

**Davenport & Son Limited**

**Directors' report and financial  
statements**

Registered number 152407

31 March 2011

SATURDAY



\*A3YJ4Y0W\*

A23

01/10/2011

14

COMPANIES HOUSE

## **Contents**

Directors' report	1
Accountants' report on the unaudited financial statements to the directors of Davenport & Son Limited	2
Profit and loss account	3
Balance sheet	4
Cash flow statement	5
Notes	6

## **Directors' report**

The directors present their annual report and the financial statements for the year ended 31 March 2011

### **Principal activities**

The company ceased to trade as a wine merchant last year, but continues to own property from which it derives rental income

### **Business review**

The results of the company for the year are set out on page 3

Turnover for the year was £204,097 compared with £213,310 for last year. The loss before tax was £8,927 compared with a profit of £91,485 for last year.

The loss has been incurred in 2010/11 as a consequence of the properties at 26 Tamworth Road, Ashby, 2, 4 and 6 Hill Street, Swadlincote and 60 Market Street, Ashby being vacant during the year and substantial expenditure being incurred before they were re-let.

### **Proposed dividend**

The directors have authorised and paid, during the year, a final dividend of 5p per share, totalling £3,750, for 2011.

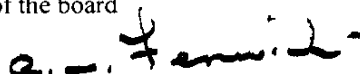
### **Directors**

The directors who held office during the year were as follows:

Mr AW Fenwick (Chairman)  
Mrs CS Fenwick  
Mr MJ Fenwick

The director retiring by rotation is Mrs CS Fenwick who, being eligible, offers herself for re-election.

By order of the board



**Mr AW Fenwick**  
*Director*

The Granary  
Eaton  
Grantham  
Lincs  
NG32 1ET



**KPMG LLP**

1 Waterloo Way  
Leicester  
LE1 6LP  
United Kingdom

**Accountants' report on the unaudited financial statements to the directors of Davenport & Son Limited**

In order to assist you to fulfil your duties under the Companies Act 2006, we have compiled for your approval the financial statements of Davenport & Son Limited (the Company), for the year ended 31 March 2011 which comprise the Profit and Loss account, Balance Sheet, Cash Flow Statement and the related notes, from the Company's accounting records and from information and explanations you have given to us

This report is made solely to the Company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile, for approval by the directors the financial statements that we have been engaged to compile, report to the Company's board of directors that we have done so, and state those matters that we have agreed to state to them in this report 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 and the Company's board of directors, as a body, for our work, or for this report.

We performed our work having regard to guidance in Technical Release AAF 02/10 Chartered Accountants' reports on the compilation of financial statements of incorporated entities issued by the Institute of Chartered Accountants in England and Wales (ICAEW). As a member firm of ICAEW, we are subject to its ethical and other professional requirements relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 March 2011 your duty to ensure that the Company has kept adequate accounting records, and to prepare financial statements that give a true and fair view in accordance with the Companies Act 2006, and under United Kingdom Accounting Standards. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit or a review of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

**KPMG LLP**

Chartered Accountants  
Leicester

27<sup>th</sup>. September, 2011.

**Profit and loss account**  
*for the year ended 31 March 2011*

	<i>Note</i>	2011 £	2010 £
<b>Turnover</b>	2	204,097	213,310
Change in stocks of finished goods		-	(1,748)
Staff costs	4	(79,589)	(65,815)
Depreciation and other amounts written off tangible and intangible fixed assets		(5,471)	(10,028)
Other operating charges		(119,694)	(38,343)
<b>Operating (loss)/profit</b>		(657)	97,376
Interest receivable and similar income	5	-	255
Interest payable and similar charges	6	(8,270)	(7,887)
Profit on disposal of fixed asset investments		-	1,741
<b>(Loss)/profit on ordinary activities before taxation</b>		(8,927)	91,485
Tax on (loss)/profit on ordinary activities	7	773	(20,130)
<b>(Loss)/profit for the financial year</b>		(8,154)	71,355

All losses derived from continuing activities. There were no recognised gains or losses other than the loss for the year.

