

Registered number: 2341207

**Davenbush Limited**

**Annual report and financial statements  
for the year ended 30 August 2014**

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# **Davenbush Limited**

## **Company Information**

<b>Directors</b>	S Boyce R Burchill R de Dombal M Geraghty (resigned 19 November 2014) Sir P Green G Hague C Harris S Wightman
<b>Company secretary</b>	R Flaherty
<b>Registered number</b>	2341207
<b>Registered office</b>	Colegrave House 70 Berners Street London W1T 3NL
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Benson House 33 Wellington Street Leeds LS1 4JP

**Davenbush Limited**

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# **Davenbush Limited**

## **Strategic report for the year ended 30 August 2014**

### **Introduction**

The directors present their Annual report and the audited financial statements of the Company for the year ended 30 August 2014.

### **Principal Activities**

The principal activity of the Company is to act as a property investment company. The majority of its properties are let to, and occupied by another group undertaking, BHS Limited.

### **Business review**

During the year, the Company was a wholly owned subsidiary of Taveta Investments Limited and a review of the group's businesses during the year, its future outlook and its position at 30 August 2014 is given on page 1 to the financial statements of that company.

### **Management of and reporting of risks and Key Performance Indicators (KPIs)**

The directors of Taveta Investments Limited manage the Company's risks and those of its fellow subsidiaries at a group level. Furthermore, they monitor the group's performance on a brand basis rather than at a statutory company level.

For these reasons, the Company's directors do not believe that a discussion of the principal risks facing the Company or of the KPIs used to analyse its performance is appropriate for an understanding of its development, performance or financial position.

The KPIs used by the group and the principal business risks it faces, are discussed on page 1 of Taveta Investments Limited's annual report which does not form part of this report.

### **Results for the year**

The loss for the financial year, amounted to £72,000 (2013: profit of £159,000)

It should be noted that all comparative figures throughout these financial statements in respect of the year ended 31 August 2013 relate to a 53-week period as opposed to the 52-week period for the year ended 30 August 2014.

This report was approved by the board on 6 March 2015 and signed on its behalf.



**S Wightman**  
**Director**

# **Davenbush Limited**

## **Directors' report for the year ended 30 August 2014**

The directors present their Annual report and the audited financial statements for the year ended 30 August 2014.

### **Matters covered in the Strategic report**

The principal activities and the business review are both discussed in the strategic report on page 1.

### **Dividends**

The directors do not recommend the payment of a dividend in respect of the year (2013: £nil) and hence the loss for the year of £72,000 (2013: profit of £159,000) has been deducted from (2013: transferred to) reserves.

### **Directors**

The directors who served during the year and up to the date of approval of the financial statements were:

S Boyce  
R Burchill  
R de Dombal  
M Geraghty (resigned 19 November 2014)  
Sir P Green  
G Hague  
C Harris  
S Wightman

### **Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Group Company (Taveta Investments Limited) also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

## **Davenbush Limited**

### **Directors' report for the year ended 30 August 2014**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Independent auditors**

The Company has passed an elective resolution to dispense with the annual appointment of auditors. PricewaterhouseCoopers LLP will therefore continue as auditors in accordance with and subject to Section 487 of the Companies Act 2006.

This report was approved by the board on 6 March 2015 and signed on its behalf.



**S Wightman**  
Director

# **Davenbush Limited**

## **Independent auditors' report to the members of Davenbush Limited**

### **Report on the financial statements**

#### **Our Opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 August 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

#### **What we have audited**

The financial statements, which are prepared by Davenbush Limited, comprise:

- the balance sheet as at 30 August 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **Davenbush Limited**

## **Independent auditors' report to the members of Davenbush Limited**

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Steve Denison (Senior statutory auditor)  
for and on behalf of  
**PricewaterhouseCoopers LLP**  
Chartered Accountants and Statutory Auditors  
Leeds

6 March 2015



## Davenbush Limited

### Profit and loss account for the year ended 30 August 2014

	Note	2014 £000	2013 £000
Turnover	1	8,299	8,488
Cost of sales		<u>(8,370)</u>	<u>(8,242)</u>
(Loss)/profit on ordinary activities before taxation	2	(71)	246
Tax on (loss)/profit on ordinary activities	3	<u>(1)</u>	<u>(87)</u>
(Loss)/profit for the financial year	9	<u><u>(72)</u></u>	<u><u>159</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

There are no differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial years stated above and their historical cost equivalents.

The notes on pages 8 to 12 form part of these financial statements.

**Davenbush Limited**  
**Registered number: 2341207**

**Balance sheet**  
**as at 30 August 2014**

	Note	£000	2014 £000	£000	2013 £000
<b>Fixed assets</b>					
Tangible assets	4		7,050		7,265
<b>Current assets</b>					
Debtors	5	15,753		15,628	
Cash at bank and in hand		-		12	
		<u>15,753</u>		<u>15,640</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(668)</u>		<u>(698)</u>	
<b>Net current assets</b>			<u>15,085</u>		<u>14,942</u>
<b>Net assets</b>			<u>22,135</u>		<u>22,207</u>
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Share premium account	9		15,340		15,340
Profit and loss account	9		<u>6,794</u>		<u>6,866</u>
<b>Total shareholders' funds</b>	10		<u>22,135</u>		<u>22,207</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 March 2015.



**S Wightman**  
**Director**

The notes on pages 8 to 12 form part of these financial statements.

# Davenbush Limited

## Notes to the financial statements for the year ended 30 August 2014

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, are set out below.

