

Company Registration No 1026710 (England and Wales)

H DAVENPORT & SONS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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H DAVENPORT & SONS LIMITED

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H DAVENPORT & SONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2009

Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture of cut keys, key blanks and key cutting equipment

There has been no significant change in the activities of the company during the period

The results for the year are in line with the expectations of the directors given the general state of the UK market

There were no major changes to the business during the year

The company measures its business performance based upon gross profit and operating profit

During the year gross profit increased from £1,150,757 to £1,320,265. As a result operating profit also rose from £15,567 in 2008 to £24,980 in the current year. The increase in profitability is attributed to improvements in efficiency within the business. The company continues to try to improve profitability whilst at the same time minimising its overhead costs.

The company recognises certain areas of risk to the success of the business. The main areas of risk being the recession in the industry, adverse movements in the foreign exchange markets and market penetration from cheaper overseas competitors.

The company mitigates these risks by pricing its products as competitively as possible, producing its own components where it is more cost effective to do so and building up long term relationships with customers and suppliers.

Results and dividends

The results for the year are set out on page 4.

No dividends were paid during the year (2008 - £325,000)

Market value of land and buildings

In the opinion of the directors the market value of land and buildings at the balance sheet date was not substantially different from its book value.

Future developments

No major alterations to the company's present position are foreseen.

Directors

The following directors have held office since 1 January 2009

J Davenport
Mrs J Davenport
S Davenport
Mrs S C Davenport
T Wright

(Appointed 22 September 2009)

H DAVENPORT & SONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 December 2009	1 January 2009
J Davenport	2,785	2,875
Mrs J Davenport	-	-
S Davenport	2,875	2,875
Mrs S C Davenport	-	-

Auditors

The auditors, Ian Richmond Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP)

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 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



J Davenport

Director

28.09.2010

H DAVENPORT & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO H DAVENPORT & SONS LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of H Davenport & Sons Limited for the year ended 31 December 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Ian Richmond (Senior Statutory Auditor)
for and on behalf of Ian Richmond Limited

28.09.2010

Chartered Accountants
Statutory Auditor

Chapel Ash House
6 Compton Road
Chapel Ash
Wolverhampton
West Midlands
WV3 9PH

H DAVENPORT & SONS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover		5,564,790	5,202,698
Other operating income less cost of sales		(4,258,653)	(4,051,941)
Distribution costs		(226,726)	(177,653)
Administrative expenses		(1,054,431)	(957,537)
Operating profit	2	24,980	15,567
Investment income	3	701,796	-
Other interest receivable and similar income		3,114	43,209
Amounts written off investments	4	(602,900)	-
Profit on ordinary activities before taxation		126,990	58,776
Tax on profit on ordinary activities	5	(7,500)	(16,911)
Profit for the year	15	119,490	41,865

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

H DAVENPORT & SONS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2009

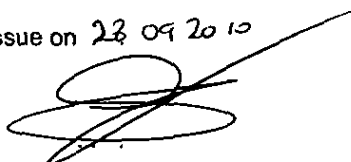
	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	7	1,248,988		1,303,958	
Investments	8	421,719		624,619	
		<u>1,670,707</u>		<u>1,928,577</u>	
Current assets					
Stocks	9	988,235		1,037,939	
Debtors	10	1,004,586		1,188,438	
Cash at bank and in hand		706,287		1,096,455	
		<u>2,699,108</u>		<u>3,322,832</u>	
Creditors: amounts falling due within one year	11	<u>(1,176,972)</u>		<u>(2,178,056)</u>	
Net current assets		<u>1,522,136</u>		<u>1,144,776</u>	
Total assets less current liabilities		<u>3,192,843</u>		<u>3,073,353</u>	
Provisions for liabilities	12	<u>(165,000)</u>		<u>(165,000)</u>	
		<u>3,027,843</u>		<u>2,908,353</u>	
Capital and reserves					
Called up share capital	14	6,500		6,500	
Profit and loss account	15	3,021,343		2,901,853	
Shareholders' funds	16	<u>3,027,843</u>		<u>2,908,353</u>	

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 22 09 20 10



J Davenport
Director



S Davenport
Director

Company Registration No. 1026710

H DAVENPORT & SONS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	£	2009 £	£	2008 £
Net cash (outflow)/inflow from operating activities		(642,483)		537,288
Returns on investments and servicing of finance				
Interest received	3,114		43,209	
Dividends received	701,796		-	
Net cash inflow for returns on investments and servicing of finance		704,910		43,209
Taxation		-		(55,000)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(12,421)		(187,396)	
Payments to acquire investments	(400,000)		-	
Receipts from sales of tangible assets	-		900	
Net cash outflow for capital expenditure		(412,421)		(186,496)
Equity dividends paid		-		(325,000)
Net cash (outflow)/inflow before management of liquid resources and financing		(349,994)		14,001
Management of liquid resources				
Bank deposits	470,372		(81,781)	
		470,372		(81,781)
Financing				
Other new short term loans	11,075		58,350	
Repayment of other short term loans	(51,168)		(67,650)	
Net cash outflow from financing		(40,093)		(9,300)
Increase/(decrease) in cash in the year		80,285		(77,080)