**Balance sheet**  
*at 31 March 2011*

	Note	2011	2010
		£	£
<b>Fixed assets</b>			
Tangible assets	9	1,060,242	999,021
Investments	10	820	886
		<u>1,061,062</u>	<u>999,907</u>
<b>Current assets</b>			
Debtors	11	3,781	-
		<u>3,781</u>	<u>-</u>
<b>Creditors</b> amounts falling due within one year	12	(344,259)	(267,419)
<b>Net current liabilities</b>		<u>(340,478)</u>	<u>(267,419)</u>
<b>Net assets</b>		<u>720,584</u>	<u>732,488</u>
<b>Capital and reserves</b>			
Called up share capital	14	75,000	75,000
Capital reserve	15	7,557	7,557
General reserve	15	20,000	20,000
Profit and loss account	15	618,027	629,931
		<u>720,584</u>	<u>732,488</u>

The directors

- (a) confirm that the company was entitled to exemption under section 477 of the Companies Act 2006 from the requirement to have its accounts for the financial year ended 5 April 2011 audited
- (b) confirm that members have not required the company to obtain an audit of its accounts for that financial year in accordance with section 476 of that Act
- (c) acknowledge their responsibilities for
  - (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Companies Act 2006, and
  - (ii) preparing accounts which give a true and fair view of the assets, liabilities, and financial position of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 393 and 394 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to companies subject to the small companies regime

The accounts were approved by the board of directors on 23 September 2011 and were signed on its behalf by



**Mr AW Fenwick**  
*Director*

Registered number 152407

**Cash flow statement**  
*for the year ended 31 March 2011*

	<i>Note</i>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
<b>Cash flow statement</b>			
Cash flow from operating activities	17	10,262	114,985
Returns on investments and servicing of finance	18	(5,346)	(9,095)
Taxation		(20,130)	(8 579)
Capital expenditure and financial investment	19	(66,626)	(39,798)
Equity dividends paid		(3,750)	(11 250)
		<hr/>	<hr/>
Cash (outflow)/inflow before financing		(85,590)	46,263
<b>Financing</b>			
Increase/(decrease) in short term borrowings		45,000	(294)
		<hr/>	<hr/>
(Decrease)/increase in cash in the year		(40,590)	45,969
		<hr/>	<hr/>

**Reconciliation of net cash flow with movement in net debt**

(Decrease)/increase in cash in the year		(40,590)	45 969
Cash (outflow)/inflow from change in debt financing		(45,000)	294
		<hr/>	<hr/>
Movement in net debt in the year	20	(85,590)	46,263
Net debt at the start of the year	20	(187,402)	(233 665)
		<hr/>	<hr/>
Net debt at the end of the year	20	(272,992)	(187,402)
		<hr/>	<hr/>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

#### ***Going concern***

The accounts are prepared on the basis that the company is a going concern. Whilst the company's balance sheet currently shows net current liabilities of £340,478 the directors consider that the company is a going concern on the basis that it will be able to pay its debts as they become due.

In addition, it holds various investment properties that have a value well in excess of their book cost shown in note 9.

#### ***Fixed assets and depreciation***

Depreciation is provided in order to write off the cost, less the estimated residual value, of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures, fittings and equipment	-	25% - 33% per annum
Motor vehicles	-	25% per annum

#### ***Investment properties***

Investment properties are stated at cost. This is not in accordance with Statement of Standard Accounting Practice No. 19, in that investment properties should be included at market value. No depreciation is provided on the properties in accordance with Statement of Standard Accounting Practice No. 19. The directors consider the market value to be in excess of book value but, in the absence of a valuation, are unable to quantify the amount of any surplus.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value, and consist wholly of goods for resale.

#### ***Taxation***

The charge for taxation is based on the loss for the year, and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision is made for deferred tax, without discounting, except as otherwise required by FRS 19. Net debit balances are recognised as assets only to the extent that they are expected to be recovered.

#### ***Turnover***

Turnover represents the amounts (excluding value added tax) derived from the rental of investment properties to customers during the year.

#### ***Dividends on shares presented within shareholders' funds***

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised, and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.



