

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**REGISTERED NUMBER 01242769**

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**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**CONTENTS**

	<b>Pages</b>
Directors and Advisers	2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 8
Income Statement	9
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 – 15

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**DIRECTORS AND ADVISERS**

**DIRECTORS**

T Debiase  
C Butcher  
R Barke  
M Turmore  
S Raikundalia  
D Coombes  
M Lane  
S Goate  
P Poulter

**REGISTERED OFFICE**

5<sup>th</sup> Floor  
20 Gracechurch Street  
London  
EC3V 0BG

**INDEPENDENT AUDITOR**

BDO LLP  
Chartered Accountants and  
Statutory Auditors  
55 Baker Street  
London  
W1U 7EU

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**DIRECTORS' REPORT**

The directors present their report with the audited financial statements of the company, registered number 01242769, for the year ended 30 June 2023.

**RESULTS AND DIVIDENDS**

The company's profit for the financial year was £550,564 (2022: £768,164). No dividends were paid or proposed during the year (year to 30 June 2022: £nil).

**GOING CONCERN**

Going concern has been discussed in detail in note 1. The company has received a letter of support from the parent company, Tennessee Topco Limited. As such, The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

**FINANCIAL RISK MANAGEMENT**

The company is part of the Davies Group Limited group of companies which manages financial risk on a group-wide basis. The Group's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The ultimate holding company, Tennessee Topco Limited 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 the approval of the Annual Report and Financial Statements.

**DIRECTORS**

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

T Debiase  
R Barke  
S Crabb (Resigned 26 October 2023)  
C Butcher  
M Turmore  
S Raikundalia  
D Coombes  
N Carnaffan (Resigned 17 November 2022)  
M Lane (Appointed 19 September 2023)  
S Goate  
P Poulter (Appointed 19 October 2023)

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**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.

**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 prepared the company 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;
- 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 and the group 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.

**INDEPENDENT AUDITOR**

The auditor, BDO LLP, has indicated its willingness to continue in office and will be proposed for re-appointment at the next annual general meeting.

By order of the Board

DocuSigned by:  
  
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A Debiase  
Director

Date: 12/03/2024

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**INDEPENDENT AUDITOR'S 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 2023 and of its profit 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.

We have audited the financial statements of Davies Intermediary Support Services Limited ("the Company") for the year ended 30 June 2023 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, 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 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 Annual Report, 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  
FOR THE YEAR ENDED 30 JUNE 2023**

**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 year 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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<sup>1</sup>*

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:

*Non-compliance with laws and regulations*

Based on our understanding of the Company and the industry in which it operates, discussion with management and those charged with governance, legal and work performed to obtain and understand the Company's policies and procedures regarding compliance with laws and regulations, we considered the significant laws and regulations with direct effect on the financial statements to be the applicable accounting standards and Companies Act 2006.

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to include the Employment Rights Act 1996, Income Tax Act 2007 and the Health and Safety at Work Act 1974.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Enquiry of management and those charged with governance to ascertain if there had been any actual or suspected non-compliance with laws and regulations.

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to detecting and responding to the risks of fraud and Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue and management override of controls.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Revenue year end cut-off and accrued income procedures;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in particular in relation to recognition of revenue and accrued income;
- Discussions with management; including consideration of known or suspected instances of non-compliance with laws, regulations and fraud, including follow up procedures where required;
- Review of minutes of Board meetings throughout the year;
- Obtaining an understanding of internal control 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 Group's internal control; and
- Evaluated the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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



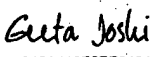
**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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: <https://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:  
  
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Geeta Joshi (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
12 March 2024

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 2023**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

		Year ended 30 June 2023	Year ended 30 June 2022
	Notes	£	£
Turnover	3	2,862,310	3,469,091
Cost of sales		(1,584,722)	(1,860,721)
<b>Gross profit</b>		<b>1,277,588</b>	<b>1,608,370</b>
Administrative expenses		(838,439)	(832,001)
<b>Operating profit</b>	4	<b>439,149</b>	<b>776,369</b>
Profit on ordinary activities before interest and taxation		439,149	776,369
Interest receivable and simliar income	5	111,415	(8,136)
<b>Profit on ordinary activities before taxation</b>		<b>550,564</b>	<b>768,233</b>
Tax on profit on ordinary activities	6	-	(69)
<b>Profit for the financial year</b>		<b>550,564</b>	<b>768,164</b>

All amounts relate to continuing operations.

