

**DAVIES WRENMORES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**REGISTERED NUMBER 4891856**

**TUESDAY**



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**DAVIES WRENMORES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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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  
Statutory Auditors  
The Atrium  
1 Harefield Road  
Uxbridge  
Middlesex  
UB8 1EX

**DAVIES WRENMORES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**DIRECTORS' REPORT**

The directors present their report with the audited financial statements of the company, registered number 4891856, for the year ended 31 March 2010

This report has been prepared in accordance with the small companies regime of the Companies Act 2006

**PRINCIPAL ACTIVITY**

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 £296,136 (2009 £270,424) The directors do not recommend the payment of a dividend (2009 £nil)

**POST BALANCE SHEET EVENTS**

On 1 June 2010, Davies Group Limited, the parent undertaking, acquired the 33% minority interest holding in the company for a cash consideration of £353,000

**DIRECTORS**

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

M D Chapman

G Lumsdon

M J Standish

D H Wrench

L T Wright (resigned 7 August 2009)

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The company is a subsidiary of Davies Group Limited which has maintained cover for its directors and officers and those of its subsidiary companies under a directors' and officers' liability insurance policy as permitted by the Companies Act 2006

**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 Section 418 of the Companies Act 2006

**DAVIES WRENMORES LIMITED  
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**DIRECTORS' REPORT (continued)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**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

1<sup>ST</sup> SEPTEMBER 2010

**DAVIES WRENMORES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**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 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

**Respective responsibilities of directors and auditors**

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 and the Directors' Report in accordance with the small companies regime.



Lynn Piercy (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

2<sup>nd</sup> September 2010

**DAVIES WRENMORES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	Note	2010 £	2009 £
<b>Turnover</b>	1	<b>975,273</b>	<b>1,035,160</b>
<b>Cost of Sales</b>		<b>(292,573)</b>	<b>(244,085)</b>
<b>Gross Profit</b>		<b>682,700</b>	<b>791,075</b>
Exceptional administrative expenses	2	-	(2,476)
Other administrative expenses		(266,036)	(412,075)
Administrative expenses		(266,036)	(414,551)
Other operating income		-	1,291
<b>Operating profit</b>	2	<b>416,664</b>	<b>377,815</b>
Interest receivable and similar income		-	3,248
Interest payable and similar charges	3	(4,302)	-
<b>Profit on ordinary activities before taxation</b>		<b>412,362</b>	<b>381,063</b>
Tax on profit on ordinary activities	5	(116,226)	(110,639)
<b>Profit for the financial year</b>	12, 13	<b>296,136</b>	<b>270,424</b>

The results above relate to continuing operations

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

**DAVIES WRENMORES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**  
**BALANCE SHEET AS AT 31 MARCH 2010**

	Note	£	2010 £	£	2009 £
<b>Fixed assets</b>					
Tangible assets	6		12,135		15,269
<b>Current assets</b>					
Debtors	7	206,370		187,166	
Cash at bank and in hand		525,533		337,948	
		731,903		525,114	
<b>Creditors: amounts falling due within one year</b>	8	(161,958)		(254,439)	
<b>Net current assets</b>			569,945		270,675
<b>Net assets</b>			582,080		285,944
<b>Capital and reserves</b>					
Called up share capital	11		1,000		1,000
Profit and loss account	12		581,080		284,944
<b>Total shareholders' funds</b>	13		582,080		285,944

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 6 to 13 were approved by the Board of Directors on 1 SEPTEMBER 2010 and were signed on its behalf by



G Lumsdon  
Director



**DAVIES WRENMORES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**  
**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 in accordance with the small companies regime of the Companies Act 2006, and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

**Turnover**

Turnover relates solely to loss adjusting services and 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.

Turnover is deferred and recorded within the balance sheet as deferred income 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**

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.

**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.

**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.

**DAVIES WRENMORES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1 Accounting policies (continued)**

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 account in the period in which they fall due.

**2 Operating profit**

Operating profit is stated after charging

	2010	2009
	£	£
Other operating income	-	(1,291)
Operating lease rentals - other than plant and machinery	11,000	13,667
Depreciation - owned assets	4,194	11,177
Pension costs	9,507	9,180
Auditors' remuneration - audit services	-	8,192
Exceptional administrative expenses	-	2,476

The auditors' remuneration of £8,519 for the year ended 31 March 2010 was borne by a fellow group company.