#### 1.2 Cash flow

The Company has taken advantage of the exemption allowed by Financial Reporting Standard 1 (revised) from preparing a cash flow statement, as the Company's cash flows are included within the consolidated cash flow statement of Taveta Investments Limited.

#### 1.3 Turnover

Turnover includes rental income from investment properties, the majority of which are occupied by Bhs Limited. All turnover arose within the United Kingdom

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	50 years
Fixed equipment in freehold buildings	-	up to 20 years
Leasehold improvements	-	shorter of 35 years and the period of the lease

#### 1.5 Leased assets

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term, even if the payments are not made on such a basis.

#### 1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### 1.7 Taxation

The taxation credit is based on the loss for the period at the rate prevailing during the year.

Deferred taxation is provided on all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying tax differences can be deducted. Deferred tax assets and liabilities are not discounted.

## Davenbush Limited

### Notes to the financial statements for the year ended 30 August 2014

#### 2. (Loss) / Profit on ordinary activities before taxation

The (loss)/profit on ordinary activities before taxation is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	216	211
Operating lease rentals:		
- plant and machinery	5,349	5,166
	<u>5,565</u>	<u>5,377</u>

None of the directors received remuneration in respect of his or her services to the Company during the year (2013: £nil).

The company had no employees during the year (2013: none).

Auditors' remuneration has been borne by Arcadia Group Limited, a fellow group undertaking.

#### 3. Tax on (loss)/profit on ordinary activities

	2014 £000	2013 £000
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	18	90
<b>Deferred tax</b> (note 7)		
Origination and reversal of timing differences	(20)	(16)
Adjustment in respect of previous periods	1	10
Effect of changes in tax rates	2	3
<b>Total deferred tax</b> (note 7)	<u>(17)</u>	<u>(3)</u>
<b>Tax on (loss)/profit on ordinary activities</b>	<u>1</u>	<u>87</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22.2% (2013: 23.6%). The differences are explained below:

	2014 £000	2013 £000
(Loss)/profit on ordinary activities before tax	<u>(71)</u>	<u>246</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.2% (2013: 23.6%)	(16)	58
<b>Effects of:</b>		
Expenses not deductible for tax purposes	14	16
Capital allowances in excess of depreciation	20	16
<b>Current tax charge for the year</b> (see note above)	<u>18</u>	<u>90</u>

## Davenbush Limited

### Notes to the financial statements for the year ended 30 August 2014

#### 3. Tax on (loss)/profit on ordinary activities (continued)

##### Factors that may affect future tax charges

As part of the changes within Finance Act 2013 the main rate of UK corporation tax reduced from 23% to 21% from 1 April 2014, and will reduce to 20% from 1 April 2015. Therefore within these financial statements, deferred tax assets and liabilities being realised or settled before 31 March 2015 have been measured at the 21% rate, and those realised or settled after 1 April 2015 at the 20% rate.

#### 4. Tangible fixed assets

	Freehold property £000	Long leasehold property £000	Short leasehold property £000	Total £000
<b>Cost</b>				
At 1 September 2013	292	9,906	17	10,215
Additions	-	1	-	1
At 30 August 2014	292	9,907	17	10,216
<b>Accumulated depreciation</b>				
At 1 September 2013	7	2,942	1	2,950
Charge for the year	6	210	-	216
At 30 August 2014	13	3,152	1	3,166
<b>Net book value</b>				
At 30 August 2014	279	6,755	16	7,050
At 31 August 2013	285	6,964	16	7,265

Properties include fixed equipment.

#### 5. Debtors

	2014 £000	2013 £000
Trade debtors	82	5
Amounts owed by group undertakings	15,026	14,896
Other debtors	273	282
Prepayments and accrued income	343	433
Deferred tax asset (see note 7)	29	12
	15,753	15,628

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

# Davenbush Limited

## Notes to the financial statements for the year ended 30 August 2014

### 6. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Bank loans and overdrafts	30	-
Trade creditors	-	18
Other creditors	122	122
Accruals and deferred income	516	558
	<u>668</u>	<u>698</u>

### 7. Deferred tax asset

	2014 £000	2013 £000
At beginning of year	12	9
Charge for the year	17	3
	<u>29</u>	<u>12</u>

The deferred tax asset is made up as follows:

	2014 £000	2013 £000
Accelerated capital allowances	<u>29</u>	<u>12</u>

### 8. Called up share capital

	2014 £000	2013 £000
<b>Allotted, called up and fully paid</b>		
912 (2013: 912) ordinary shares of £1 each	<u>1</u>	<u>1</u>

### 9. Reserves

	Share premium account £000	Profit and loss account £000
At 1 September 2013	15,340	6,866
Loss for the financial year	-	(72)
	<u>15,340</u>	<u>6,794</u>

## Davenbush Limited

### Notes to the financial statements for the year ended 30 August 2014

#### 10. Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	22,207	22,048
(Loss)/profit for the financial year	(72)	159
	<hr/>	<hr/>
Closing shareholders' funds	22,135	22,207
	<hr/>	<hr/>

#### 11. Operating lease commitments

At 30 August 2014 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014 £000	2013 £000
<b>Expiry date:</b>		
After more than 5 years	5,368	5,368
	<hr/>	<hr/>

#### 12. Related party transactions

The Company has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Taveta Investments Limited group or investees of Taveta Investments Limited.

#### 13. Ultimate parent undertaking and controlling party

The Company's ultimate parent company is Taveta Investments Limited ('Taveta'), a company incorporated in England. Taveta is also the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Taveta's consolidated financial statements can be obtained by writing to the Secretary at Colegrave House, 70 Berners Street, London, W1T 3NL.

The Company's ultimate controlling party is Lady Cristina Green and her immediate family.