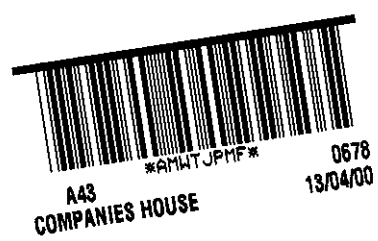


Company Registration No. 1026710 (England and Wales)

**H DAVENPORT & SONS LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1999**



# H DAVENPORT & SONS LIMITED

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# H DAVENPORT & SONS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The directors present their report and financial statements for the year ended 31 December 1999.

### Principal activities and review of the business

The principal activities of the company during the period continue to be those 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 year.

### 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 the land and buildings at the balance sheet date was not substantially different from its book value.

### Post balance sheet events

No major events have taken place since the end of the year.

### Future developments

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

### Directors

The following directors have held office since 1 January 1999:

J Davenport  
S Davenport Jnr  
Mrs J Davenport  
Mrs S C Davenport

### Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 1999	1 January 1999
J Davenport	2,875	2,875
S Davenport Jnr	2,875	2,875
Mrs J Davenport	-	-
Mrs S C Davenport	-	-

### Charitable contributions

During the year the company made political donations amounting to £- (1998 : £-).

During the year the company made charitable donations of £580 (1998 : £785).

### Auditors

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

# H DAVENPORT & SONS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

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### 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.

By order of the board



6. 4. 00

J Davenport

Director

.....

# H DAVENPORT & SONS LIMITED

## AUDITORS' REPORT TO H DAVENPORT & SONS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the year ended 31 December 1999 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.

*Owen Millichamp*

**Owen Millichamp**

7 April 2000

Chartered Accountants  
**Registered Auditor**

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

# H DAVENPORT & SONS LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	1999 £	1998 £
<b>Gross profit</b>		1,195,168	1,078,321
Distribution costs		(75,389)	(79,763)
Administrative expenses		(614,925)	(636,634)
Other operating income		24,000	24,000
<b>Operating profit</b>	<b>2</b>	<b>528,854</b>	<b>385,924</b>
Other interest receivable and similar income	<b>3</b>	51,128	53,742
Interest payable and similar charges	<b>4</b>	(631)	(1,202)
<b>Profit on ordinary activities before taxation</b>		<b>579,351</b>	<b>438,464</b>
Tax on profit on ordinary activities	<b>5</b>	(174,317)	(124,924)
<b>Profit on ordinary activities after taxation</b>	<b>15</b>	<b>405,034</b>	<b>313,540</b>

# H DAVENPORT & SONS LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	1999 £	£	1998 £	£
<b>Fixed assets</b>					
Tangible assets	6	763,132		775,304	
Investments	7	21,618		21,618	
		<u>784,750</u>		<u>796,922</u>	
<b>Current assets</b>					
Stocks	8	722,200		677,271	
Debtors	9	995,046		849,394	
Cash at bank and in hand		1,256,269		933,366	
		<u>2,973,515</u>		<u>2,460,031</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,301,958)</u>		<u>(1,216,913)</u>	
<b>Net current assets</b>		<u>1,671,557</u>		<u>1,243,118</u>	
<b>Total assets less current liabilities</b>		<u>2,456,307</u>		<u>2,040,040</u>	
<b>Creditors: amounts falling due after more than one year</b>	11	(1,733)		-	
<b>Provisions for liabilities and charges</b>	12	<u>(76,500)</u>		<u>(67,000)</u>	
		<u>2,378,074</u>		<u>1,973,040</u>	
<b>Capital and reserves</b>					
Called up share capital	14	6,500		6,500	
Profit and loss account	15	2,371,574		1,966,540	
<b>Shareholders' funds</b>	16	<u>2,378,074</u>		<u>1,973,040</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 6.4.00.



