

DAVIES RESPONSE LIMITED
(Formerly Regency Response Limited)

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

REGISTERED NUMBER 4277289



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DAVIES RESPONSE LIMITED
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DIRECTORS AND ADVISERS

DIRECTORS

M D Chapman
M R Edwards
G J Lumsdon

SECRETARY

G J Lumsdon

REGISTERED OFFICE

2 St Giles Court
Southampton Street
Reading
Berkshire
RG1 2QL

INDEPENDENT AUDITORS

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

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DIRECTORS' REPORT

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

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of initial response in respect of property damage caused by natural or man-made accidents or disasters.

REVIEW OF BUSINESS

A summary of the results for the year is given in the profit and loss account on page 7.

On 16 July 2008, the company changed its name to Davies Response Limited.

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

RESULTS AND DIVIDENDS

The company's profit for the financial year was £259,140 (2007: loss of £20,276) which will be transferred to reserves. The directors do not recommend the payment of a dividend (2007: £nil).

DIRECTORS

The directors who served during the year and up to the date of signing these accounts were:

M P Bishop (resigned 11 September 2007)
M D Chapman
D G Ede (resigned 11 September 2007)
M R Edwards (appointed 11 September 2007)
C D Head (resigned 29 February 2008)
G J Lumsdon (appointed 8 September 2008)
D A Mansfield (resigned 5 February 2008)

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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

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DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

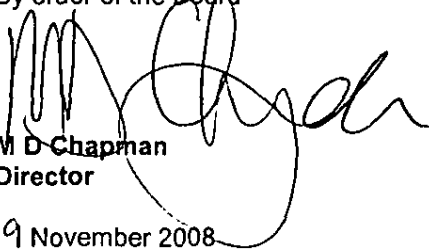
The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS

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

By order of the Board



M D Chapman
Director

19 November 2008

DAVIES RESPONSE LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REGENCY RESPONSE LIMITED

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

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

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

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

Basis of audit opinion

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

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

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Opinion

In our opinion:

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Uxbridge

25 November 2008

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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008

		2008	2007
	Note	£	£
Turnover	1	1,157,485	452,103
Staff costs		(279,235)	(270,352)
Depreciation of tangible fixed assets	2	(12,963)	(15,901)
Other operating charges		(472,101)	(205,482)
Operating profit/(loss)	2	393,186	(39,632)
Interest receivable and similar income		-	72
Interest payable and similar charges		(4,719)	(5,145)
Profit/(loss) on ordinary activities before taxation		388,467	(44,705)
Tax on profit/(loss) on ordinary activities	4	(129,327)	24,429
Profit/(loss) for the financial year	12	259,140	(20,276)

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

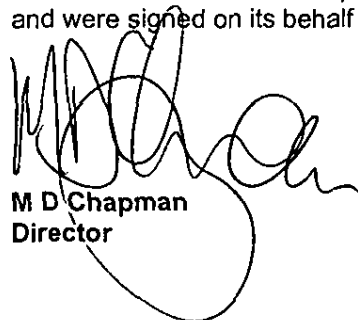
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BALANCE SHEET AS AT 31 MARCH 2008

	Note	2008	2007
		£	£
Fixed assets			
Tangible assets	5	55,815	55,338
Current assets			
Debtors: amounts falling due within one year	6	426,908	152,210
Cash at bank and in hand		104,863	6,288
		531,771	158,498
Creditors: amounts falling due within one year	7	(299,040)	(185,258)
Net current assets/(liabilities)		232,731	(26,760)
Total assets less current liabilities		288,546	28,578
Creditors: amounts falling due after more than one year	8	(957)	(6,000)
Provisions for liabilities and charges	9	(5,871)	-
Net assets		281,718	22,578
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	281,618	22,478
Total shareholders' funds	12	281,718	22,578

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

The financial statements on pages 7 to 15 were approved by the Board of Directors on 19 November 2008 and were signed on its behalf by:



M D Chapman
Director

DAVIES RESPONSE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

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

The principal accounting policies, which have been applied consistently during the year, are set out below:

Turnover

Turnover represents the aggregate value of initial response services provided to clients, excluding value added tax. Turnover is recognised in line with the estimated stage of completion of the service. All turnover is derived from within the United Kingdom.

Income accrued in respect of jobs in progress at the year-end is included within turnover in the profit and loss account and within prepayments and accrued income in the balance sheet.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives or, if held under a finance lease, over the lease term, whichever is the shorter. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Depreciation is provided at the following rates:

Leasehold Improvements	-	over life of lease
Plant and machinery	-	20% straight line
Fixtures and fittings and office equipment	-	20% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33.3% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

During the year the company chose to alter the depreciation rates in order to better reflect the useful economic life of the assets. This led to all assets being depreciated on a straight line basis and computer equipment now being depreciated at 33.3% per annum rather than 25%, plant and machinery, fixtures and fittings, and office equipment all at 20% rather than 25%. The change in depreciation rates did not have a material impact on the depreciation charge for the year.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

Deferred taxation

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

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

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

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 profit and loss in the period in which they fall due.