## Notes (continued)

### 2 Analysis of turnover

	2011 £	2010 £
As wine merchants	-	3,285
Property income	204,097	210,025
	<u>204,097</u>	<u>213,310</u>

### 3 Remuneration of directors

	2011 £	2010 £
Directors' emoluments		
Remuneration as executives	71,204	54,704
Director's bonus	-	4,815
Benefits	8,636	8,167
	<u>79,840</u>	<u>67,686</u>

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees 2011	2010
Management and administration	3	3

The aggregate payroll costs of these persons were as follows

	2011 £	2010 £
Directors' remuneration	71,204	54,704
Director's bonus	-	4,815
Social security costs	8,385	6,296
	<u>79,589</u>	<u>65,815</u>

### 5 Interest receivable and similar income

	2011 £	2010 £
Income from fixed asset investments	-	255

## Notes (continued)

### 6 Interest payable and similar charges

	2011 £	2010 £
On bank loans and overdrafts	2,155	1,219
On other loans	6,115	6,668
	<u>8,270</u>	<u>7,887</u>

### 7 Taxation

	2011 £	2010 £
UK corporation tax at 21% (2010 21%) on the (loss)/profit for the year on ordinary activities	-	20,130
Deferred tax		
Current	1,285	-
Adjustment in respect of prior periods	(512)	-
	<u>(773)</u>	<u>20,130</u>
<b>Tax reconciliation</b>		
(Loss)/profit before tax	<u>(8,927)</u>	<u>91,485</u>
Tax at 21% (2010 21%)	(1,875)	19,212
Expenses not deductible for tax purposes	551	896
Non taxable dividend income	-	(54)
Capital allowances less than depreciation	343	463
Capital gain lower than profit in financial statements	-	(213)
Increase in tax losses carried forward/(utilisation of tax losses)	981	(174)
	<u>-</u>	<u>20,130</u>
Current tax charge for year	<u>-</u>	<u>20,130</u>

### 8 Dividends

	2011 £	2010 £
Ordinary shares		
Final dividend approved in respect of prior year but not recognised as a liability in that year	-	3,750
Final dividend approved and paid in respect of this year	3,750	3,750
	<u>3,750</u>	<u>7,500</u>

## Notes (continued)

### 9 Tangible fixed assets

#### Freehold land and buildings

	52 Market Street Ashby £	60 Market Street, Ashby £	Maltings Tamworth Road, Ashby £	Maltings, Tamworth Road car park £	Tamworth Road Ashby £	26 £	9 & 9a Church Street Swadlincote £	35 37 & 39 High Street Swadlincote £	1 Church Street 2 4 & 6 Hill Street Swadlincote £	Total freehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>													
At beginning of year	41,330	36,241	90,294	5,029	74,792	109,902	496,345	145,316	999,249	17,635	85,651	1,102,535	
Additions	-	35,772	-	-	-	(3,569)	-	33,434	65,637	-	989	66,626	
At end of year	41,330	72,013	90,294	5,029	74,792	106,333	496,345	178,750	1,064,886	17,635	86,640	1,169,161	
<i>Depreciation and diminution in value</i>													
At beginning of year	5,467	3,644	5,670	-	-	-	-	-	14,781	4,409	84,324	103,514	
Charge for year	-	-	-	-	-	-	-	-	-	4,409	996	5,405	
At end of year	5,467	3,644	5,670	-	-	-	-	-	14,781	8,818	85,320	108,919	
<i>Net book value</i>													
At 31 March 2011	35,863	68,369	84,624	5,029	74,792	106,333	496,345	178,750	1,050,105	8,817	1,320	1,060,242	
At 31 March 2010	35,863	32,597	84,624	5,029	74,792	109,902	496,345	145,316	984,468	13,226	1,327	999,021	

### Notes (continued)

## 10 Listed investments

	£
<i>Cost</i>	
At beginning and end of year	886
Less impairment this year	(66)
	<hr/>
Market value at end of year	820

Market value of £820 (2010 £886) is below cost at the year end. Lloyds Banking Group plc shares' valuation has been written down to market value as a consequence of Government involvement, and the dramatic fall in the share price to a fraction of cost resulting from monetary problems in the banking sector.