J Davenport  
Director



S Davenport Jnr  
Director

# H DAVENPORT & SONS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1999

	1999 £	1998 £
<b>Net cash inflow from operating activities</b>	401,129	277,617
<b>Returns on investments and servicing of finance</b>		
Interest received	51,128	53,742
Interest paid	(631)	(1,202)
	<hr/>	<hr/>
<b>Net cash inflow for returns on investments and servicing of finance</b>	50,497	52,540
<b>Taxation</b>	(75,082)	(105,500)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(13,378)	(20,871)
Receipts from sales of tangible assets	6,249	-
	<hr/>	<hr/>
<b>Net cash outflow for capital expenditure</b>	(7,129)	(20,871)
	<hr/>	<hr/>
<b>Net cash inflow before management of liquid resources and financing</b>	369,415	203,786
<b>Financing</b>		
Other new short term loans	-	18,634
Repayment of other short term loans	(42,362)	(13,980)
Capital element of finance lease contracts	(4,150)	(4,733)
	<hr/>	<hr/>
<b>Net cash outflow from financing</b>	(46,512)	(79)
	<hr/>	<hr/>
<b>Increase in cash in the year</b>	<u>322,903</u>	<u>203,707</u>



# H DAVENPORT & SONS LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1999

1	Reconciliation of operating profit to net cash inflow from operating activities	1999	1998
		£	£
	Operating profit	528,854	385,924
	Depreciation of tangible assets	25,829	28,461
	Loss on disposal of tangible assets	3,172	-
	Increase in stocks	(44,929)	(152,196)
	(Increase)/decrease in debtors	(157,887)	14,156
	Increase in creditors within one year	46,090	1,272
	Net cash inflow from operating activities	401,129	277,617

2	Analysis of net funds	1 January 1999	Cash flow	Other non-cash changes	31 December 1999
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	933,366	322,903		1,256,269
	Debt:				
	Finance leases	(1,103)	4,150	(9,700)	(6,653)
	Debts falling due within one year	(128,832)	42,362	-	(86,470)
		(129,935)	46,512	(9,700)	(93,123)
	Net funds	803,431	369,415	(9,700)	1,163,146

3	Reconciliation of net cash flow to movement in net funds	1999	1998
		£	£
	Increase in cash in the year	322,903	203,707
	Cash outflow from decrease in debt and lease financing	46,512	79
	Change in net debt resulting from cash flows	369,415	203,786
	New finance lease	(9,700)	-
	Movement in net funds in the year	359,715	203,786
	Opening net funds	803,431	599,645
	Closing net funds	1,163,146	803,431

# H DAVENPORT & SONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The accounts have been 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 and buildings 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 land and buildings	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 on a straight line basis as this is not materially different from a method giving a constant rate of return on the balance outstanding.

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 year in accordance with SSAP 24.

# H DAVENPORT & SONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 1 Accounting policies

#### 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.

<b>2</b>	<b>Operating profit</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	25,829	28,461
	Operating lease rentals		
	- Plant and machinery	4,248	5,674
	Auditors' remuneration	3,000	3,000
		<u>          </u>	<u>          </u>
<b>3</b>	<b>Other interest receivable and similar income</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Bank interest	51,128	53,742
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Interest payable</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	-	569
	Hire purchase interest	661	633
	On overdue tax	(30)	-
		<u>          </u>	<u>          </u>
		631	1,202
		<u>          </u>	<u>          </u>

# H DAVENPORT & SONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

5	Taxation	1999	1998
		£	£
	<b>U.K. current year taxation</b>		
	U.K. corporation tax at 29% (1998 - 27%)	165,000	120,000
	Deferred taxation	9,500	6,659
		<hr/>	<hr/>
		174,500	126,659
	<b>Prior years</b>		
	U.K. corporation tax	(183)	(1,735)
		<hr/>	<hr/>
		174,317	124,924
		<hr/>	<hr/>

# H DAVENPORT & SONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 6 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 1999	697,461	222,944	149,333	49,325	1,119,063
Additions	-	-	11,093	11,985	23,078
Disposals	-	-	-	(19,324)	(19,324)
At 31 December 1999	697,461	222,944	160,426	41,986	1,122,817
<b>Depreciation</b>					
At 1 January 1999	-	192,924	123,589	27,246	343,759
On disposals	-	-	-	(9,903)	(9,903)
Charge for the year	-	4,503	15,166	6,160	25,829
At 31 December 1999	-	197,427	138,755	23,503	359,685
<b>Net book value</b>					
At 31 December 1999	697,461	25,517	21,671	18,483	763,132
At 31 December 1998	697,461	30,020	25,744	22,079	775,304

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

	Motor vehicles £
<b>Net book values</b>	
At 31 December 1999	8,989
At 31 December 1998	5,077
<b>Depreciation charge for the year</b>	
31 December 1999	2,996
31 December 1998	1,692

# H DAVENPORT & SONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 7 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 January 1999 & at 31 December 1999	27,306
<b>Provisions for diminution in value</b>	
At 1 January 1999 & at 31 December 1999	5,688
<b>Net book value</b>	
At 31 December 1999	21,618
At 31 December 1998	21,618

