

Company Registration No. 1026710 (England and Wales)

H DAVENPORT & SONS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005



H DAVENPORT & SONS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7 - 8
Notes to the abbreviated accounts	9 - 18

H DAVENPORT & SONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and financial statements for the year ended 31 December 2005.

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.

Results and dividends

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

The directors do not recommend payment of an ordinary dividend.

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 2005:

J Davenport
Mrs J Davenport
S Davenport
Mrs S C Davenport

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2005	1 January 2005
J Davenport	2,875	2,875
Mrs J Davenport	-	-
S Davenport	2,875	2,875
Mrs S C Davenport	-	-

Charitable donations	2005	2004
	£	£

During the year the company made the following payments:

Support for sick children	435	445
Educational purposes	500	25
Medical research	-	35
	<hr/>	<hr/>
Charitable donations	935	505
	<hr/>	<hr/>

H DAVENPORT & SONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Price Pearson be reappointed as auditors of the company will be put to the Annual General Meeting.

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.

On behalf of the board



J Davenport

Director

15.10.06

H DAVENPORT & SONS LIMITED

INDEPENDENT AUDITOR'S 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 18, together with the financial statements of H Davenport & Sons Limited for the year ended 31 December 2005 prepared under section 226 of the Companies Act 1985.

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 section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions 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 those provisions.



Price Pearson

Chartered Accountants
Registered Auditors

16 October 2006

Finch House
28 – 30 Wolverhampton Street
Dudley
West Midlands
DY1 1DB

H DAVENPORT & SONS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
Gross profit		1,700,005	1,655,866
Distribution costs		(148,385)	(155,942)
Administrative expenses		(1,231,297)	(1,122,606)
Operating profit	2	320,323	377,318
Investment income	3	27,102	8,364
Other interest receivable and similar income		69,119	45,890
Interest payable and similar charges	4	(97,097)	(99,763)
Profit on ordinary activities before taxation		319,447	331,809
Tax on profit on ordinary activities	5	(55,816)	(22,458)
Profit for the year	15	263,631	309,351

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 2005


	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	6	1,224,257		1,227,483	
Investments	7	1,338,680		1,318,698	
		<u>2,562,937</u>		<u>2,546,181</u>	
Current assets					
Stocks	8	1,166,138	1,094,147		
Debtors	9	1,025,618	1,002,525		
Cash at bank and in hand		2,133,942	2,004,799		
		<u>4,325,698</u>	<u>4,101,471</u>		
Creditors: amounts falling due within one year	10	<u>(3,647,555)</u>	<u>(3,684,828)</u>		
Net current assets		<u>678,143</u>		<u>416,643</u>	
Total assets less current liabilities		<u>3,241,080</u>		<u>2,962,824</u>	
Creditors: amounts falling due after more than one year	11	(14,915)	(8,290)		
Provisions for liabilities	12	(121,000)	(113,000)		
		<u>3,105,165</u>	<u>2,841,534</u>		
Capital and reserves					
Called up share capital	14	6,500	6,500		
Profit and loss account	15	3,098,665	2,835,034		
Shareholders' funds	16	<u>3,105,165</u>	<u>2,841,534</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 15.10.06



J Davenport
Director



S Davenport
Director

H DAVENPORT & SONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	2005		2004	
	£	£	£	£
Net cash inflow from operating activities		198,474		997,413
Returns on investments and servicing of finance				
Interest received	69,119		45,890	
Interest paid	(97,097)		(99,763)	
Dividends received	23,332		21,563	
Net cash outflow for returns on investments and servicing of finance		(4,646)		(32,310)
Taxation		(56,596)		(28,958)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(17,149)		(37,866)	
Payments to acquire investments	(119,313)		(100,234)	
Receipts from sales of tangible assets	7,000		-	
Receipts from sales of investments	103,101		74,791	
Net cash outflow for capital expenditure		(26,361)		(63,309)
Acquisitions and disposals				
Purchase of subsidiary undertakings (net of cash acquired)	-		(3,000)	
Net cash outflow for acquisitions and disposals		-		(3,000)
Net cash inflow before management of liquid resources and financing		110,871		869,836
Management of liquid resources				
Bank deposits	(85,545)		(52,987)	
		(85,545)		(52,987)
Financing				
Repayment of other short term loans	33,266		2,390	
Capital element of hire purchase contracts	(14,811)		(20,738)	
Net cash inflow/(outflow) from financing		18,455		(18,348)
Increase in cash in the year		43,781		798,501