## 11 Debtors

	2011	2010
	£	£
<i>Amounts falling due within one year</i>		
Trade debtors	1,954	-
Deferred taxation (see note 13)	773	-
Sundry debtors	1,054	-
	<hr/>	<hr/>
	3,781	-

**12 Creditors: amounts falling due within one year**

	2011	2010
	£	£
Bank overdraft	<b>40,992</b>	402
Taxation and social security		
Corporation tax	-	20 130
Other taxes and social security	<b>6,490</b>	4 945
	<b>6,490</b>	25 075
Loans from settlements – 1992 settlement	<b>102,000</b>	102,000
– 1973 settlement	<b>85,000</b>	85,000
Loans from directors	<b>45,000</b>	-
Deferred income	<b>52,934</b>	27 036
Accruals	<b>11,843</b>	27 906
	<b>344,259</b>	267 419

Interest at 3% over bank base rate is payable on the loans from the two settlements Mrs CS Fenwick is a trustee of the 1992 Settlement The loans are repayable on demand

## Notes (continued)

### 13 Provisions for liabilities and charges

	£
At beginning of the period	-
Credit to the profit and loss account	(773)
	<hr/>
At the end of the period	(773)
	<hr/>

The elements of deferred taxation are as follows

	2011 £	2010 £
Difference between accumulated depreciation and capital allowances	161	-
Tax losses	(934)	-
	<hr/>	<hr/>
Deferred tax asset (see note 11)	(773)	-
	<hr/>	<hr/>

### 14 Called up share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
75 000 ordinary shares of £1 each	75,000	75 000
	<hr/>	<hr/>

### 15 Reserves

	Capital reserve £	General Reserve £	Profit and loss account £	Total £
At beginning of year	7,557	20,000	629,931	657 488
Loss for the financial year	-	-	(8 154)	(8,154)
Dividend (note 8)	-	-	(3 750)	(3 750)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	7,557	20,000	618,027	645,584
	<hr/>	<hr/>	<hr/>	<hr/>

### 16 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
(Loss)/profit for the year	(8,154)	71 355
Dividends	(3,750)	(7,500)
	<hr/>	<hr/>
Net movement in shareholders' funds	(11,904)	63 855
Opening shareholders' funds	732,488	668 633
	<hr/>	<hr/>
Closing shareholders' funds	720,584	732,488
	<hr/>	<hr/>

**Notes (continued)**

**17 Reconciliation of operating (loss)/profit with operating cash flows**

	2011 £	2010 £
Operating (loss)/profit	(657)	97 376
Depreciation	5,405	5,688
Decrease in stocks	-	1,748
(Increase)/decrease in debtors	(3,008)	5,203
Increase in creditors	8,456	630
Impairment of investments	66	4,340
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>10,262</u>	<u>114,985</u>

**18 Returns on investment and servicing of finance**

	2011 £	2010 £
Income from fixed asset investments	-	255
Interest paid	(5,346)	(9,350)
	<hr/>	<hr/>
	<u>(5,346)</u>	<u>(9,095)</u>

**19 Capital expenditure and financial investment**

	2011 £	2010 £
Purchase of fixed assets	(66,626)	(44,138)
Proceeds from disposal of fixed asset investment	-	5,779
Purchases of fixed assets investments	-	(1 439)
	<hr/>	<hr/>
	<u>(66,626)</u>	<u>(39,798)</u>

**20 Analysis of net debt**

	At beginning of year £	Non-cash movements £	Cash flow £	At end of year £
Bank overdraft	(402)	-	(40,590)	(40,992)
	<hr/>	<hr/>	<hr/>	<hr/>
Debt due within one year	(187 000)	-	(45 000)	(232,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>(187 402)</u>	<u>-</u>	<u>(85,590)</u>	<u>(272,992)</u>

**Notes** *(continued)*

**21 Transactions with the directors**

The following loans have been made by directors during the year. They are interest free and repayable when funds in the company are available.

	Maximum balance during the year £	Balance at 31 March 2011 £
Mrs CS Fenwick	20 000	20,000
Mr MJ Fenwick	25 000	25,000
	<hr/>	<hr/>
	45,000	45,000
	<hr/>	<hr/>

