

**DAVIES & CO. (INTERNATIONAL LOSS ADJUSTERS) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2008**

**REGISTERED NUMBER 1197663**



**DAVIES & CO (INTERNATIONAL LOSS ADJUSTERS) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2008**

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**DAVIES & CO (INTERNATIONAL LOSS ADJUSTERS) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2008**

**DIRECTORS AND ADVISERS**

**DIRECTORS**

M D Chapman  
G J Lumsdon

**SECRETARY**

G J Lumsdon

**REGISTERED OFFICE**

2 St Giles Court  
Southampton Street  
Reading  
Berkshire  
RG1 2QL

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants  
and Registered Auditors  
The Atrium  
1 Harefield Road  
Uxbridge  
Middlesex  
UB8 1EX

**DAVIES & CO (INTERNATIONAL LOSS ADJUSTERS) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**DIRECTORS' REPORT**

The directors present their report with the audited financial statements of the company for the year ended 31 March 2008.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of international insurance loss adjusters.

**REVIEW OF BUSINESS**

A summary of the results for the year is given in the profit and loss account on page 6.

On 29 February 2008, the entirety of the issued share capital of the company was acquired by Davies Group Limited from the former parent undertaking, Davies Loss Adjusters LLP. This was completed as part of a private equity-backed management buyout of the Davies Loss Adjusters LLP Group.

**RESULTS AND DIVIDENDS**

The company's loss for the financial year was £1,448 (2007: profit of £11,039) which will be transferred to reserves. The directors do not recommend the payment of a dividend (2007: £nil).

**GOING CONCERN**

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking, Davies Group Limited, has indicated that it will provide financial support to the company for at least one year after these financial statements are signed.

**DIRECTORS**

The directors who served during the year and up to the date of signing these accounts are as follows:-

D G Ede (resigned 29 February 2008)  
M D Chapman  
A R Palmer (resigned 5 September 2008)  
G Lumsdon (appointed 8 September 2008)

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

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**DIRECTORS' REPORT (continued)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary (note 1).

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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.

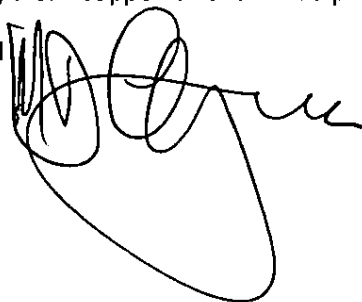
**INDEPENDENT AUDITORS**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

By order of the Board

**M D Chapman  
Director**

19 November 2008

A large, stylized handwritten signature in black ink, likely belonging to M D Chapman, is written over the text 'By order of the Board' and extends to the right.

**DAVIES & CO (INTERNATIONAL LOSS ADJUSTERS) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAVIES & CO. (INTERNATIONAL LOSS ADJUSTERS) LIMITED**

We have audited the financial statements of Davies & Co. (International Loss Adjusters) Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2007).

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors  
Uxbridge

25 November 2008

**DAVIES & CO (INTERNATIONAL LOSS ADJUSTERS) LIMITED**  
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**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

|   |             | <b>2008</b>    | <b>2007</b>    |
|---|-------------|----------------|----------------|
|   | <b>Note</b> | <b>£</b>       | <b>£</b>       |
| <b>Turnover</b>   | <b>1</b>    | <b>50</b>      | <b>1,624</b>   |
| Other operating income                                      | <b>2</b>    | -              | 12,000         |
| Other operating charges                                     |             | <b>(1,508)</b> | <b>(2,603)</b> |
| <b>Operating (loss)/ profit</b>                             | <b>2</b>    | <b>(1,458)</b> | <b>11,021</b>  |
| Interest receivable and similar income                      |             | <b>10</b>      | <b>18</b>      |
| <b>(Loss)/profit on ordinary activities before taxation</b> |             | <b>(1,448)</b> | <b>11,039</b>  |
| Tax on (loss)/ profit on ordinary activities                | <b>4</b>    | -              | -              |
| <b>(Loss)/ profit for the financial year</b>                | <b>9</b>    | <b>(1,448)</b> | <b>11,039</b>  |

The company has no recognised gains or losses other than the loss for the year and therefore no separate statement of total recognised gains and losses has been presented.

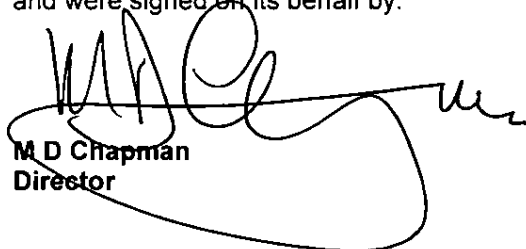
**DAVIES & CO (INTERNATIONAL LOSS ADJUSTERS) LIMITED**  
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**BALANCE SHEET AS AT 31 MARCH 2008**

|   | Note | £               | 2008<br>£       | £               | 2007<br>£       |
|---|------|-----------------|-----------------|-----------------|-----------------|
| <b>Current assets</b>                                 |      |                 |                 |                 |                 |
| Debtors - amounts falling due within one year         | 5    | 259             |                 | 140             |                 |
| Cash at bank and in hand                              |      | 498             |                 | 429             |                 |
|   |      | <b>757</b>      |                 | <b>569</b>      |                 |
| <b>Creditors: amounts falling due within one year</b> | 6    | <b>(22,964)</b> |                 | <b>(21,328)</b> |                 |
| <b>Net current liabilities</b>                        |      |                 | <b>(22,207)</b> |                 | <b>(20,759)</b> |
| <b>Net liabilities</b>                                |      |                 | <b>(22,207)</b> |                 | <b>(20,759)</b> |
| <b>Capital and reserves</b>                           |      |                 |                 |                 |                 |
| Called up share capital                               | 7    |                 | 1,000           |                 | 1,000           |
| Profit and loss account                               | 8    |                 | <b>(23,207)</b> |                 | <b>(21,759)</b> |
| <b>Total shareholders' deficit</b>                    | 9    |                 | <b>(22,207)</b> |                 | <b>(20,759)</b> |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements on pages 6 to 10 were approved by the Board of Directors on 19 November 2008 and were signed on its behalf by:

