

Company Registration No 1026710 (England and Wales)

H DAVENPORT & SONS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007

THURSDAY



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H DAVENPORT & SONS LIMITED

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H DAVENPORT & SONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

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 £1,327,547 to £1,399,094. As a result operating profit has also risen £136,377 in 2006 to £256,031 in the current year. 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 £450,125 being £69.25 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 2007

J Davenport
Mrs J Davenport
S Davenport
Mrs S C Davenport

H DAVENPORT & SONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' interests

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

	Ordinary shares of £1 each	
	31 December 2007	1 January 2007
J Davenport	2,875	2,875
Mrs J Davenport	-	-
S Davenport	2,875	2,875
Mrs S C Davenport	-	-

Auditors

Ian Richmond Limited were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed 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

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 2008

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 19, together with the financial statements of H Davenport & Sons Limited for the year ended 31 December 2007 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 auditor's 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

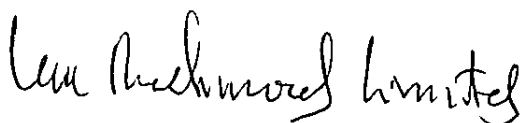
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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

28 October 2008

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 2007

	Notes	2007 £	2006 £
Gross profit		1,399,094	1,327,547
Distribution costs		(158,526)	(148,271)
Administrative expenses		(984,537)	(1,042,899)
Operating profit	2	256,031	136,377
Investment income	3	-	151,037
Other interest receivable and similar income		47,220	68,787
Interest payable and similar charges	4	(592)	(1,935)
Profit on ordinary activities before taxation		302,659	354,266
Tax on profit on ordinary activities	5	(66,712)	(53,766)
Profit for the year	15	235,947	300,500

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 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	7	1,171,189		1,183,828	
Investments	8	624,619		624,619	
		<u>1,795,808</u>		<u>1,808,447</u>	
Current assets					
Stocks	9	1,432,965		1,190,850	
Debtors	10	1,154,586		1,352,810	
Cash at bank and in hand		1,091,673		1,298,211	
		<u>3,679,224</u>		<u>3,841,871</u>	
Creditors' amounts falling due within one year	11	(2,136,545)		(2,111,653)	
Net current assets		<u>1,542,679</u>		<u>1,730,218</u>	
Total assets less current liabilities		<u>3,338,487</u>		<u>3,538,665</u>	
Provisions for liabilities	12	(147,000)		(133,000)	
		<u>3,191,487</u>		<u>3,405,665</u>	
Capital and reserves					
Called up share capital	14	6,500		6,500	
Profit and loss account	15	3,184,987		3,399,165	
Shareholders' funds	16	<u>3,191,487</u>		<u>3,405,665</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 2008



J Davenport
Director



S Davenport
Director

H DAVENPORT & SONS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	£	2007 £	£	2006 £
Net cash inflow/(outflow) from operating activities		221,891		(1,743,112)
Returns on investments and servicing of finance				
Interest received	47,220		68,787	
Interest paid	(592)		(1,935)	
Dividends received	-		18,240	
Net cash inflow for returns on investments and servicing of finance		46,628		85,092
Taxation		(39,712)		(52,986)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(36,844)		(11,220)	
Receipts from sales of investments	-		846,858	
Net cash (outflow)/inflow for capital expenditure		(36,844)		835,638
Equity dividends paid		(450,125)		-
Net cash outflow before management of liquid resources and financing		(258,162)		(875,368)
Management of liquid resources				
Bank deposits	(166,924)		(180,627)	
		(166,924)		(180,627)
Financing				
Other new short term loans	161,575		-	
Repayment of other short term loans	(95,036)		57,432	
Capital element of hire purchase contracts	(14,915)		(17,795)	
Net cash inflow from financing		51,624		39,637
Decrease in cash in the year		(373,462)		(1,016,358)