## Detailed profit and loss account

for the year ended 31 March 2011

	£	2011	£	£	2010	£
<b>Turnover</b>			-			3,285
<b>Cost of sales</b>						
Opening stock	-			1 748		
Closing stock	-			-		
Commission etc	-			706		
			-			(2 454)
<b>Gross profit</b> (2010 25.3%)			-			831
Rent received						
The Maltings	66,628			65,000		
The Maltings car park and yard	1,852			1,986		
52 Market Street Ashby de la Zouch	54,977			58 077		
60 Market Street Ashby de la Zouch	23,400			26 325		
26 Lamworth Road, Ashby de la Zouch	3,850			3,300		
1 Church Street, Swadlincote	3,950			-		
9 9a Church Street Swadlincote	9,800			40,800		
35-39 High Street Swadlincote	31,094			-		
2, 4, 6 Hill Street, Swadlincote	8,546			14,537		
		204,097				210,025
Dilapidations received			-			7,500
Rental expenses - The Maltings (see schedule)	(5,947)			(188)		
Rental expenses - Others (see schedule)	(90,323)			(22 486)		
Net insurance	(610)			792		
		(96,880)				(21,882)
Administrative expenses (see schedule)		(107,874)				(99,098)
<b>Operating (loss)/profit</b>		(657)				97 376
Income from fixed asset investments	-			255		
Profit on disposal of fixed asset investment	-			1,741		
			-			1 996
Interest payable and similar charges						
Bank interest etc payable	(2,155)			(1,219)		
Interest on other loans	(6,115)			(6 668)		
		(8,270)				(7 887)
<b>(Loss)/profit before taxation</b>		(8,927)				91 485

The above does not form part of the statutory accounts and is included solely for the information of management



**Schedule to detailed profit and loss account**  
*for the year ended 31 March 2011*

	2011	2010
	£	£
<b>Administration costs</b>		
Directors' remuneration	71,204	54,704
Director's bonus	-	4,815
National insurance	8,385	6,296
Printing and stationery	2,019	1,808
Postage and carriage	324	314
Telephone, telex and fax	591	583
Motor and travelling expenses	1,680	1,921
Accountancy and taxation charges	6,673	5,745
Book-keeping and secretarial fees	1,152	1,374
Bank charges	1,210	921
Bad debts	-	6,731
Miscellaneous expenses	4,204	1,728
Depreciation of fixtures, fittings and equipment	996	1,279
Depreciation of motor vehicles	4,409	4,409
Input VAT disallowed	4,961	2,130
Impairment of investments	66	4,340
	<u>107,874</u>	<u>99,098</u>

**Rental expenses – Maltings**  
**2011**

Repairs	Professional fees	Total
£	£	£
5,947	-	5,947
<u>5,947</u>	<u>-</u>	<u>5,947</u>

**Rental expenses – Others**  
**2011**

	Repairs	Professional fees	Total
	£	£	£
52 Market Street, Ashby de la Zouch	762	-	762
60 Market Street, Ashby de la Zouch	48,573	388	48,961
26 Tamworth Road, Ashby de la Zouch	5,708	860	6,568
9, 9a Church Street, Swadlincote	(3,569)	-	(3,569)
35-39 High Street, Swadlincote	-	-	-
2, 4, 6 Hill Street, and 1 Church Street Swadlincote	35,227	2,374	37,601
	<u>86,701</u>	<u>3,622</u>	<u>90,323</u>

The above does not form part of the statutory accounts, and is included solely for the information of management

## **Additional Schedule**

*For the year ended 31 March 2011*

### **Expenditure on Properties**

<b>Freehold land and buildings</b>	<b>Repairs 2010 £</b>	<b>Capitalised expenditure 2010 £</b>	<b>Total 2010 £</b>	<b>Repairs 2011 £</b>	<b>Capitalised expenditure 2011 £</b>	<b>Total 2011 £</b>
52 Market Street, Ashby de la Zouch	4,307	-	4,307	762	-	762
60 Market Street, Ashby de la Zouch	3,222	8,687	11,909	48,573	35,772	84,345
26 Lamworth Road Ashby de la Zouch	8,229	-	8,229	5,708	-	5,708
9-9a Church Street, Swadlincote	2,047	1,585	3,632	(3,569)	(3,569)	(7,138)
35-39 High Street Swadlincote	458	-	458	-	-	-
2-4-6 High Street and 1 Church Street, Swadlincote	-	33,866	33,866	35,227	33,434	68,661
	<u>18,263</u>	<u>44,138</u>	<u>62,401</u>	<u>86,701</u>	<u>65,637</u>	<u>152,338</u>

The above does not form part of the statutory accounts and is included solely for the information of management

Costs are ongoing at 60 Market, Ashby de la Zouch in 2011/12