

Company Registration No. 1026710 (England and Wales)

H DAVENPORT & SONS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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H DAVENPORT & SONS LIMITED

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H DAVENPORT & SONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

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 fell from £1,399,093 to £1,139,487. As a result operating profit also fell from £256,031 in 2007 to £9,693 in the current year. The fall in profitability is attributed to increasing manufacturing and purchase costs combined with downward pressure on selling prices in the current economic climate. 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.

An ordinary dividend of £325,000 being £50 per share was paid during the year.

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 2008:

J Davenport
Mrs J Davenport
S Davenport
Mrs S C Davenport

H DAVENPORT & SONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

Directors' interests

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

	Ordinary shares of £1 each	
	31 December 2008	1 January 2008
J Davenport	2,875	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.

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 auditor

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 October 2009

H DAVENPORT & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO H DAVENPORT & SONS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

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 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditors' report on abbreviated accounts 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 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Ian Richmond Limited

Ian Richmond Limited

28 October 2009

**Chartered Accountants
Registered 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 2008

	Notes	2008 £	2007 £
Gross profit		1,145,361	1,399,093
Distribution costs		(177,653)	(158,526)
Administrative expenses		(952,141)	(984,536)
Operating profit	2	15,567	256,031
Other interest receivable and similar income		43,209	47,220
Interest payable and similar charges	3	-	(592)
Profit on ordinary activities before taxation		58,776	302,659
Tax on profit on ordinary activities	4	(16,911)	(66,712)
Profit for the year	14	41,865	235,947

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 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	6	1,303,958		1,171,189	
Investments	7	624,619		624,619	
		<u>1,928,577</u>		<u>1,795,808</u>	
Current assets					
Stocks	8	1,037,939	1,432,965		
Debtors	9	1,188,438	1,154,586		
Cash at bank and in hand		1,096,455	1,091,673		
		<u>3,322,832</u>	<u>3,679,224</u>		
Creditors: amounts falling due within one year	10	<u>(2,178,056)</u>	<u>(2,136,545)</u>		
Net current assets		<u>1,144,776</u>		<u>1,542,679</u>	
Total assets less current liabilities		<u>3,073,353</u>		<u>3,338,487</u>	
Provisions for liabilities	11	<u>(165,000)</u>		<u>(147,000)</u>	
		<u>2,908,353</u>		<u>3,191,487</u>	
Capital and reserves					
Called up share capital	13	6,500	6,500		
Profit and loss account	14	2,901,853	3,184,987		
Shareholders' funds	15	<u>2,908,353</u>		<u>3,191,487</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the Board and authorised for issue on 28 October 2009

J Davenport
Director



S Davenport
Director



Company Registration No. 1026710

H DAVENPORT & SONS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	£	2008 £	£	2007 £
Net cash inflow from operating activities		537,288		221,893
Returns on investments and servicing of finance				
Interest received	43,209		47,220	
Interest paid	-		(592)	
Net cash inflow for returns on investments and servicing of finance		43,209		46,628
Taxation		(55,000)		(39,712)
Capital expenditure				
Payments to acquire tangible assets	(187,396)		(36,843)	
Receipts from sales of tangible assets	900		-	
Net cash outflow for capital expenditure		(186,496)		(36,843)
Equity dividends paid		(325,000)		(450,125)
Net cash inflow/(outflow) before management of liquid resources and financing		14,001		(258,159)
Management of liquid resources				
Bank deposits	(81,781)		(166,924)	
		(81,781)		(166,924)
Financing				
Other new short term loans	58,350		161,575	
Repayment of other short term loans	(67,650)		(95,036)	
Capital element of hire purchase contracts	-		(14,915)	
Net cash (outflow)/inflow from financing		(9,300)		51,624
Decrease in cash in the year		(77,080)		(373,459)

H DAVENPORT & SONS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

1	Reconciliation of operating profit to net cash inflow from operating activities	2008	2007
		£	£
	Operating profit	15,567	256,031
	Depreciation of tangible assets	54,628	49,483
	Profit on disposal of tangible assets	(900)	-
	Decrease/(increase) in stocks	395,026	(242,114)
	(Increase)/decrease in debtors	(33,852)	198,225
	Increase/(decrease) in creditors within one year	106,819	(39,732)
	Net cash inflow from operating activities	537,288	221,893

2	Analysis of net funds	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	503,329	(76,999)	-	426,330
	Bank overdrafts	-	(81)	-	(81)
		<u>503,329</u>	<u>(77,080)</u>	<u>-</u>	<u>426,249</u>
	Liquid resources:				
	Bank deposits	<u>588,344</u>	<u>81,781</u>	<u>-</u>	<u>670,125</u>
	Debt:				
	Debts falling due within one year	<u>(161,024)</u>	<u>9,300</u>	<u>-</u>	<u>(151,724)</u>
	Net funds	<u>930,649</u>	<u>14,001</u>	<u>-</u>	<u>944,650</u>

3	Reconciliation of net cash flow to movement in net funds	2008	2007
		£	£
	Decrease in cash in the year	(77,080)	(373,459)
	Cash outflow from increase in liquid resources	81,781	166,924
	Cash outflow/(inflow) from decrease/(increase) in debt	9,300	(51,624)
	Movement in net funds in the year	14,001	(258,159)
	Opening net funds	930,649	1,188,808
	Closing net funds	944,650	930,649

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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.