H DAVENPORT & SONS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2009	2008
		£	£
	Operating profit	24,980	15,567
	Depreciation of tangible assets	67,392	54,628
	Profit on disposal of tangible assets	-	(900)
	Decrease in stocks	49,704	395,026
	Decrease/(increase) in debtors	183,852	(33,852)
	(Decrease)/Increase in creditors within one year	(968,411)	106,819
	Net cash (outflow)/inflow from operating activities	(642,483)	537,288

2	Analysis of net (debt)/funds	1 January 2009	Cash flow	Other non-cash changes	31 December 2009
		£	£	£	£
	Net cash				
	Cash at bank and in hand	426,330	80,204	-	506,534
	Bank overdrafts	(81)	81	-	-
		<u>426,249</u>	<u>80,285</u>	<u>-</u>	<u>506,534</u>
	Liquid resources				
	Bank deposits	670,125	(470,372)	-	199,753
		<u>670,125</u>	<u>(470,372)</u>	<u>-</u>	<u>199,753</u>
	Debt				
	Debts falling due within one year	(151,724)	40,092	-	(111,632)
		<u>(151,724)</u>	<u>40,092</u>	<u>-</u>	<u>(111,632)</u>
	Net funds/(debt)	944,650	(349,995)	-	594,655

3	Reconciliation of net cash flow to movement in net (debt)/funds	2009	2008
		£	£
	Increase/(decrease) in cash in the year	80,285	(77,080)
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(470,372)	81,781
	Cash outflow from decrease in debt	40,092	9,300
	Movement in net (debt)/funds in the year	(349,995)	14,001
	Opening net funds	944,650	930,649
	Closing net (debt)/funds	594,655	944,650

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold buildings	Nil
Land and buildings Leasehold	Straight line over the term of the lease
Plant and machinery	15% p a reducing balance basis
Fixtures, fittings & equipment	15% p a reducing balance basis and 33% p a straight line basis
Motor vehicles	25% p a reducing balance basis

No depreciation is provided on the company's property since in the opinion of the directors, the expected useful life is sufficiently long, and the estimated residual values are sufficiently high, that any such depreciation would be immaterial. This policy is in accordance with Financial Reporting Standard No 15

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value as follows

Raw materials, consumables and goods for resale - Purchase cost on a first-in, first-out basis

Work in progress - Cost of direct materials

Provision is made to reduce the cost of stock items to net realisable value based upon the number of items sold

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies (continued)

1 9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes

1 10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1 11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2	Operating profit	2009 £	2008 £
	Operating profit is stated after charging		
	Depreciation of tangible assets	67,392	54,628
	Permanent diminution of investment	602,900	-
	Loss on foreign exchange transactions	12,821	-
	Operating lease rentals	5,000	5,000
	Auditors' remuneration	7,000	7,000
	and after crediting		
	Profit on disposal of tangible assets	-	(900)
		<hr/>	<hr/>
3	Investment income	2009 £	2008 £
	Income from shares in group undertakings	701,796	-
		<hr/>	<hr/>
		701,796	-
		<hr/>	<hr/>
4	Amounts written off investments	2009 £	2008 £
	Amounts written off fixed asset investments		
	- permanent diminution in value	602,900	-
		<hr/>	<hr/>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

5	Taxation	2009	2008
		£	£
	Domestic current year tax		
	U K corporation tax	7,500	-
	Adjustment for prior years	-	(1,089)
		<hr/>	<hr/>
	Current tax charge	7,500	(1,089)
	Deferred tax		
	Deferred tax charge/credit current year	-	18,000
		<hr/>	<hr/>
		7,500	16,911
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	126,990	58,776
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 - 21.00%)	26,668	12,343
		<hr/>	<hr/>
	Effects of		
	Non deductible expenses	1,155	950
	Depreciation add back	14,152	11,471
	Capital allowances	(14,487)	(29,667)
	Adjustments to previous periods	-	(1,089)
	Other tax adjustments	(19,988)	4,903
		<hr/>	<hr/>
		(19,168)	(13,432)
		<hr/>	<hr/>
	Current tax charge	7,500	(1,089)
		<hr/>	<hr/>
6	Dividends	2009	2008
		£	£
	Ordinary final paid	-	325,000
		<hr/>	<hr/>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

