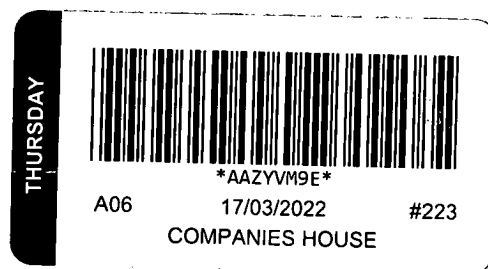


**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
(FORMERLY REQUIEM LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30 JUNE 2021**

**REGISTERED NUMBER 01242769**



**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**DIRECTORS AND ADVISERS**

**DIRECTORS**

A Debiase  
C Butcher  
N Carnaffan  
S Goate  
D Coombes  
M Turmore  
S Raikundalia

**REGISTERED OFFICE**

7th Floor  
1 Minster Court  
Mincing Lane  
London  
EC3R 7AA

**INDEPENDENT AUDITOR**

BDO LLP  
Chartered Accountants and  
Statutory Auditors  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**DIRECTORS' REPORT**

The directors present their report with the audited financial statements of the company, registered number 01242769, for the year ended 30 June 2021.

This report has been prepared in accordance with the special provisions of Part 15, Chapter 1 (Section 382 and 383) of the Companies Act 2006 relating to small companies.

**PRINCIPAL ACTIVITIES**

The principal activity of the company is specialising in providing comprehensive, integrated outsourcing and run-off administration and technology and reinsurance systems solutions as well as consulting services to insurers, reinsurers and liquidators/regulators.

**REVIEW OF BUSINESS**

A summary of the results for the year is given in the Income statement on page 8.

**RESULTS AND DIVIDENDS**

The company's profit for the financial year is £1,363,209 (year ended 30 June 2020 profit: £1,149,532). Dividends of nil were paid in this year and the prior year.

**GOING CONCERN**

Going concern has been discussed in detail in note 1. The company has continued to trade profitably since the year end in line with forecasts. As such, The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

**DIRECTORS**

The directors who served during the year and up to the date of signing these financial statements unless otherwise stated were as follows:

A Debiase  
C Butcher  
D Saulter (Resigned 22 March 2021)  
S J Goate  
N Carnaffan  
C Butcher  
M Turmore (Appointed 1 April 2021)  
S Raikundalia (Appointed 30 June 2021)  
D Coombes (Appointed 29 July 2021)

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

Topco Limited which has maintained cover for its directors and officers and those of its subsidiary companies under a directors' and officers' liability insurance policy as permitted by the Companies Act 2006. The liability insurance is a qualifying third party indemnity provision and was in force during the financial year and up to and including the date of approval of the annual report and financial statements.

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

- (1) so far as each director is aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**AUDITOR**

BDO LLP have been appointed as the auditor in the year and will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**DIRECTORS' REPORT (continued)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 year. 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; and
- 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 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.

On behalf of the Board



A Debiase  
Director

Date: 25 February 2022

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**

**Opinion on the financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Davies Intermediary Support Services Limited (the 'Company') for the period ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit;
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

**Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements.

These included but were not limited to those that relate to the form and content of the financial statements, such as the accounting policies, United Kingdom Generally Accepted Accounting Practice, the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations including risk of fraud in relation to their work. We evaluated management's incentives and opportunities for fraudulent

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with period-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the recognition of revenue and use of going concern assumption.
- Revenue year end cut off procedures.
- Identifying and testing journal entries, in particular any material journals posted with unusual narratives, manual journals to revenue and cash and Benford's law;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Review of minutes of Board's meeting throughout the year;
- Obtaining an understanding of how the Company is complying with relevant legal and regulatory frameworks by making enquiries to management and those charged with governance. We corroborated our enquiries through our review of minutes of the Board meetings and other evidence gathered during the course of the audit; and
- Obtaining an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures in accordance with the applicable accounting framework, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
*Julien Rye*  
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**Julien Rye** (Audit Partner)  
For and on behalf of BDO LLP, Statutory Auditor  
Manchester  
United Kingdom  
25 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

		Year ended 30 June 2021	Year ended 30 June 2020
	Notes	£	£
Turnover	3	3,710,285	2,840,306
Cost of sales		(1,845,872)	(1,210,428)
<b>Gross profit</b>		<b>1,864,413</b>	<b>1,629,878</b>
Administrative expenses		(494,777)	(523,233)
<b>Operating profit</b>	<b>4</b>	<b>1,369,636</b>	<b>1,106,645</b>
Profit on ordinary activities before interest and taxation		1,369,636	1,106,645
Interest receivable and similar income	5	3,049	42,887
<b>Profit on ordinary activities before taxation</b>		<b>1,372,685</b>	<b>1,149,532</b>
Tax on profit on ordinary activities	6	(9,476)	-
<b>Profit for the financial year</b>		<b>1,363,209</b>	<b>1,149,532</b>

All amounts relate to continuing operations.