H DAVENPORT & SONS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

1	Reconciliation of operating profit to net cash inflow from operating activities	2005	2004
		£	£
	Operating profit	320,323	377,318
	Depreciation of tangible assets	49,591	59,054
	Loss on disposal of tangible assets	136	4,869
	(Increase)/decrease in stocks	(71,991)	31,238
	(Increase)/decrease in debtors	(23,093)	421,623
	(Decrease)/Increase in creditors within one year	(76,492)	103,311
	Net cash inflow from operating activities	198,474	997,413

2	Analysis of net funds	1 January 2005	Cash flow	Other non-cash changes	31 December 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,849,551	43,598	-	1,893,149
	Bank overdrafts	(183)	183	-	-
		<u>1,849,368</u>	<u>43,781</u>	<u>-</u>	<u>1,893,149</u>
	Liquid resources:				
	Bank deposits	<u>155,248</u>	<u>85,545</u>	<u>-</u>	<u>240,793</u>
	Debt:				
	Finance leases	(11,169)	14,811	(36,352)	(32,710)
	Debts falling due within one year	(3,788)	(33,266)	-	(37,054)
		<u>(14,957)</u>	<u>(18,455)</u>	<u>(36,352)</u>	<u>(69,764)</u>
	Net funds	<u>1,989,659</u>	<u>110,871</u>	<u>(36,352)</u>	<u>2,064,178</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

3	Reconciliation of net cash flow to movement in net funds	2005 £	2004 £
	Increase in cash in the year	43,781	798,501
	Cash outflow from increase in liquid resources	85,545	52,987
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(18,455)	18,348
		<hr/>	<hr/>
	Change in net debt resulting from cash flows	110,871	869,836
	New finance lease	(36,352)	-
		<hr/>	<hr/>
	Movement in net funds in the year	74,519	869,836
	Opening net funds	1,989,659	1,119,823
		<hr/>	<hr/>
	Closing net funds	2,064,178	1,989,659
		<hr/>	<hr/>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

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 2005

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	2005 £	2004 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	49,591	59,054
	Loss on disposal of tangible assets	136	4,869
	Operating lease rentals		
	- Other assets	4,400	4,400
	Auditors' remuneration	6,000	6,000
		<u>27,102</u>	<u>8,364</u>
3	Investment income	2005 £	2004 £
	Income from listed investments	23,332	21,563
	Profit/(loss) on disposal of listed investments	3,770	(13,199)
		<u>27,102</u>	<u>8,364</u>
4	Interest payable	2005 £	2004 £
	On other loans wholly repayable within five years	96,425	98,296
	Hire purchase interest	672	1,467
		<u>97,097</u>	<u>99,763</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

5	Taxation	2005 £	2004 £
	Domestic current year tax		
	U.K. corporation tax	50,250	62,000
	Adjustment for prior years	(2,434)	(1,042)
		<hr/>	<hr/>
	Current tax charge	47,816	60,958
	Deferred tax		
	Deferred tax charge/credit current year	8,000	(38,500)
		<hr/>	<hr/>
		55,816	22,458
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	319,447	331,809
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2004 - 19.59%)	60,695	65,001
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	2,406	178
	Depreciation add back	9,422	11,566
	Capital allowances	(17,384)	(18,774)
	Adjustments to previous periods	(2,434)	(1,042)
	Chargeable disposals	(690)	2,585
	Dividends and distributions received	(4,433)	(4,223)
	Other tax adjustments	234	5,667
		<hr/>	<hr/>
		(12,879)	(4,043)
		<hr/>	<hr/>
	Current tax charge	47,816	60,958
		<hr/>	<hr/>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

6 Tangible fixed assets

	Freehold buildings £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2005	697,461	241,484	528,598	241,323	28,101	1,736,967
Additions	-	-	17,149	-	36,352	53,501
Disposals	-	-	-	-	(28,100)	(28,100)
At 31 December 2005	697,461	241,484	545,747	241,323	36,353	1,762,368
Depreciation						
At 1 January 2005	-	2,367	267,885	220,390	18,842	509,484
On disposals	-	-	-	-	(20,964)	(20,964)
Charge for the year	-	2,367	40,123	4,222	2,879	49,591
At 31 December 2005	-	4,734	308,008	224,612	757	538,111
Net book value						
At 31 December 2005	697,461	236,750	237,739	16,711	35,596	1,224,257
At 31 December 2004	697,461	239,117	260,713	20,933	9,259	1,227,483

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 December 2005	21,673	35,594	57,267
At 31 December 2004	25,498	-	25,498
Depreciation charge for the year			
At 31 December 2005	3,825	758	4,583
At 31 December 2004	4,500	-	4,500

