

**DAVIES CONSTRUCTION AND ENGINEERING  
LIMITED**

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

**REGISTERED NUMBER 03993524**



**DAVIES CONSTRUCTION AND ENGINEERING LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**DAVIES CONSTRUCTION AND ENGINEERING LIMITED  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**Company Information**

**DIRECTORS**

D Coombes  
A Debiase

**COMPANY SECRETARY**

D Coombes

**REGISTERED OFFICE**

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

**DAVIES CONSTRUCTION AND ENGINEERING LIMITED  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**DIRECTORS' REPORT**

The directors present their report with the unaudited financial statements of the company, registered number 03993524, for the year ended 30 June 2023.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

For the year ended 30 June 2023 the Company was entitled to the exemption from audit under section 479A of the Companies Act 2006.

**PRINCIPAL ACTIVITY**

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

**REVIEW OF BUSINESS**

A summary of the results for the year is given in the Income Statement on page 4.

**RESULTS AND DIVIDENDS**

The company's loss for the financial year is £384 (loss 2022: £644). No dividends were paid or proposed during the year (2022: £nil).

**GOING CONCERN**

Going concern has been discussed in detail in note 1. The company has continued to trade 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.

**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:

D Coombes  
A Debiase

**DAVIES CONSTRUCTION AND ENGINEERING LIMITED  
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**DIRECTORS' REPORT (continued)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the unaudited 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 Group and parent 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 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 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.

By order of the Board



A Debiase  
**Director**

Date: 13 March 2024

**DAVIES CONSTRUCTION AND ENGINEERING LIMITED**  
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**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	Unaudited Year ended 30 June 2023 £	Unaudited Year ended 30 June 2022 £
<b>Turnover</b>	3	-	-
Cost of sales		-	-
<b>Gross Profit</b>		-	-
Administrative expenses		(545)	(644)
<b>Operating Loss</b>		(545)	(644)
<b>Loss on ordinary activities before interest and taxation</b>		(545)	(644)
Tax on loss on ordinary activities		161	-
<b>Loss for the financial year</b>		(384)	(644)

All amounts relate to continuing operations.

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

	Unaudited Year ended 30 June 2023 £	Unaudited Year ended 30 June 2022 £
Loss for the financial year	(384)	(644)
<b>Total comprehensive loss relating to the year</b>	<b>(384)</b>	<b>(644)</b>

The notes on pages 7 to 10 form part of these financial statements.

**DAVIES CONSTRUCTION AND ENGINEERING LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
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**STATEMENT OF FINANCIAL POSITIONAS**

**AT 30 JUNE 2023**

		<b>Unaudited</b>		<b>Unaudited</b>	
		<b>As at 30 June 2023</b>		<b>As at 30 June 2022</b>	
		£	£	£	£
<b>Current assets</b>	<b>Note</b>				
Debtors	5	<b>740,942</b>		745,864	
Deferred tax	6	<b>161</b>		-	
Cash at bank and in hand		<b>3,320</b>		2,635	
		<b>744,423</b>		<b>748,499</b>	
<b>Total assets</b>		<b>744,423</b>		<b>748,499</b>	
<b>LIABILITIES AND EQUITY</b>					
<b>Capital and reserves</b>					
Called up share capital	7	<b>1,000</b>		1,000	
Profit and loss account		<b>741,650</b>		742,034	
<b>Total equity</b>		<b>742,650</b>		<b>743,034</b>	
<b>Other liabilities</b>					
Creditors: amounts falling due within one year	8	<b>1,773</b>		5,465	
<b>Total other liabilities</b>		<b>1,773</b>		<b>5,465</b>	
<b>Total equity and liabilities</b>		<b>744,423</b>		<b>748,499</b>	

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 entities.

The financial statements on pages 4 to 10 were approved by the Board of Directors on 13 March 2024 and were signed on its behalf by:



A Debiase  
**Director**

Company registered number 03993524

The notes on pages 7 to 10 form part of these financial statements.

