities before taxation	1,226,913	121,829
Profit on ordinary activities by rate of tax	343,536	34,924
Capital allowances for the period in excess of depreciation	(3,585)	(4,958)
Income not taxable	(309,702)	-
Sundry tax adjusting items	-	(118)
Total current tax (note 6(a))	30,249	29,848

**7 Tangible fixed assets**

**Freehold investment property**

	£
Valuation	
At 1 December 2008	1,416,000
Revaluation	294,000
At 30 November 2009	<u>1,710,000</u>
Net book value	
At 30 November 2009	<u>1,710,000</u>
At 30 November 2008	<u>1,416,000</u>

In accordance with the provisions of Statement of Standard Accounting Practice No 19 Accounting for Investment Properties, investment property have been included in the balance sheet at open market value

Investment property is stated at directors' valuation, on the basis of open market value, having regard to a formal professional valuation, undertaken by independent professional Chartered Surveyors as at 30 November 2008 and subsequent professional advice received in respect of the properties in question

If the above assets had not been revalued, they would have been included on the historical cost basis at cost and net book value of £1,818,552

**8 Investments**

<b>Fixed asset investments</b>	<b>Unlisted shares £</b>
Cost	
At 1 December 2008 and 30 November 2009	<u>300,000</u>
Net book value	
At 30 November 2009	<u>300,000</u>
At 30 November 2008	<u>300,000</u>

**9 Debtors**

	2009 £	2008 £
Amounts owed by group undertakings	1,625,746	1,521,187
Prepayments and accrued income	–	20
	<u>1,625,746</u>	<u>1,521,207</u>

The amounts owed by group undertakings comprise an amount owed by the parent undertaking of £1,625,746 (2008 £1,521,187), being the company's memorandum balance included in the Charles Street Buildings (Leicester) Limited Group Account maintained with Barclays Bank Plc at Leicester. The memorandum account balance does not constitute a balance in account between the company and the bank.

**10 Creditors: amounts falling due within one year**

	2009 £	2008 £
Amounts owed to group undertakings	–	1,106,078
Corporation tax	15,748	15,347
Other creditors	4,593	5,359
Accruals and deferred income	10,804	10,804
	<u>31,145</u>	<u>1,137,588</u>

**11 Deferred taxation**

The movement in the deferred taxation provision during the year was

	2009 £	2008 £
Provision brought forward	78,502	73,544
Profit and loss account movement arising during the year	3,585	4,958
Provision carried forward	<u>82,087</u>	<u>78,502</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	<u>82,087</u>	<u>78,502</u>

The company has unrelieved capital losses not adjusted through the deferred tax account of £97,779 (2008 £97,779)



**12 Related party transactions**

As a wholly owned subsidiary of Charles Street Buildings (Leicester) Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Charles Street Buildings (Leicester) Limited

**13 Share capital**

Authorised share capital

	2009 £	2008 £
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

Allotted, called up and fully paid

	2009 No	£	2008 No	£
Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>

**14 Reserves**

	Revaluation reserve £	Profit and loss account £
At 1 December 2008	(402,552)	437,987
Profit for the year	–	1,193,079
Other gains and losses		
- Revaluation of freehold investment property	294,000	–
At 30 November 2009	<u>(108,552)</u>	<u>1,631,066</u>

**15 Reconciliation of movements in shareholders' funds**

	2009 £	2008 £
Profit for the financial year	1,193,079	87,023
Other net recognised gains and losses	294,000	(257,000)
Net addition/(reduction) to shareholders' funds	<u>1,487,079</u>	<u>(169,977)</u>
Opening shareholders' funds	2,035,435	2,350,964
Prior year adjustment	–	(145,552)
Closing shareholders' funds	<u>3,522,514</u>	<u>2,035,435</u>

**16 Contingent liabilities**

**Group bank account**

The company has, together with other group undertakings, given an unlimited guarantee in respect of the Charles Street Buildings (Leicester) Limited Group Account maintained with Barclays Bank Plc at Leicester. The balance of this account as per the bank statement at 30 November 2009 was £5,062,339 in hand (2008 £914,334 in hand)

**17 Ultimate parent company/controlling related party**

The ultimate parent undertaking of this company is Charles Street Buildings (Leicester) Limited, which leads the largest group of undertakings for which group accounts have been drawn up

The smallest group of undertakings including the company is that headed by Charles Street Buildings (UK) Limited

Charles Street Buildings (UK) Limited is the company's controlling related party under the definitions set out in FRS 8, by virtue of its shareholding in the company. The ultimate controlling related party of the company under the definitions set out in FRS 8 is Charles Street Buildings (Leicester) Limited