

DAVIES WRENMORES LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

REGISTERED NUMBER 4891856

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**DAVIES WRENMORES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

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**DAVIES WRENMORES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
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DIRECTORS AND ADVISERS

DIRECTORS

M D Chapman
G Lumsdon
M J Standish
D H Wrench

COMPANY SECRETARY

G Lumsdon

REGISTERED OFFICE

2 St Giles Court
Southampton Street
Reading
Berkshire
RG1 2QL

INDEPENDENT AUDITORS

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

**DAVIES WRENMORES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
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DIRECTORS' REPORT

The directors present their report with the audited financial statements of the company for the year ended 31 March 2009.

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

PRINCIPAL ACTIVITIES

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

REVIEW OF BUSINESS

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

RESULTS AND DIVIDENDS

The company's profit for the year is £270,424 (2008: £242,122). An interim dividend of £nil (2008: 346.74 per ordinary share totalling £346,736) was approved and paid during the year. No final dividend (2008: £100 per ordinary share totalling £100,000) is proposed.

DIRECTORS

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

M D Chapman

A R Palmer (resigned 5 September 2008)

M J Standish

D H Wrench

L T Wright (resigned 7 August 2009)

G Lumsdon (appointed 8 September 2008)

DISCLOSURE OF INFORMATION TO AUDITORS

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

(1) so far as each 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

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

On behalf of the Board



G Lumsdon
Director

25 NOVEMBER 2009

**DAVIES WRENMORES LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAVIES WRENMORES LIMITED

We have audited the financial statements of Davies Wrenmores Limited for the year ended 31 March 2009 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 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 2009

DAVIES WRENMORES LIMITED
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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009

		2009	2008
	Note	£	Restated £
Turnover	1	1,035,160	989,009
Cost of sales		(244,085)	(267,482)
Gross Profit		791,075	721,527
Administrative expenses			
Excluding exceptional charges		(412,075)	(382,848)
Exceptional administrative expenses	2	(2,476)	-
Administrative expenses including exceptional items		(414,551)	(382,848)
Other operating income		1,291	841
Operating profit	2	377,815	339,520
Interest receivable and similar income	3	3,248	12,584
Profit on ordinary activities before taxation		381,063	352,104
Tax on profit on ordinary activities	5	(110,639)	(109,982)
Profit for the financial year	14	270,424	242,122

The results above relate to continuing operations.

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

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BALANCE SHEET AS AT 31 MARCH 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	7	15,269	14,463
Current assets			
Debtors - amounts falling due within one year	8	187,166	173,996
Cash at bank and in hand		337,948	182,488
		525,114	356,484
Creditors: amounts falling due within one year	9	(254,439)	(355,427)
Net current assets		270,675	1,057
Net assets		285,944	15,520
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account	13	284,944	14,520
Total shareholders' funds	14	285,944	15,520

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

The financial statements on pages 6 to 14 were approved by the Board of Directors on 25 NOVEMBER 2009 and were signed on its behalf by:


G Lumsdon
Director

**DAVIES WRENMORES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
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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 in respect of loss adjusting services is recognised in line with the estimated stage of completion of each claim. Income accrued in respect of claims in progress at the year-end is included within turnover in the profit and loss account and within prepayments and accrued income in the balance sheet. All turnover is derived from within the United Kingdom.

Deferred income is recorded within the balance sheet when an interim fee is raised in advance of work done and is released to the profit and loss account on completion of the case.

Cost of sales

The format of the profit and loss account has been changed from the Companies Act Format 2 to Format 1 such that costs in the profit and loss account have been split between cost of sales and administrative expenses. The directors consider that this best reflects the manner in which the business is monitored and accordingly, the prior year numbers have been restated to reflect this change. Cost of sales represents the salary costs, benefits and associated expenses of fee earning staff together with disbursements incurred in the provision of services to clients

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. The expected useful lives of the assets to the business are reassessed periodically to ensure continued appropriateness.

Depreciation is provided at the following rates:

Leasehold improvements	-	over the life of the lease
Fixtures and Fittings	-	20% straight line
Computer equipment	-	33.3% straight line
Motor vehicles	-	25% 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.

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

Provisions

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

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.

Operating leases

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:

	2009	2008
	£	£
Operating lease rentals – other than plant and machinery	13,667	10,693
Depreciation - owned assets	11,177	9,807
Pension costs	9,180	6,840
Auditors' remuneration - Audit services	8,192	7,500
Exceptional administrative expenses	2,476	-

The exceptional administrative expenses relate to the restructuring of the company that occurred in February and March 2009.