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

7 Fixed asset investments

	Listed investments £	Shares in group undertakings £	Total £
Cost			
At 1 January 2005	694,079	630,307	1,324,386
Additions	119,313	-	119,313
Disposals	(99,331)	-	(99,331)
At 31 December 2005	714,061	630,307	1,344,368
Provisions for diminution in value			
At 1 January 2005 & at 31 December 2005	-	5,688	5,688
Net book value			
At 31 December 2005	714,061	624,619	1,338,680
At 31 December 2004	694,079	624,619	1,318,698
	Market value £	Market value £	
At 31 December 2005	807,115	807,115	
At 31 December 2004	689,423	689,423	

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 2005 £	Profit for the year 2005 £
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 2005

8	Stocks and work in progress	2005 £	2004 £
	Work in progress	106,892	60,539
	Finished goods and goods for resale	1,059,246	1,033,608
		<u>1,166,138</u>	<u>1,094,147</u>

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

9	Debtors	2005 £	2004 £
	Trade debtors	966,960	945,830
	Other debtors	198	1,567
	Prepayments and accrued income	58,460	55,128
		<u>1,025,618</u>	<u>1,002,525</u>

10	Creditors: amounts falling due within one year	2005 £	2004 £
	Bank loans and overdrafts	-	183
	Net obligations under hire purchase contracts	17,795	2,879
	Trade creditors	699,524	708,720
	Amounts owed to subsidiary undertakings	723,514	723,514
	Corporation tax	53,220	62,000
	Other taxes and social security costs	444,731	499,819
	Directors' current accounts	1,561,792	1,571,788
	Other creditors	37,054	7,785
	Accruals and deferred income	109,925	108,140
		<u>3,647,555</u>	<u>3,684,828</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 2005

11 Creditors: amounts falling due after more than one year	2005 £	2004 £
Net obligations under hire purchase contracts	14,915	8,290
Net obligations under hire purchase contracts		
Repayable within one year	19,730	8,745
Repayable between one and five years	15,512	2,915
	35,242	11,660
Finance charges and interest allocated to future accounting periods	(2,532)	(491)
	32,710	11,169
Included in liabilities falling due within one year	(17,795)	(2,879)
	14,915	8,290

The hire purchase liabilities are secured upon the assets acquired.

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2005	113,000
Profit and loss account	8,000
Balance at 31 December 2005	121,000

The deferred tax liability is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	121,000	113,000

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

13 Pension costs

Defined contribution

	2005 £	2004 £
Contributions payable by the company for the year	27,742	26,829

14 Share capital

Authorised

10,000 Ordinary shares of £1 each

	2005 £	2004 £
	10,000	10,000

Allotted, called up and fully paid

6,500 Ordinary shares of £1 each

	2005 £	2004 £
	6,500	6,500

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2005	2,835,034
Profit for the year	263,631
Balance at 31 December 2005	3,098,665

16 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	263,631	309,351
Opening shareholders' funds	2,841,534	2,532,183
Closing shareholders' funds	3,105,165	2,841,534

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

17 Financial commitments

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2005	2004	2005	Other
	£	£	£	2004
				£
Expiry date:				
Within one year	-	-	631	9,415
Between two and five years	4,400	4,400	20,585	8,392
	<u>4,400</u>	<u>4,400</u>	<u>21,216</u>	<u>17,807</u>

18 Directors' emoluments

	2005	2004
	£	£
Emoluments for qualifying services	443,538	397,003
Company pension contributions to money purchase schemes	7,387	7,387
	<u>450,925</u>	<u>404,390</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2004 - 4).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	158,154	127,500
Company pension contributions to money purchase schemes	5,000	396
	<u>163,154</u>	<u>127,896</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

19 Employees

Number of employees

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

	2005 Number	2004 Number
Management	9	9
Production and sales staff	44	46
	<u>53</u>	<u>55</u>

Employment costs

	£	£
Wages and salaries	1,203,946	1,119,842
Social security costs	131,966	114,158
Other pension costs	27,742	26,829
	<u>1,363,654</u>	<u>1,260,829</u>

19 Directors' Interests in Contracts

During the year the company purchased and sold goods to Automotive Technical Marketing Limited, a company controlled by two of the sons of the directors in the sums of £50,172 and £31,408 respectively. At the balance sheet date £91,146 was due from that company. The company has made a reserve of £91,146 leaving £nil as a debtor at the balance sheet date.

The above transactions have been undertaken at arms length on normal commercial terms.

There are no other interests in contracts which are required to be disclosed under the Companies Act 1985.