  
**M D Chapman**  
**Director**



**DAVIES & CO (INTERNATIONAL LOSS ADJUSTERS) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**1. Accounting policies**

The financial statements of the company have been prepared on a going concern basis, under the historical cost convention and are in accordance with the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (Effective January 2007).

Going concern

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking, Davies Group Limited, has indicated it will provide financial support to the company for at least one year after these financial statements are signed.

The following accounting policies have been applied consistently throughout the year:

Turnover

Turnover represents the aggregate value of professional fees invoiced to clients excluding value-added tax. All turnover is derived from outside the United Kingdom.

Turnover in respect of loss adjusting services is recognised in line with the estimated stage of completion of each claim. Income accrued in respect of claims in progress at the year-end is included within turnover in the profit and loss account and within prepayments and accrued income in the balance sheet.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exception:

Net deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**DAVIES & CO (INTERNATIONAL LOSS ADJUSTERS) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Operating profit**

Operating profit is stated after charging:

|   | 2008  | 2007 |
|---|-------|------|
|   | £     | £    |
| Auditors' remuneration - Audit services | 1,090 | 519  |

**3. Directors emoluments**

The directors were not remunerated for their services to the company in either the current or prior year.

**4. Taxation**

There is an unrecognised deferred tax asset at 31 March 2008 of £1,365 (2007: £1,010) in respect of carried forward tax losses. The deferred tax asset has not been recognised as the directors do not consider it more likely than not that there will be future taxable profits against which these losses may be utilised.

**5. Debtors: falling due within one year**

|                                | 2008 | 2007 |
|--------------------------------|------|------|
|                                | £    | £    |
| Trade debtors                  | 50   | -    |
| Other debtors                  | 8    | -    |
| Prepayments and accrued income | 201  | 140  |
|                                | 259  | 140  |

**6. Creditors: amounts falling due within one year**

|  | 2008   | 2007   |
|--|--------|--------|
|  | £      | £      |
| Amounts owed to group undertakings (note 10) | 21,699 | 20,603 |
| Accruals and deferred income                 | 1,265  | 725    |
|  | 22,964 | 21,328 |

**7. Called up share capital**

**Authorised**

|                                  | 2008  | 2007  |
|----------------------------------|-------|-------|
|                                  | £     | £     |
| 1,000 ordinary shares of £1 each | 1,000 | 1,000 |

**Allotted and fully paid**

|                                  | 2008  | 2007  |
|----------------------------------|-------|-------|
|                                  | £     | £     |
| 1,000 ordinary shares of £1 each | 1,000 | 1,000 |

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**8. Reserves**

|                                      | <b>Profit and<br/>loss<br/>account<br/>£</b> |
|--------------------------------------|--|
| At 1 April 2007                      | (21,759)                                     |
| Loss for the financial year (note 9) | (1,448)                                      |
| <b>At 31 March 2008</b>              | <b>(23,207)</b>                              |

**9. Reconciliation of movements in equity shareholders' deficit**

|                                       | <b>2008<br/>£</b> | <b>2007<br/>£</b> |
|---------------------------------------|-------------------|-------------------|
| (Loss)/ profit for the financial year | (1,448)           | 11,039            |
| Opening equity shareholders' deficit  | (20,759)          | (31,798)          |
| Closing equity shareholders' deficit  | (22,207)          | (20,759)          |

**10. Related party transactions**

During the year, the company had transactions with Davies Loss Adjusters LLP, the previous parent undertaking, and balances with fellow group undertaking Davies Managed Systems Limited. Subsequent to the acquisition of the company by Davies Group Limited, the company also had balances with Davies Group Limited, the current parent undertaking following the transfer of such balances from Davies Loss Adjusters LLP.

Balances owed to related parties are as follows:

|                                | <b>2008<br/>£</b> | <b>2007<br/>£</b> |
|--------------------------------|-------------------|-------------------|
| Davies Loss Adjusters LLP      | -                 | 20,603            |
| Davies Group Limited           | 21,684            | -                 |
| Davies Managed Systems Limited | 15                | -                 |

During the year, the company purchased goods and services from Davies Loss Adjusters LLP of £531 (2007: £nil).

**11. Ultimate parent undertaking**

On 29 February 2008, the trade and assets of the ultimate parent undertaking Davies Loss Adjusters LLP, including the share capital of the company, were sold to Davies Group Limited as part of a private equity-backed management buyout of the Davies Loss Adjusters LLP Group.

The company is now therefore a subsidiary undertaking of Davies Group Limited, which is also the ultimate parent undertaking and controlling party of Davies & Co (International Loss Adjusters) Limited.

The first set of consolidated financial statements for the new group headed by Davies Group Limited will be drawn up for the 62-week period ending 31 March 2009.