H DAVENPORT & SONS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2007	2006
		£	£
	Operating profit	256,031	136,377
	Depreciation of tangible assets	49,483	51,650
	Increase in stocks	(242,115)	(24,712)
	Decrease/(increase) in debtors	198,224	(327,193)
	Decrease in creditors within one year	(39,732)	(1,579,234)
	Net cash inflow/(outflow) from operating activities	221,891	(1,743,112)

2	Analysis of net funds	1 January 2007	Cash flow	Other non-cash changes	31 December 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	876,791	(373,462)	-	503,329
	Liquid resources				
	Bank deposits	421,420	166,924	-	588,344
	Debt				
	Finance leases	(14,915)	14,915	-	-
	Debts falling due within one year	(94,485)	(66,539)	-	(161,024)
	Net funds	1,188,811	(258,162)	-	930,649

3	Reconciliation of net cash flow to movement in net funds	2007	2006
		£	£
	Decrease in cash in the year	(373,462)	(1,016,358)
	Cash outflow from increase in liquid resources	166,924	180,627
	Cash inflow from increase in debt and lease financing	(51,624)	(39,637)
	Movement in net funds in the year	(258,162)	(875,368)
	Opening net funds	1,188,811	2,064,179
	Closing net funds	930,649	1,188,811

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007

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	2007 £	2006 £
	Operating profit is stated after charging		
	Depreciation of tangible assets	49,483	51,650
	Operating lease rentals	6,250	5,000
	Auditors' remuneration (including expenses and benefits in kind)	7,000	7,000

3	Investment income	2007 £	2006 £
	Income from fixed asset investments	-	151,037
	Bank interest	47,220	68,885
	Other interest	-	(98)

4	Interest payable	2007 £	2006 £
	Hire purchase interest	592	1,935

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

5	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	55,000	42,000
	Adjustment for prior years	(2,288)	(234)
	Current tax charge	<u>52,712</u>	<u>41,766</u>
	Deferred tax		
	Deferred tax charge/credit current year	14,000	12,000
		<u>66,712</u>	<u>53,766</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>302,659</u>	<u>354,266</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.75% (2006 - 19.00%)	<u>59,775</u>	<u>67,311</u>
	Effects of		
	Non deductible expenses	653	5,935
	Depreciation add back	9,773	9,814
	Capital allowances	(16,531)	(14,681)
	Adjustments to previous periods	(2,288)	(234)
	Chargeable disposals	-	(25,231)
	Dividends and distributions received	-	(3,466)
	Other tax adjustments	1,330	2,318
		<u>(7,063)</u>	<u>(25,545)</u>
	Current tax charge	<u>52,712</u>	<u>41,766</u>
6	Dividends	2007	2006
		£	£
	Ordinary final paid	<u>450,125</u>	<u>-</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

7 Tangible fixed assets

	Freehold buildings	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2007	697,461	241,484	547,936	250,353	36,352	1,773,586
Additions	-	-	22,276	14,573	-	36,849
At 31 December 2007	697,461	241,484	570,212	264,926	36,352	1,810,435
Depreciation						
At 1 January 2007	-	7,101	343,861	229,145	9,656	589,763
Charge for the year	-	2,367	33,343	7,099	6,674	49,483
At 31 December 2007	-	9,468	377,204	236,244	16,330	639,246
Net book value						
At 31 December 2007	697,461	232,016	193,008	28,682	20,022	1,171,189
At 31 December 2006	697,461	234,383	204,077	21,210	26,697	1,183,828

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2007 & at 31 December 2007	630,307
Provisions for diminution in value	
At 1 January 2007 & at 31 December 2007	5,688
Net book value	
At 31 December 2007	624,619
At 31 December 2006	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 2007 £	Profit/(loss) for the year 2007 £
	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 2007

9	Stocks and work in progress	2007 £	2006 £
	Work in progress	71,788	86,287
	Finished goods and goods for resale	1,361,177	1,104,563
		<u>1,432,965</u>	<u>1,190,850</u>

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

10	Debtors	2007 £	2006 £
	Trade debtors	1,107,035	1,197,183
	Other debtors	4,088	101,714
	Prepayments and accrued income	43,463	53,913
		<u>1,154,586</u>	<u>1,352,810</u>