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Profit for the financial year	1,363,209	1,149,532
<b>Total comprehensive income relating to the year</b>	<b>1,363,209</b>	<b>1,149,532</b>

The notes on page 11 to 14 form part of these financial statements.

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	As at 30 June 2021		As at 30 June 2020	
		£	£	£	£
<b>Current assets</b>					
Debtors	7	7,115,712		3,189,154	
Cash at bank and in hand		135,940		174,446	
			7,251,652		3,363,600
<b>Total assets</b>			7,251,652		3,363,600
<b>LIABILITIES AND EQUITY</b>					
<b>Capital and reserves</b>					
Called up share capital	8	350,000		350,000	
Profit and loss account		4,017,929		2,654,720	
<b>Total shareholders' funds</b>			4,367,929		3,004,720
<b>Other liabilities</b>					
Creditors: amounts falling due within one year	9	2,883,723		358,880	
<b>Total other liabilities</b>			2,883,723		358,880
<b>Total equity and liabilities</b>			7,251,652		3,363,600

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small companies.

The financial statements on pages 8 to 14 were approved by the Board of Directors on 25 February 2022 and were signed on its behalf by:



A Debiase  
Director

Company registered number 01242769

The notes on page 11 to 14 form part of these financial statements.

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Share capital £	Profit and loss account £	Total Equity £
Balance as at 1st July 2019	350,000	1,505,188	1,855,188
Profit for the year	-	1,149,532	1,149,532
Total comprehensive income for the year	-	1,149,532	1,149,532
Balance as at 30th June 2020	350,000	2,654,720	3,004,720
Profit for the year	-	1,363,209	1,363,209
Total comprehensive income for the year	-	1,363,209	1,363,209
Balance as at 30th June 2021	350,000	4,017,929	4,367,929

The notes on page 11 to 14 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies

Davies Intermediary Support Services Limited is a private limited company which is limited by shares and is incorporated in England & Wales under the Companies Act. The address of the registered office is given on the Directors and advisors page and the nature of the company's operations and its principal activities are set out in the director's report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the financial statements of Davies Group Limited as at 30 June 2021 and these financial statements may be obtained from the company's registered office.

#### Going Concern

The directors continually review and monitor business performance and liquidity of the Group which over the past 23 months has been carried out with additional rigour and scrutiny due to the COVID-19 pandemic. The Group navigated the COVID-19 pandemic robustly and experienced a smaller COVID-19 impact than first anticipated. After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Group has performed ahead of expectations since the outbreak of the COVID-19 pandemic and after the first half of the year ending 30 June 2022 it is significantly ahead of its annual revenue, EBITDA and cash budgets. The Group still maintains significantly more cash resources on its balance sheet than required for normal working capital purposes and also access to a committed revolving credit facility of £90m should this be required.

The Group's most recent forecasting exercise covers a period from the balance sheet date to 30 June 2023. As part of their forecasting work, the directors undertook some detailed sensitivity analysis which showed that the Group revenue would need to drop by 35% by December 2022 for there to be a significant impact on future covenant headroom. The key mitigant for a covenant breach would be an equity injection from the shareholders which is permitted under the existing banking agreement. Additionally, a further mitigant should the Group experience a liquidity issue, would be to drawdown on the £90m RCF which can be accessed for any purpose.

In July 2021 the Group recommenced its M&A program. During the year ended 30 June 2021 the Group made 17 acquisitions. Since October 2021 the Group has made four acquisitions in the UK and the US: Insurance Risk Services Inc., Sionic, the BVS Group and Merlinos Actuarial Consultants. In September 2021 the Group announced a deal to acquire Asta, the market leading third party managing agent at Lloyds, and this deal will complete subject to the appropriate regulatory approvals.

In August 2021, the Group completed a transaction with BC Partners who have acquired a majority stake in the business following a rigorous due diligence process. As part of this transaction, Blackstone Ltd replaced ICG LLP as the Group's debt provider; upon completion new debt of £552m was drawn down, and an acquisition facility of £350m was secured alongside a c£90m revolving credit facility. This is a committed facility which can be utilised for any purpose including operational, working capital and M&A requirements and can be drawn down in 5 working days.

#### Revenue

Fees receivable from the Company's insurance broking activities include legacy income, new business and other income, credit write back income and recharged income.

Fees are stated net of amounts shared with third parties.

Fees receivable from the Company's insurance broking activities are recognised as follows:

- (i) Fees receivable in respect of advisory services are recognised when the right to such fees is established and the services concerned have been performed.
- (ii) Debt collection fees are recognised when the right to such fees are established through a contract and either the debt has been collected or the services concerned have been performed at the balance sheet date.
- (iii) Credit write-back income is recognised when board approval has been obtained, having adhered to regulatory guidelines.
- (iv) Recharged income from other Group Companies is recognised as incurred.