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
Profit for the financial year	550,564	768,164
<b>Total comprehensive income relating to the year</b>	<b>550,564</b>	<b>768,164</b>

The notes on page 12 to 17 form part of these financial statements.

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Note	As at 30 June 2023		As at 30 June 2022	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible Assets	8	16,200		-	
			16,200		-
<b>Current assets</b>					
Debtors	9	6,786,197		7,032,365	
Cash at bank and in hand		122,920		189,727	
			6,909,117		7,222,092
<b>Total assets</b>		<b>6,925,317</b>		<b>7,222,092</b>	
<b>LIABILITIES AND EQUITY</b>					
<b>Capital and reserves</b>					
Called up share capital	10	350,000		350,000	
Profit and loss account		5,336,657		4,786,094	
<b>Total shareholders' funds</b>		<b>5,686,657</b>		<b>5,136,094</b>	
<b>Other liabilities</b>					
Creditors: amounts falling due within one year	11	1,238,660		2,085,998	
<b>Total other liabilities</b>		<b>1,238,660</b>		<b>2,085,999</b>	
<b>Total equity and liabilities</b>		<b>6,925,317</b>		<b>7,222,092</b>	

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 10 to 17 were approved by the Board of Directors on 12/03/2024 and were signed on its behalf by:

DocuSigned by:

*Antonio Debiase*

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A Debiase

Director

Company registered number 01242769

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Share capital £	Profit and loss account £	Total Equity £
Balance as at 30th June 2021	350,000	4,017,929	4,367,929
Profit for the year	-	768,164	768,164
Total comprehensive income for the year	-	768,164	768,164
<b>Balance as at 30th June 2022</b>	<b>350,000</b>	<b>4,786,094</b>	<b>5,136,094</b>
Profit for the year	-	550,564	550,564
Total comprehensive income for the year	-	550,564	550,564
<b>Balance as at 30th June 2023</b>	<b>350,000</b>	<b>5,336,657</b>	<b>5,686,657</b>

The notes on page 12 to 17 form part of these financial statements.



**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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 2022 and these financial statements may be obtained from the company's registered office.

**Going Concern**

The entity is a subsidiary of Tennessee Topco Limited and party to group funding facilities. Monitoring of financial performance and management of banking facilities is done on a group basis and incorporates the results of all subsidiaries of the group that are consolidated within Tennessee Topco Limited accounts.

The directors continually review and monitor business performance and liquidity of the Group. 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.

Despite the challenging economic environment, the Group has performed in line with its EBITDA and cashflow budgets in the first six months of the year ending 30 June 2024 and the Group remains on track to deliver strong EBITDA growth in FY24. Further the Group has access to a committed revolver 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 2025. As part of their forecasting work, the directors undertook some detailed sensitivity analysis which showed that the Group is highly unlikely to breach its sole covenant. The Group enjoys the continued funding support of its shareholders: BC Partners, HGGC, and AimCo, having raised an additional £45m in equity in September 2022 and £32m in equity in April 2023 to support M&A. In addition, in November 2023 the shareholders injected a further £110m of equity to support the near term M&A plans. The key mitigant for a covenant breach would be an equity injection from the shareholders which is permitted under the existing banking agreement. Additionally, should the Group experience a liquidity issue, it could draw down on the £90m RCF which can be accessed for any purpose.

In August 2021 BC Partners acquired a majority stake in the business following a rigorous due diligence process and as part of this transaction, Blackstone replaced ICG as the Group's debt provider. The total facilities available to the Group as at June 2023 were £1,342m, of which £700m is an acquisition facility and £90m is a revolving credit facility. The acquisition facilities are committed facilities which can be utilised for capex, M&A requirements and restructuring and the RCF can be used for any purpose including operational, working capital and M&A requirements, and can be drawn down in 4 working days. The total amount of debt drawn down at June 2023 is £985m. In addition, in November 2023, the Group secured an additional facility of USD90.4m.

The Group is continuing its M&A programme and during the period ended 30 June 2023 the Group made six acquisitions and, for detail. The Group has completed one new acquisition since the financial year end, adding c£17.8m EBITDA before synergies.

