

Company Registration No. 1026710 (England and Wales)

H DAVENPORT & SONS LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2001



A19
COMPANIES HOUSE

A7G0GFCS

0067
25/10/02

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
Notes to the abbreviated accounts	8 - 16

H DAVENPORT & SONS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2001

The directors present their report and financial statements for the 15 months ended 31 March 2001.

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 period 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 2000:

J Davenport
S Davenport Jnr
Mrs J 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 March 2001	1 January 2000
J Davenport	2,875	2,875
S Davenport Jnr	2,875	2,875
Mrs J Davenport	-	-
Mrs S C Davenport	-	-

Charitable donations	2001	1999
	£	£

During the period the company made the following payments:

Charitable donations	430	580
----------------------	-----	-----

Auditors

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

H DAVENPORT & SONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

Directors' responsibilities

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;
- 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 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.

On behalf of the board



.....
J Davenport

Director

16.10.02

H DAVENPORT & SONS LIMITED

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 16, together with the financial statements of the company for the period ended 31 March 2001 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 accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered 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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

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 on pages 4 to 16 are properly prepared in accordance with that provision.

Price Pearson Limited

Price Pearson Limited

Chartered Accountants
Registered Auditor

17 October 2002

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

H DAVENPORT & SONS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2001

		Period ended 31 March 2001 £	31 December 1999 £
	Notes		
Gross profit		1,523,507	1,219,168
Distribution costs		(119,448)	(75,389)
Administrative expenses		(1,031,871)	(614,925)
Operating profit	2	372,188	528,854
Investment income	3	7,245	-
Other interest receivable and similar income		69,845	51,128
Interest payable and similar charges	4	(1,708)	(631)
Profit on ordinary activities before taxation		447,570	579,351
Tax on profit on ordinary activities	5	(134,066)	(174,317)
Profit on ordinary activities after taxation	15	313,504	405,034

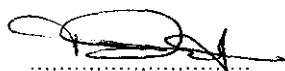
H DAVENPORT & SONS LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2001

	Notes	2001 £	£	1999 £	£
Fixed assets					
Tangible assets	6		756,740		763,132
Investments	7		814,758		21,618
			<u>1,571,498</u>		<u>784,750</u>
Current assets					
Stocks	8	860,921		722,200	
Debtors	9	985,857		995,046	
Cash at bank and in hand		690,518		1,256,269	
		<u>2,537,296</u>		<u>2,973,515</u>	
Creditors: amounts falling due within one year	10	(1,319,345)		(1,301,958)	
Net current assets			<u>1,217,951</u>		<u>1,671,557</u>
Total assets less current liabilities			<u>2,789,449</u>		<u>2,456,307</u>
Creditors: amounts falling due after more than one year	11		(1,871)		(1,733)
Provisions for liabilities and charges	12		(96,000)		(76,500)
			<u>2,691,578</u>		<u>2,378,074</u>
Capital and reserves					
Called up share capital	14		6,500		6,500
Profit and loss account	15		2,685,078		2,371,574
Shareholders' funds - equity interests	16		<u>2,691,578</u>		<u>2,378,074</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.

The financial statements were approved by the Board on 16.10.02



J Davenport
Director



S Davenport Jnr
Director

H DAVENPORT & SONS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2001

	Period ended		31 December	
	31 March 2001		1999	
	£	£	£	£
Net cash inflow from operating activities		305,702		401,129
Returns on investments and servicing of finance				
Interest received	69,845		51,128	
Interest paid	(1,708)		(631)	
Dividends received	7,120		-	
Net cash inflow for returns on investments and servicing of finance		75,257		50,497
Taxation		(164,566)		(75,082)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(10,778)		(13,378)	
Payments to acquire investments	(793,140)		-	
Receipts from sales of tangible assets	6,000		6,249	
Receipts from sales of investments	125		-	
Net cash outflow for capital expenditure		(797,793)		(7,129)
Net cash (outflow)/inflow before management of liquid resources and financing		(581,400)		369,415
Financing				
Other new short term loans	26,019		-	
Repayment of other short term loans	-		(42,362)	
Capital element of finance lease contracts	(10,370)		(4,150)	
Net cash inflow/(outflow) from financing		15,649		(46,512)
(Decrease)/increase in cash in the period		(565,751)		322,903