**DAVIES CONSTRUCTION AND ENGINEERING LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Share capital	Profit and loss account	Total Equity
	£	£	£
Balance as at 1 July 2021	1,000	742,678	743,678
Loss for the year	-	(644)	(644)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(644)	(644)
<b>Balance as at 30 June 2022 (unaudited)</b>	<b>1,000</b>	<b>742,034</b>	<b>743,034</b>
Loss for the year	-	(384)	(384)
Other comprehensive loss for the year	-	-	-
Total comprehensive loss for the year	-	(384)	(384)
<b>Balance as at 30 June 2023 (unaudited)</b>	<b>1,000</b>	<b>741,560</b>	<b>742,650</b>



**NOTES TO THE FINANCIAL STATEMENTS**

**1. Accounting policies**

Davies Construction and Engineering Limited is a private company limited by shares incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations, and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102 Section 1A, 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 Group management to exercise judgement in applying the Group's 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;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

**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 Adjusted EBITDA and cashflow budgets in the first seven 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 was £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. The Group has completed two new acquisition since the financial year end, adding c£32.5m EBITDA before synergies.

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

**1. Accounting policies (continued)**

**Turnover**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/vat added tax, returns, rebates and discounts.

All turnover is derived from within the United Kingdom. Holiday pay 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 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.
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met and.
- Where timing differences relate to interests in subsidiaries and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of timing differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Pensions**

The Group 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 profit and loss 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.

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

**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

In application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions around carrying amounts of assets and liabilities that are not readily apparent from other sources. The directors confirm that the company does not have any critical accounting judgements and key sources of estimation uncertainty.

**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. Employees and directors**

The average monthly number of employees during the year was nil (2022: nil).

The directors were not remunerated for their services to the company in the current year (30 June 2022: £nil). The directors were remunerated through a fellow group undertaking for their services to the group as a whole. The directors are directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. No apportionment has been made to this company. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company Davies Group Limited.

**5. Debtors due within one year**

	Unaudited Year ended 30 June 2023	Unaudited Year ended 30 June 2022
	£	£
Amounts owed by group undertakings	721,765	726,682
Other debtors	14	19
Prepayments and accrued income	19,163	19,162
	<b>740,942</b>	<b>745,864</b>

Amounts owed by Group undertakings are unsecured, interest-free and have no fixed date of repayment and are repayable on demand.

**6. Deferred tax**

	Unaudited Year ended 30 June 2023	Unaudited Year ended 30 June 2022
	£	£
The movements on deferred tax are as follows:		
At the beginning of year	-	-
Deferred tax credit in income statement for the year	161	-
<b>At the end of year</b>	<b>-</b>	<b>-</b>
	Unaudited Year ended 30 June 2023	Unaudited Year ended 30 June 2022
	£	£
The deferred tax comprises:		
Fixed asset timing differences	161	-
	<b>161</b>	<b>-</b>

The company has no deferred tax assets on losses which are not recognised.

**DAVIES CONSTRUCTION AND ENGINEERING LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**7. Called up share capital**

	<b>Unaudited Year ended 30 June 2023 £</b>	<b>Unaudited Year ended 30 June 2022 £</b>
<b>Allotted, issued and fully paid</b>		
10,000 (2022: 10,000) Ordinary Shares of 10p each	<b>1,000</b>	<b>1,000</b>

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

	<b>Unaudited Year ended 30 June 2023 £</b>	<b>Unaudited Year ended 30 June 2022 £</b>
Trade creditors	<b>75</b>	<b>298</b>
Amounts owed to Group undertakings	<b>1,698</b>	<b>1,698</b>
Other creditors	<b>-</b>	<b>3,469</b>
	<b>1,773</b>	<b>5,465</b>

Amounts owed to group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

**9. Operating lease commitments**

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

**10. 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 5th Floor, 20 Gracechurch Street, London, EC3V 0BG.

The directors consider BC Partners Management XI Limited as the portfolio manager of BC Partners Fund XI to be the ultimate controlling party of the Group.

**11. 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.