3. Interest receivable and similar income

	2009	2008
	£	£
Bank interest receivable	3,248	12,584

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Directors emoluments

	2009	2008
	£	£
Aggregate emoluments excluding pension contributions	115,740	205,494
Company contributions paid to money purchase pension schemes	5,459	5,461
	121,199	210,955
	2009	2008
	Number	Number
The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	2	2

5. Tax on profit on ordinary activities

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

	2009	2008
	£	£
Current tax:		
UK corporation tax at 28% (2008: 30%)	112,289	110,428
Adjustments in respect of prior year	(247)	(355)
Total current tax	112,042	110,073
Deferred tax:		
Origination and reversal of timing differences (note 11)	(1,403)	(91)
Total deferred tax	(1,403)	(91)
Tax on profit on ordinary activities	110,639	109,982

6. Dividends

	2009	2008
	£	£
Equity – Ordinary		
Interim paid £nil (2008: £346.74) per £1 share	-	346,736
Final paid £nil (2008: £100) per £1 share	-	100,000
	-	446,736

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Tangible fixed assets

	Leasehold Improvements	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2008	-	4,980	20,996	23,797	49,773
Additions	7,054	5,017	110	-	12,181
Disposals	-	(126)	(11,541)	-	(11,667)
At 31 March 2009	7,054	9,871	9,565	23,797	50,287
Accumulated depreciation					
At 1 April 2008	-	2,509	16,815	15,986	35,310
Charge for the year	209	1,013	2,144	7,811	11,177
Disposals	-	(126)	(11,343)	-	(11,469)
At 31 March 2009	209	3,396	7,616	23,797	35,018
Net book value					
At 31 March 2009	6,845	6,475	1,949	-	15,269
At 31 March 2008	-	2,471	4,181	7,811	14,463

8. Debtors

	2009	2008
	£	£
Trade debtors	56,474	62,726
Other debtors	429	1,062
Deferred tax asset (note 11)	4,533	3,130
Prepayments and accrued income	125,730	107,078
	187,166	173,996

9. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	4,081	2,556
Amounts owed to group undertakings (note 15)	146,611	159,182
Corporation tax	53,397	110,073
Other taxation and social security	21,120	60,528
Other creditors	14,647	12,537
Accruals and deferred income	14,583	10,551
	254,439	355,427

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Operating lease commitments

At 31 March 2009, the company had the following annual commitments under non-cancellable operating leases:

	Land and buildings 2009 £	Other 2009 £	Land and buildings 2008 £	Other 2008 £
Expiring:				
Within one year	-	-	1,250	432
In two to five years	11,000	-	-	-
Total	11,000	-	1,250	432

11. Deferred tax

The movements on the deferred tax asset are as follows:

	2009 £
At 1 April 2008	(3,130)
Deferred tax credit in profit and loss account for the year (note 5)	(1,403)
At 31 March 2009 (note 8)	(4,533)

The deferred tax asset comprises:

	2009 £	2008 £
Accelerated capital allowances	(4,533)	(3,130)
	(4,533)	(3,130)

12. Called up share capital

	2009 £	2008 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Allotted and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

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NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Reserves

	Profit and loss account £
At 1 April 2008	14,520
Retained profit for the financial year (note 14)	270,424
At 31 March 2009	284,944

14. Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	270,424	242,122
Dividends (note 6)	-	(446,736)
Retained profit/(loss) for the financial year	270,424	(204,614)
Opening shareholders' funds	15,520	220,134
Closing shareholders' funds	285,944	15,520

15. Related party transactions

During the year, the company had transactions with Davies Group Limited, the parent undertaking, and both transactions and balances with fellow group undertakings: Farradane Limited, and Davies Managed Systems Limited.

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

	2009 £	2008 £
Davies Group Limited	121,952	153,430
Farradane Limited	24,659	5,752

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

	£	£
Davies Loss Adjusters LLP	-	69,468
Davies Group Limited	95,069	7,563
Farradane Limited	166,816	57,650
Davies Managed Systems Limited	36	5,397

During the year the company sold goods and services to these related parties as follows:

	£	£
Davies Loss Adjusters LLP	-	59,730
Davies Group Limited	4,387	-

All other movements on the related party balances relate to recharges between companies for invoices issued by third parties and the repayment of outstanding balances.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

16. 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 £9,180 (2008: £6,840)

There were no outstanding or prepaid contributions at 31 March 2009 (2008: £nil)

17. Ultimate parent undertaking

The company is a subsidiary undertaking of Davies Group Limited, which is also the ultimate parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Davies Group Limited consolidated financial statements can be obtained from the Company Secretary at 2 St Giles Court, Southampton Street, Reading, Berkshire, RG1 2QL.

The first set of consolidated financial statements for the new group headed by Davies Group Limited will be drawn up for the 13 month period ending 31 March 2009.

In addition, there is a minority interest holding of 33% in the company.