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. The Directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

**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**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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 Staff costs and employee information**

	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
Wages and salaries	1,295,280	1,639,369
Social security costs	142,302	168,301
Other pension costs	100,077	98,046
<b>Total</b>	<b>1,537,659</b>	<b>1,905,716</b>

The average monthly number of employees during the year (including directors service contracts) was: 32

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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

	Year ended 30 June 2023	Year ended 30 June 2022
	Number	Number
Technical	29	40
Support	2	2
<b>Total</b>	<b>31</b>	<b>42</b>

**5 Operating profit**

Operating profit is stated after charging:

	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
Exchange differences	(21,402)	(4,196)
Pension costs	100,077	98,046

The auditors' fee for the year ended 30 June 2023 of £10,000 was borne by Farradane Limited on behalf of all the subsidiaries of Davies Group Limited. Year ended 30 June 2022 auditors fee was £10,000.

**6 Interest receivable and similar income**

	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
Interest on client bank balances	111,415	(8,136)

**7 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 2023	Year ended 30 June 2022
	£	£
<b>Current tax:</b>		
UK corporation tax on profit for the year	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	69	69
Over/(under) provided	(69)	-
<b>Total deferred tax</b>	<b>-</b>	<b>69</b>
<b>Total tax charge on profit on ordinary activities</b>	<b>-</b>	<b>69</b>

**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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

**b) Factors affecting the tax charge**

The Government announced in the budget on 3 March 2021 that the UK rate of corporation tax would increase from 19% to 25% from 1 April 2023. As such, the UK corporation tax charge is based on a blended rate of 20.5% in these financial statements (2022: 19%)

As the rate increase was substantively enacted at the balance sheet date, the deferred tax balance in these financial statements is stated at a rate of 25%

The tax assessed for the year is less than (year 2022: less than) the standard rate of corporation tax in the UK of 25% (2022: 19%). The difference is explained below:

	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
<b>Profit on ordinary activities before taxation</b>	<b>550,564</b>	<b>768,233</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.5% (2022: 19%)	112,843	145,964
Tax effects of:		
Expenses not taxable for tax purposes	1,192	1,036
Group relief	(113,980)	(146,947)
Adjustment in respect of prior periods	(69)	-
Remeasurement of deferred tax for changes in tax rates	13	16
<b>Total tax charge</b>	<b>-</b>	<b>69</b>

**8 Intangible assets**

<b>Cost</b>	
At 1 July 2021	-
Additions	24,300
<b>At 30 June 2022</b>	<b>24,300</b>
<b>Accumulated amortisation</b>	
At 1 July 2021	-
Amortisation for year	8,100
<b>At 30 June 2022</b>	<b>8,100</b>
<b>Net book value</b>	
<b>At 30 June 2022</b>	<b>16,200</b>
At 30 June 2021	-

Intangible assets comprise technology assets relating to external fees paid to develop software

**9 Debtors due within one year**

	As at 30 June 2023	As at 30 June 2022
	£	£
Trade debtors	243,563	465,980
Amounts owed by group undertakings	6,522,629	6,490,782
Prepayments and accrued income	17,492	75,603
Other taxation and social security	2,513	-
	<b>6,786,197</b>	<b>7,032,365</b>

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

**10 Called up share capital**

	As at 30 June 2023	As at 30 June 2022
	£	£
<b>Allotted, issued and fully paid</b>		
350,000 Ordinary Shares of £1.00 each	350,000	350,000



**DAVIES INTERMEDIARY SUPPORT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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

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

	As at 30 June 2023	As at 30 June 2022
	£	£
Trade creditors	10,986	38,215
Amounts owed to group undertakings	90,241	90,241
Other taxation and social security	-	3,697
Accruals and deferred income	1,137,433	1,953,845
	<b>1,238,660</b>	<b>2,085,998</b>

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

**12 Operating lease commitments**

At 30 June 2023, the company had no future minimum lease payments under non-cancellable operating leases (30 June 2022: £nil).

**13 Ultimate parent undertaking and controlling party**

The company is a wholly owned subsidiary of a Group whose parent company is Davies Group Limited which is the smallest Group to consolidate these financial statements. At 30 June 2023 Davies Group Limited was in turn ultimately owned by Tennessee Topco Limited which the directors considered to be the ultimate parent undertaking and the largest Group to consolidate these financial statements.

Copies of Davies Group Limited and Tennessee Topco Limited consolidated financial statements can be obtained from the Company Secretary at 20 Gracechurch Street, London, United Kingdom, EC3V 0BG.

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

**14 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.