11	Creditors: amounts falling due within one year	2007 £	2006 £
	Net obligations under hire purchase contracts	-	14,915
	Trade creditors	595,144	687,140
	Amounts owed to subsidiary undertakings	723,514	723,514
	Corporation tax	55,000	42,000
	Other taxes and social security costs	280,797	438,493
	Directors' current accounts	252,155	83,193
	Other creditors	161,024	94,485
	Accruals and deferred income	68,911	27,913
		<u>2,136,545</u>	<u>2,111,653</u>

The hire purchase liabilities are secured upon the assets acquired

Net obligations under hire purchase contracts

Repayable within one year	-	14,195
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>14,195</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2007	133,000
Profit and loss account	14,000
	<u>147,000</u>
Balance at 31 December 2007	<u>147,000</u>

The deferred tax liability is made up as follows

	2007 £	2006 £
Accelerated capital allowances	<u>147,000</u>	<u>133,000</u>

13 Pension costs

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	<u>57,842</u>	<u>28,020</u>

14 Share capital

	2007 £	2006 £
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
6,500 Ordinary shares of £1 each	<u>6,500</u>	<u>6,500</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2007	3,399,165
Profit for the year	235,947
Dividends paid	(450,125)
Balance at 31 December 2007	<u>3,184,987</u>

16 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	235,947	300,500
Dividends	(450,125)	-
Net (depletion in)/addition to shareholders' funds	<u>(214,178)</u>	<u>300,500</u>
Opening shareholders' funds	3,405,665	3,105,165
Closing shareholders' funds	<u>3,191,487</u>	<u>3,405,665</u>

17 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	Land and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Operating leases which expire				
Within one year	-	-	7,297	384
Between two and five years	-	-	10,617	20,856
In over five years	6,000	5,000	-	-
	<u>6,000</u>	<u>5,000</u>	<u>17,914</u>	<u>21,240</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

18 Directors' emoluments	2007 £	2006 £
Emoluments for qualifying services	229,230	279,669
Company pension contributions to money purchase schemes	10,456	7,387
	<u>239,686</u>	<u>287,056</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2006 - 4)

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

Emoluments for qualifying services	96,154	82,746
Company pension contributions to money purchase schemes	<u>5,000</u>	<u>5,000</u>

19 Transactions with directors

The following directors had interest free loans during the year The movement on these loans are as follows

	Amount outstanding		Maximum
	2007	2006	in year
	£	£	£
Director's current account (debit bal)	<u>-</u>	<u>97,738</u>	<u>97,738</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

20 Employees

Number of employees

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

	2007 Number	2006 Number
Management	10	10
Production and sales staff	42	41
	<u>52</u>	<u>51</u>

Employment costs

	2007 £	2006 £
Wages and salaries	1,135,993	1,186,826
Social security costs	87,519	73,417
Other pension costs	57,842	28,020
	<u>1,281,354</u>	<u>1,288,263</u>

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

21 Related party transactions

Related Businesses

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

Name of Business	Nature of Relationship
Davenport Burgess 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
Davenport Burgess Limited	Ongoing Loan	21,618
Wadco Engineering Limited	Ongoing Loan	701,896

Related Individuals

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

Directors' Current Accounts

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

	2007 £	2006 £
Mr and Mrs J Davenport	203,988	83,193
Mr and Mrs S Davenport	48,167	-

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

Transactions With Other Individual Related Parties

During the year the company made payments to Automotive Technical Marketing Limited a company previously controlled by the sons of the directors. At the balance sheet date £313,579 was due from Automotive Technical Marketing Limited. The company has provided against the whole of the balance leaving a nil balance at the balance sheet date.

All Related Party Transactions

There are no provisions against any of the amounts owing at the year end other than as stated and no amounts have been written off in respect of these transactions during the year.

H DAVENPORT & SONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

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

19 Directors' Interests in Contracts

During the year the company settled liabilities of Automotive Technical Marketing Limited, a company controlled by two of the sons of the directors. At the balance sheet date £313,579 was due from that company. The company has made a reserve of £313,579 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