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies (continued)

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.

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 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	2008 £	2007 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	54,628	49,483
	Operating lease rentals		
	- Other assets	5,000	6,250
	Auditors' remuneration	7,000	7,000
	and after crediting:		
	Profit on disposal of tangible assets	(900)	-
		<u> </u>	<u> </u>
3	Interest payable	2008 £	2007 £
	Hire purchase interest	-	592
		<u> </u>	<u> </u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

4	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	-	55,000
	Adjustment for prior years	(1,089)	(2,288)
	Current tax charge	(1,089)	52,712
	Deferred tax		
	Deferred tax charge/credit current year	18,000	14,000
		16,911	66,712
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	58,776	302,659
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2007 - 19.75%)	12,343	59,775
	Effects of:		
	Non deductible expenses	-	653
	Depreciation add back	54,628	9,773
	Capital allowances	(65,737)	(16,531)
	Adjustments to previous periods	(1,089)	(2,288)
	Other tax adjustments	-	1,330
		(12,198)	(7,063)
	Current tax charge	145	52,712
	<i>Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.</i>	(1,234)	-
5	Dividends	2008 £	2007 £
	Ordinary final paid	325,000	450,125

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

6 Tangible fixed assets

	Freehold buildings	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2008	697,461	241,484	570,212	264,926	36,352	1,810,435
Additions	-	-	176,438	10,959	-	187,397
At 31 December 2008	697,461	241,484	746,650	275,885	36,352	1,997,832
Depreciation						
At 1 January 2008	-	9,468	377,205	236,243	16,330	639,246
Charge for the year	-	2,367	38,147	9,108	5,006	54,628
At 31 December 2008	-	11,835	415,352	245,351	21,336	693,874
Net book value						
At 31 December 2008	697,461	229,649	331,298	30,534	15,016	1,303,958
At 31 December 2007	697,461	232,016	193,008	28,682	20,022	1,171,189

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2008 & at 31 December 2008	630,307
Provisions for diminution in value	
At 1 January 2008 & at 31 December 2008	5,688
Net book value	
At 31 December 2008	624,619
At 31 December 2007	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	Class	Shares held %
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:

		Capital and reserves 2008 £	Profit/(loss) for the year 2008 £
	Principal activity		
Wadco Engineering Limited	Dormant	701,896	-
B Burgess & Sons Limited	Dormant	21,618	-

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

8	Stocks and work in progress	2008 £	2007 £
	Work in progress	53,398	71,788
	Finished goods and goods for resale	984,541	1,361,177
		<u>1,037,939</u>	<u>1,432,965</u>

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

9	Debtors	2008 £	2007 £
	Trade debtors	1,118,836	1,107,035
	Other debtors	33,519	4,088
	Prepayments and accrued income	36,083	43,463
		<u>1,188,438</u>	<u>1,154,586</u>

10	Creditors: amounts falling due within one year	2008 £	2007 £
	Bank loans and overdrafts	81	-
	Trade creditors	718,277	595,144
	Amounts owed to subsidiary undertakings	723,514	723,514
	Corporation tax	(1,089)	55,000
	Other taxes and social security costs	195,121	280,797
	Directors' current accounts	374,928	252,155
	Other creditors	151,724	161,024
	Accruals and deferred income	15,500	68,911
		<u>2,178,056</u>	<u>2,136,545</u>

The hire purchase liabilities are secured on the assets acquired.

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2008	147,000
Profit and loss account	18,000
	<hr/>
Balance at 31 December 2008	165,000
	<hr/>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	165,000	147,000
	<hr/>	<hr/>

12 Pension and other post-retirement benefit commitments

Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	22,618	57,841
	<hr/>	<hr/>

13 Share capital

	2008 £	2007 £
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
6,500 Ordinary shares of £1 each	6,500	6,500
	<hr/>	<hr/>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2008	3,184,988
Profit for the year	41,865
Dividends paid	(325,000)
Balance at 31 December 2008	<u>2,901,853</u>

15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	41,865	235,947
Dividends	(325,000)	(450,125)
Net depletion in shareholders' funds	(283,135)	(214,178)
Opening shareholders' funds	<u>3,191,487</u>	<u>3,405,665</u>
Closing shareholders' funds	<u>2,908,353</u>	<u>3,191,487</u>

16 Financial commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008 £	2007 £	2008 £	2007 £
Expiry date:				
Within one year	-	-	813	7,297
Between two and five years	-	-	22,899	10,617
In over five years	5,000	5,000	-	-
	<u>5,000</u>	<u>5,000</u>	<u>23,712</u>	<u>17,914</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

17 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	148,073	229,230
Company pension contributions to money purchase schemes	6,989	7,122
	<u>155,062</u>	<u>236,352</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2007 - 4).

18 Employees

Number of employees

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

	2008 Number	2007 Number
Management	7	6
Production and sales staff	47	46
	<u>54</u>	<u>52</u>

Employment costs

	£	£
Wages and salaries	933,334	1,109,326
Social security costs	106,388	114,185
Other pension costs	22,618	57,841
	<u>1,062,340</u>	<u>1,281,352</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

19 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	701,896
B Burgess & Sons Limited	Ongoing loan	21,618

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:

	2008 £	2007 £
Mr and Mrs J Davenport	257,443	203,998
Mr and Mrs S Davenport	117,485	48,167

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