Turnover is recognised when the right to such income is established through a contract and in line with the provision of services to which they relate. All turnover is derived from within the United Kingdom.

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1 Accounting policies (continued)**

**Leased assets: Lessee**

Costs in respect of operating leases are charged to the income statement on a straight line basis over the term of the lease. The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered before the date of transition to the standard (1 July 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of the lease. For leases entered into on or after 1 July 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to the income statement over the term of the lease.

Where the company has a legal obligation, a dilapidations provisions is created on inception of a lease. These provisions are a best estimate of the cost acquired to return lease properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

**Holiday accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future entitlement so accrued at the balance sheet date.

**Current and deferred taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Pensions**

The company makes contributions under a defined contribution scheme, the assets of which are held in a separately-administered fund. All pension contributions are charged to the income statement in the period in which they fall due.

**Reserves**

The Company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**Financial assets**

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transactions costs) and subsequently held at cost, less any impairment.

**Financial liabilities**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

**2 Significant judgements and estimates**

*In preparing these financial statements, the directors have made the following judgements:*

- The company makes estimates of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience.
- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lease on a lease by lease basis.
- Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**3 Turnover**

All turnover is derived from the company's principal activity, which the directors consider comprises a single class of business, and arose within the United Kingdom.

**4 Operating profit**

Operating profit is stated after charging:

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Exchange differences	6,405	439
Pension costs	90,883	90,783

The auditors' fee for the year ended 30 June 2021 of £5,000 was borne by Farradane Limited on behalf of all the subsidiaries of Davies Group Limited. Year ended 30 June 2020 auditors fee was £5,000.

DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**5 Interest receivable and similar income**

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Interest on client bank balances	3,049	42,887

**6 Tax on profit on ordinary activities**

**a) Analysis of the tax payment in the period**

The tax charge on the profit on ordinary activities for the period was as follows:

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
<b>Current tax:</b>		
UK corporation tax on profit for the year	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	83	78
Adjustments in respect of previous years	9,504	210
Changes in tax rate	(111)	(46)
<b>Total deferred tax</b>	9,476	242
<b>Total tax charge on profit on ordinary activities</b>	9,476	242

**b) Factors affecting the tax charge**

The tax assessed for the year is less than (year 2019: less than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The difference is explained below:

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
<b>Profit on ordinary activities before taxation</b>	1,372,685	1,149,532
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	260,810	218,411
<b>Tax effects of:</b>		
Expenses not taxable for tax purposes	723	2,738
Group relief	(261,470)	(221,071)
Adjustment in respect of prior periods	9,504	210
Remeasurement of deferred tax for changes in tax rates	(91)	(46)
<b>Total tax charge</b>	9,476	242

**7 Debtors due within one year**

	As at 30 June 2021	As at 30 June 2020
	£	£
Trade debtors	72,586	161,819
Amounts owed by group undertakings	6,988,519	2,972,980
Other debtors	-	4,311
Prepayments and accrued income	43,995	40,187
Other taxation and social security	10,612	9,857
	7,115,712	3,189,154

Amounts owed by group undertakings are unsecured, interest-free and are due to be repaid on demand.

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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

**8 Called up share capital**

	As at 30 June 2021	As at 30 June 2020
	£	£
Allotted, issued and fully paid		
350,000 Ordinary Shares of £1.00 each	350,000	350,000

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

	As at 30 June 2021	As at 30 June 2020
	£	£
Trade creditors	70,668	5,690
Amounts owed to group undertakings	90,241	90,241
Other creditors	-	16,411
Accruals and deferred income	2,722,815	246,538
	<b>2,883,723</b>	<b>358,880</b>

**10 Operating lease commitments**

At 30 June 2021, the company had no future minimum lease payments under non-cancellable operating leases (30 June 2020: £nil).

**11 Ultimate parent undertaking and controlling party**

The company is a wholly owned subsidiary of Davies Group Limited which is a wholly owned subsidiary of Daisybright Limited. Daisybright Limited is in turn ultimately owned by Tennessee Topco Limited which the directors consider to be the ultimate parent undertaking and the largest group to consolidate these financial statements.

Copies of Daisybright Limited and Tennessee Topco Limited consolidated financial statements can be obtained from the Company Secretary at 1 Minster Court, Mincing Lane, London, EC3R 7AA.

The directors consider BC Partners to be the ultimate controlling party of the Group.

**12 Related party disclosures**

The group has taken advantage of the exemption confirmed by section 33 of FRS 102 not to disclose transactions with members of the group headed by Davies Group Limited on the grounds that 100% of the voting rights in the company are controlled within that group.