7 Tangible fixed assets

	Freehold buildings	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2009	697,461	241,484	746,649	275,885	36,352	1,997,831
Additions	-	-	5,156	7,267	-	12,423
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	697,461	241,484	751,805	283,152	36,352	2,010,254
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
At 1 January 2009	-	11,835	415,352	245,351	21,336	693,874
Charge for the year	-	2,367	50,066	11,205	3,754	67,392
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	-	14,202	465,418	256,556	25,090	761,266
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value						
At 31 December 2009	697,461	227,282	286,387	26,596	11,262	1,248,988
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	697,461	229,649	331,298	30,534	15,016	1,303,958
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

8 Fixed asset investments

	Unlisted investments £	Shares in group undertakings £	Total £
Cost			
At 1 January 2009	-	630,307	630,307
Additions	400,000	-	400,000
At 31 December 2009	400,000	630,307	1,030,307
Provisions for diminution in value			
At 1 January 2009	-	5,688	5,688
Charge for the year	-	602,900	602,900
At 31 December 2009	-	608,588	608,588
Net book value			
At 31 December 2009	400,000	21,719	421,719
At 31 December 2008	-	624,619	624,619

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Wadco Engineering Limited	England	Ordinary	100 00
B Burgess & Sons Limited	England	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principal activity	Capital and reserves 2009 £	Profit/(loss) for the year 2009 £
Wadco Engineering Limited	Dormant	-	-
B Burgess & Sons Limited	Dormant	21,618	-

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

9 Stocks and work in progress	2009	2008
	£	£
Work in progress	54,580	53,398
Finished goods and goods for resale	933,655	984,541
	<u>988,235</u>	<u>1,037,939</u>

The current replacement cost of stocks is not materially different from the historical cost

10 Debtors	2009	2008
	£	£
Trade debtors	959,811	1,118,836
Other debtors	492	33,519
Prepayments and accrued income	44,283	36,083
	<u>1,004,586</u>	<u>1,188,438</u>

11 Creditors amounts falling due within one year	2009	2008
	£	£
Bank loans and overdrafts	-	81
Trade creditors	714,890	718,277
Amounts owed to subsidiary undertakings	21,718	723,514
Corporation tax	6,411	(1,089)
Other taxes and social security costs	178,239	195,121
Directors' current accounts	128,232	374,928
Other creditors	111,632	151,724
Accruals and deferred income	15,850	15,500
	<u>1,176,972</u>	<u>2,178,056</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

12 Provisions for liabilities

Deferred tax liability £

Balance at 1 January 2009 & at 31 December 2009	165,000
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The deferred tax liability is made up as follows:

	2009 £	2008 £
Accelerated capital allowances	165,000	165,000

13 Pension and other post-retirement benefit commitments Defined contribution

	2009 £	2008 £
Contributions payable by the company for the year	31,496	22,618

14 Share capital

	2009 £	2008 £
Allotted, called up and fully paid 6,500 Ordinary shares of £1 each	6,500	6,500

15 Statement of movements on profit and loss account

Profit and loss account £

Balance at 1 January 2009	2,901,853
Profit for the year	119,490
Balance at 31 December 2009	3,021,343

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

16 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Profit for the financial year	119,490	41,865
Dividends	-	(325,000)
Net addition to/(depletion in) shareholders' funds	119,490	(283,135)
Opening shareholders' funds	2,908,353	3,191,488
Closing shareholders' funds	3,027,843	2,908,353

17 Financial commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2009	2008	2009	2008
	£	£	£	£
Expiry date				
Within one year	-	-	478	813
Between two and five years	-	-	17,160	22,899
In over five years	5,000	5,000	-	-
	5,000	5,000	17,638	23,712

18 Directors' remuneration	2009	2008
	£	£
Remuneration for qualifying services	191,621	148,073
Company pension contributions to defined contribution schemes	323	6,989
	191,944	155,062

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2008 - 4)

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2009 Number	2008 Number
Management	8	7
Production and sales staff	54	47
	<u>62</u>	<u>54</u>

Employment costs

	£	£
Wages and salaries	1,094,503	933,334
Social security costs	103,314	106,388
Other pension costs	31,496	22,618
	<u>1,229,313</u>	<u>1,062,340</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

20 Related party transactions

Related Businesses

The following businesses are related parties of H Davenport & Sons Limited

Name of Business	Nature of Relationship
B Burgess & Sons Limited	Wholly owned subsidiary of this company
Wadco Engineering Limited	Wholly owned subsidiary of this company

and the following transactions took place with these businesses during the year

Name of Business	Nature of Transaction	Balance due to Other Party £
Wadco Engineering Limited	Ongoing loan	100
B Burgess & Sons Limited	Ongoing loan	21,618

A dividend of £701,796 was received from Wadco Engineering Limited during the year

Related Individuals

The following transactions took place with individual related parties during the year

Directors' Current Accounts

Creditors include the following amounts due to directors at the year end

	2009 £	2008 £
Mr and Mrs J Davenport	122,846	257,443
Mr and Mrs S Davenport	5,386	117,485

These balances arise as a result of drawings made against the opening balances due and emoluments voted but not drawn at the year end

All Related Party Transactions