H DAVENPORT & SONS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2001

1	Reconciliation of operating profit to net cash inflow from operating activities	2001		1999	
		£		£	
	Operating profit	372,188		528,854	
	Depreciation of tangible assets	24,366		25,829	
	Loss on disposal of tangible assets	3,492		3,172	
	Increase in stocks	(138,721)		(44,929)	
	Decrease/(increase) in debtors	9,189		(157,887)	
	Increase in creditors within one year	35,188		46,090	
	Net cash inflow from operating activities	305,702		401,129	
2	Analysis of net funds	1 January 2000	Cash flow	Other non-cash changes	31 March 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,256,269	(565,751)	-	690,518
	Debt:				
	Finance leases	(6,653)	10,370	(16,688)	(12,971)
	Debts falling due within one year	(86,470)	(26,019)	-	(112,489)
		(93,123)	(15,649)	(16,688)	(125,460)
	Net funds	1,163,146	(581,400)	(16,688)	565,058
3	Reconciliation of net cash flow to movement in net funds	2001		1999	
		£		£	
	(Decrease)/increase in cash in the period	(565,751)		322,903	
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(15,649)		46,512	
	Change in net debt resulting from cash flows	(581,400)		369,415	
	New finance lease	(16,688)		(9,700)	
	Movement in net funds in the period	(598,088)		359,715	
	Opening net funds	1,163,146		803,431	
	Closing net funds	565,058		1,163,146	

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2001

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 accounting standards.

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:

Land and buildings Freehold	Nil
Plant and machinery	15% p.a. reducing balance basis
Fixtures, fittings & equipment	15% p.a. reducing balance basis
Motor vehicles	25% p.a. reducing balance basis

The freehold property is subject to a programme of repair and refurbishment, such that the residual value is at least equal to its book value. Having regard to this, it is the opinion of the directors that the depreciation of the property as required by the Companies Act 1985 and accounting standards would not be material.

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

Stock is 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.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with SSAP 24.

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

1 Accounting policies

(continued)

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

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

2001
£

1999
£

Operating profit is stated after charging:

Depreciation of tangible assets

24,366

25,829

Loss on disposal of tangible assets

3,492

3,172

Loss on foreign exchange transactions

-

37

Operating lease rentals

- Plant and machinery

8,595

4,248

Auditors' remuneration

4,000

3,000

and after crediting:

Profit on foreign exchange transactions

(663)

-

3 Investment income

2001
£

1999
£

Income from fixed asset investments

7,245

-

4 Interest payable

2001
£

1999
£

Hire purchase interest

1,708

661

On overdue tax

-

(30)

1,708

631

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

5	Taxation	2001 £	1999 £
	Domestic current year tax		
	U.K. corporation tax	115,000	165,000
	Adjustment for prior years	(434)	(183)
		<hr/>	<hr/>
	Current tax charge	114,566	164,817
	Deferred tax		
	Deferred tax charge/credit current year	19,500	9,500
		<hr/>	<hr/>
		134,066	174,317
		<hr/>	<hr/>
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	447,570	579,351
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.88% (1999 : 29.00%)	124,783	168,012
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	190	168
	Depreciation	6,793	7,490
	Capital allowances	(17,323)	(14,248)
	Adjustments to previous periods	(434)	(183)
	Chargeable disposals	960	920
	Dividends and distributions received	(1,985)	-
	Other tax adjustments	1,582	2,658
		<hr/>	<hr/>
		(10,217)	(3,195)
		<hr/>	<hr/>
	Current tax charge	114,566	164,817
		<hr/>	<hr/>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

6 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2000	697,461	222,944	160,426	41,986	1,122,817
Additions	-	1,798	2,693	22,975	27,466
Disposals	-	-	-	(30,000)	(30,000)
At 31 March 2001	697,461	224,742	163,119	34,961	1,120,283
Depreciation					
At 1 January 2000	-	197,427	138,755	23,503	359,685
On disposals	-	-	-	(20,508)	(20,508)
Charge for the period	-	5,121	9,255	9,990	24,366
At 31 March 2001	-	202,548	148,010	12,985	363,543
Net book value					
At 31 March 2001	697,461	22,194	15,109	21,976	756,740
At 31 December 1999	697,461	25,517	21,671	18,483	763,132

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

	Motor vehicles £
Net book values	
At 31 March 2001	21,975
At 31 December 1999	8,989
Depreciation charge for the period	
31 March 2001	9,989
31 December 1999	2,996