Leases and hire purchase contracts

Assets obtained under hire purchase contracts are capitalised in the balance sheet. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases or hire purchase contracts, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2. Operating profit

Operating profit is stated after charging:

	2008	2007
	£	£
Depreciation – owned assets	10,579	11,894
Depreciation – assets held under hire purchase contracts	2,384	4,007
Pension costs	5,237	5,207
Loss on disposal of tangible fixed assets	890	-
Auditors' remuneration - Audit services	8,706	3,404

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Directors' emoluments

	2008 £	2007 £
Aggregate emoluments excluding pension contributions	51,995	31,442
Company contributions paid to money purchase pension schemes	1,440	1,496
	53,435	32,938
	Number	Number
The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	1	1

4. Tax on profit/(loss) on ordinary activities

The tax on the profit/(loss) on ordinary activities for the year was as follows:

	2008 £	2007 £
Current tax:		
UK corporation tax at 30% (2007: 30%)	112,630	(13,412)
Adjustments in respect of previous periods	4,337	1,944
Total current tax	116,967	(11,468)
Deferred tax:		
Origination and reversal of timing differences	12,360	(12,961)
Total deferred tax	12,360	(12,961)
Total tax charge/(credit) on profit/(loss) on ordinary activities	129,327	(24,429)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Tangible fixed assets

	Leasehold improvements	Plant and machinery	Computer equipment	Fixtures & fittings and office equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2007	3,960	59,147	-	10,796	29,002	102,905
Additions	-	15,082	1,418	128	-	16,628
Disposals	-	(4,468)	-	(70)	-	(4,538)
At 31 March 2008	3,960	69,761	1,418	10,854	29,002	114,995
Accumulated depreciation						
At 1 April 2007	692	27,130		6,229	13,516	47,567
Charge for the year	198	7,735	156	1,002	3,872	12,963
Disposals	-	(1,327)	-	(23)	-	(1,350)
At 31 March 2008	890	33,538	156	7,208	17,388	59,180
Net book value						
At 31 March 2008	3,070	36,223	1,262	3,646	11,614	55,815
At 31 March 2007	3,268	32,017	-	4,567	15,486	55,338

The net book value of motor vehicles held under hire purchase contracts at 31 March 2008 was £7,151 (2007: £12,021).

6. Debtors: amounts falling due within one year

	2008	2007
	£	£
Trade debtors	335,039	67,577
Amounts owed by related undertakings (note 13)	-	3,444
Other debtors	-	450
Corporation tax	-	12,476
Deferred tax asset (note 9)	-	6,489
Prepayments and accrued income	91,869	61,774
	426,908	152,210

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	-	108,213
Trade creditors	16,988	10,678
Amounts owed to group undertakings	57,567	13,822
Amounts owed to related undertakings (note 13)	-	20,253
Corporation tax	105,403	-
Other tax and social security	95,345	21,910
Hire purchase contracts	3,748	3,932
Accruals and deferred income	19,538	6,450
Other creditors	451	-
	299,040	185,258

8. Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Hire purchase contracts	957	6,000

9. Provisions for liabilities and charges

Deferred tax liability/(asset)

The movements on the deferred tax liability/(asset) are as follows:

	2008	2007
	£	£
Opening balance	(6,489)	6,472
Deferred tax charge/(credit) in profit and loss account for the year (note 4)	12,360	(12,961)
Closing balance	5,871	(6,489)

The deferred tax liability/(asset) comprises

	2008	2007
	£	£
Accelerated capital allowances	5,871	6,092
Losses carried forward	-	(12,581)
	5,871	(6,489)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Called up share capital

Authorised

	2008	2007
	£	£
10,000 ordinary shares of £1 each	10,000	10,000

Allotted and fully paid

	2008	2007
	£	£
100 ordinary shares of £1 each	100	100

11. Reserves

	Profit and loss account
	£
At 1 April 2007	22,478
Profit for the financial year	259,140
At 31 March 2008	281,618

12. Reconciliation of movements in equity shareholders' funds

	2008	2007
	£	£
Profit/(loss) for the financial year	259,140	(20,274)
Opening equity shareholders' funds	22,578	42,852
Closing equity shareholders' funds	281,718	22,578

13. Related party transactions

During the year the company had transactions with Davies Loss Adjusters LLP, the previous parent undertaking, and both transactions and balances with fellow group undertakings: Eastwell Contractor Management & Claim Care Limited and Farradane Limited (related by common ownership prior to its acquisition by Davies Group Limited). Subsequent to the acquisition of the company by Davies Group Limited, the company also had transactions and balances with Davies Group Limited, the parent undertaking.

At the year end, there were amounts due to these related parties as follows:-

	2008	2007
	£	£
Eastwell Contractor Management & Claim Care Limited	12,430	6,758
Farradane Limited	26,730	20,252
Davies Loss Adjusters LLP	-	7,064
Davies Group Limited	18,407	-
	57,567	34,074

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NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Related party transactions (continued)

During the year, the company purchased goods and services from these related parties as follows:

	2008	2007
	£	£
Farradane Limited	12,712	10,280
Davies Loss Adjusters LLP	20,129	3,513

14. Pensions

The company operates a defined contribution pension scheme. The assets are held separately from those of the company in an independently-administered fund. The charge for the year represents contributions payable by the company to the fund and amounted to £5,237 (2007: £5,207).

There were no outstanding or prepaid contributions at 31 March 2008 (2007: £nil).

15. Ultimate parent undertaking

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

The company is now therefore a wholly-owned subsidiary undertaking of Davies Group Limited, which is also the ultimate parent undertaking and controlling party of Davies Response Limited.

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

16. Post balance sheet events

On 16 July 2008, the company changed its name from Regency Response Limited to Davies Response Limited.