### 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 %
<b>Subsidiary undertakings</b>			
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	-

### 8 Stocks

	1999 £	1998 £
Raw materials and consumables	533,777	464,201
Finished goods and goods for resale	188,423	213,070
	722,200	677,271

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

# H DAVENPORT & SONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

9 Debtors	1999 £	1998 £
Trade debtors	964,195	813,259
Corporation tax	-	12,235
Prepayments and accrued income	30,851	23,900
	<u>995,046</u>	<u>849,394</u>

10 Creditors: amounts falling due within one year	1999 £	1998 £
Net obligations under finance lease and hire purchase contracts	4,920	1,103
Trade creditors	417,716	445,459
Amounts owed to subsidiary undertakings	21,618	21,618
Corporation tax	165,000	87,500
Other taxes and social security costs	149,379	124,243
Directors' current accounts	369,827	373,932
Other creditors	161,697	128,832
Accruals and deferred income	11,801	34,226
	<u>1,301,958</u>	<u>1,216,913</u>

The bank loan was secured by an unlimited debenture dated 2nd August 1983.

11 Creditors: amounts falling due after more than one year	1999 £	1998 £
Net obligations under finance leases and hire purchase agreements	<u>1,733</u>	<u>-</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	5,287	1,246
Repayable between one and five years	1,762	-
	<u>7,049</u>	<u>1,246</u>
Finance charges and interest allocated to future accounting periods	(396)	(143)
	<u>6,653</u>	<u>1,103</u>
Included in liabilities falling due within one year	(4,920)	(1,103)
	<u>1,733</u>	<u>-</u>

# H DAVENPORT & SONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 1999	67,000
Profit and loss account	9,500
	<hr/>
Balance at 31 December 1999	76,500
	<hr/> <hr/>

Deferred tax is provided at 25% (1998 - 25%) analysed over the following timing differences:

	Fully provided 1999 £	1998 £
Accelerated capital allowances	76,500	67,000
	<hr/> <hr/>	<hr/> <hr/>

### 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 £43,411 (1998 - £38,257).

### 14 Share capital

	1999 £	1998 £
<b>Authorised</b>		
10,000 Ordinary shares of £ 1 each	10,000	10,000
	<hr/> <hr/>	<hr/> <hr/>
<b>Allotted, called up and fully paid</b>		
6,500 Ordinary shares of £ 1 each	6,500	6,500
	<hr/> <hr/>	<hr/> <hr/>

### 15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 1999	1,966,540
Retained profit for the year	405,034
	<hr/>
Balance at 31 December 1999	2,371,574
	<hr/> <hr/>



# H DAVENPORT & SONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

16 Reconciliation of movements in shareholders' funds	1999 £	1998 £
Profit for the financial year	405,034	313,540
Opening shareholders' funds	1,973,040	1,659,500
Closing shareholders' funds	2,378,074	1,973,040

### 17 Financial commitments

At 31 December 1999 the company had annual commitments under non-cancellable operating leases as follows:

	1999 £	1998 £
Expiry date:		
Within one year	-	14,480
Between two and five years	19,387	900
In over five years	1,708	1,580
	21,095	16,960

18 Directors' emoluments	1999 £	1998 £
Emoluments for qualifying services	191,900	191,900
Company pension contributions to money purchase schemes	35,720	32,720
	227,620	224,620

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (1998 - 3).

# H DAVENPORT & SONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 19 Employees

#### Number of employees

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

	1999 Number	1998 Number
Management	11	11
Production and sales staff	30	30
	<u>41</u>	<u>41</u>

#### Employment costs

	£	£
Wages and salaries	562,884	540,477
Social security costs	20,006	20,113
Other pension costs	43,411	38,257
	<u>626,301</u>	<u>598,847</u>

### 20 Directors' Interests in Contracts

The following business is a related party of H Davenport & Sons Limited:

Name of Business	Nature of Relationship
Wadco Engineering Limited	The directors of H Davenport & Sons Limited control 78% of the issued share capital of Wadco Engineering Limited

and the following transactions took place during the year:

Name of Business	Nature of Transaction	Amount £	Balance due to Other Party £
Wadco Engineering Limited	Management charges	24,000	
	Recharged expenses	12,208	
	Purchases from	619,844	
	Balance due		(75,227)

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