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

7 Fixed asset investments

	Listed investments £	Shares in group undertakings £	Total £
Cost			
At 1 January 2000	-	27,306	27,306
Additions	793,140	-	793,140
	<u>793,140</u>	<u>27,306</u>	<u>820,446</u>
At 31 March 2001	793,140	27,306	820,446
Provisions for diminution in value			
At 1 January 2000 & at 31 March 2001	-	5,688	5,688
	<u>-</u>	<u>5,688</u>	<u>5,688</u>
Net book value			
At 31 March 2001	793,140	21,618	814,758
	<u>793,140</u>	<u>21,618</u>	<u>814,758</u>
At 31 December 1999	-	21,618	21,618
	<u>-</u>	<u>21,618</u>	<u>21,618</u>
	Market value £	Market value £	
At 31 March 2001	670,830	670,830	
	<u>670,830</u>	<u>670,830</u>	

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			
B Burgess & Sons Limited	England	Ordinary	100

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	Profit for the year
B Burgess & Sons Limited	21,618	-
	<u>21,618</u>	<u>-</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

8	Stocks	2001 £	1999 £
	Raw materials and consumables	-	533,777
	Finished goods and goods for resale	860,921	188,423
		<u>860,921</u>	<u>722,200</u>

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

9	Debtors	2001 £	1999 £
	Trade debtors	940,728	964,195
	Other debtors	2,844	-
	Prepayments and accrued income	42,285	30,851
		<u>985,857</u>	<u>995,046</u>

10	Creditors: amounts falling due within one year	2001 £	1999 £
	Net obligations under hire purchase contracts	11,100	4,920
	Trade creditors	480,240	417,716
	Amounts owed to subsidiary undertakings	21,618	21,618
	Corporation tax	115,000	165,000
	Other taxes and social security costs	137,685	149,379
	Directors' current accounts	323,221	369,827
	Other creditors	222,732	161,697
	Accruals and deferred income	7,749	11,801
		<u>1,319,345</u>	<u>1,301,958</u>
	Debt due in one year or less	<u>112,489</u>	<u>86,470</u>

The hire purchase liabilities are secured on the assets acquired.

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

11 Creditors: amounts falling due after more than one year	2001 £	1999 £
Net obligations under hire purchase contracts	1,871	1,733
Net obligations under hire purchase contracts		
Repayable within one year	11,791	5,287
Repayable between one and five years	1,891	1,762
	13,682	7,049
Finance charges and interest allocated to future accounting periods	(711)	(396)
	12,971	6,653
Included in liabilities falling due within one year	(11,100)	(4,920)
	1,871	1,733

12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 2000	76,500
Profit and loss account	19,500
Balance at 31 March 2001	96,000

Deferred taxation provided in the financial statements is as follows:

	2001 £	1999 £
Accelerated capital allowances	96,000	76,500

13 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £51,693 (1999 - £43,411).

During the period the company started a new self administered pension fund for its directors, making contributions of £300,000.

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

14 Share capital	2001 £	1999 £
Authorised		
10,000 Ordinary shares of £ 1 each	10,000	10,000
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 2000	2,371,574
Retained profit for the period	313,504
Balance at 31 March 2001	2,685,078

16 Reconciliation of movements in shareholders' funds

	2001 £	1999 £
Profit for the financial period	313,504	405,034
Opening shareholders' funds	2,378,074	1,973,040
Closing shareholders' funds	2,691,578	2,378,074

17 Financial commitments

At 31 March 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001 £	1999 £
Expiry date:		
Within one year	5,795	-
Between two and five years	13,592	19,387
In over five years	1,708	1,708
	21,095	21,095

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

18 Directors' emoluments	2001 £	1999 £
Emoluments for qualifying services	239,720	191,900
Company pension contributions to money purchase schemes	322,567	35,720
	<u>562,287</u>	<u>227,620</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (1999 - 4).

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

Emoluments for qualifying services	<u>78,173</u>	<u>62,500</u>
------------------------------------	---------------	---------------

19 Employees

Number of employees

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

	2001 Number	1999 Number
Management	11	11
Production and sales staff	27	30
	<u>38</u>	<u>41</u>

Employment costs

	£	£
Wages and salaries	736,958	562,884
Social security costs	46,187	20,006
Other pension costs	351,693	43,411
	<u>1,134,838</u>	<u>626,301</u>