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

Operating profit includes £12,656 relating to the release of credit balances which are no longer deemed to be a liability of the company.

**3 Interest payable and similar charges**

	2010	2009
	£	£
Other interest payable	4,302	-

**4 Directors' emoluments**

	2010	2009
	£	£
Aggregate emoluments excluding pension contributions	93,335	115,740
Company contributions paid to money purchase pension schemes	5,325	5,459

<b>Total</b>	<b>98,660</b>	<b>121,199</b>
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	2010	2009
	Number	Number

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2
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The emoluments stated are amounts paid to two of the company's directors for their services to the company (2009: 2). There are a further three directors who were remunerated through a fellow group undertaking for their services to the group as a whole, and who are not remunerated for their services to this company. Those 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. Accordingly, the above details include no emoluments in respect of those directors. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

**5 Tax on profit on ordinary activities**

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

	Note	2010 £	2009 £
<b>Current tax:</b>			
UK corporation tax at 28% (2009 28%)		118,214	112,289
Adjustments in respect of previous years		(1,711)	(247)
<b>Total current tax</b>		<b>116,503</b>	<b>112,042</b>
<b>Deferred tax:</b>			
Origination and reversal of timing differences		702	(1,403)
Adjustments in respect of previous years		(979)	-
<b>Total deferred tax</b>	10	<b>(277)</b>	<b>(1,403)</b>
<b>Tax on profit on ordinary activities</b>		<b>116,226</b>	<b>110,639</b>

**6 Tangible fixed assets**

	Leasehold Improvements £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2009	7,054	9,871	9,565	23,797	50,287
Additions	-	-	1,060	-	1,060
<b>At 31 March 2010</b>	<b>7,054</b>	<b>9,871</b>	<b>10,625</b>	<b>23,797</b>	<b>51,347</b>
<b>Accumulated depreciation</b>					
At 1 April 2009	209	3,396	7,616	23,797	35,018
Charge for the year	780	1,672	1,742	-	4,194
<b>At 31 March 2010</b>	<b>989</b>	<b>5,068</b>	<b>9,358</b>	<b>23,797</b>	<b>39,212</b>
<b>Net book value</b>					
<b>At 31 March 2010</b>	<b>6,065</b>	<b>4,803</b>	<b>1,267</b>	<b>-</b>	<b>12,135</b>
At 31 March 2009	6,845	6,475	1,949	-	15,269

**7 Debtors**

	Note	2010 £	2009 £
Trade debtors		79,562	56,474
Other debtors		394	429
Deferred tax asset	10	4,810	4,533
Prepayments and accrued income		121,604	125,730
		<b>206,370</b>	<b>187,166</b>

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

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

	Note	2010 £	2009 £
Trade creditors		8,492	4,081
Amounts owed to group undertakings	14	28,766	146,611
Corporation tax		95,670	53,397
Other tax and social security		21,493	21,120
Other creditors		2,308	14,647
Accruals and deferred income		5,229	14,583
		<b>161,958</b>	<b>254,439</b>

**9 Operating lease commitments**

At 31 March 2010, the company had no annual commitments under non-cancellable operating leases. The lease commitment is now borne by a fellow group undertaking.

	Land and Buildings	
	2010 £	2009 £
Expiring in more than five years	-	11,000
<b>Total</b>	<b>-</b>	<b>11,000</b>

**10 Deferred tax asset**

The movements on the deferred tax asset are as follows:

	Note	2010 £
At 1 April 2009		4,533
Deferred tax credit in profit and loss account for the year	5	277
<b>At 31 March 2010</b>		<b>4,810</b>

The deferred tax asset comprises:

	2010 £	2009 £
Accelerated capital allowances	4,810	4,533

**11 Called up share capital**

	2010 £	2009 £
<b>Authorised</b>		
10,000 Ordinary Shares of £1 each	10,000	10,000
<b>Allotted and issued, and fully paid</b>		
1,000 Ordinary Shares of £1 each	1,000	1,000

**DAVIES WRENMORES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**12 Reserves**

	Note	Profit and loss account £
At 1 April 2009		284,944
Retained profit for the financial year	13	296,136
<b>At 31 March 2010</b>		<b>581,080</b>

**13 Reconciliation of movements in equity shareholders' funds**

	2010 £	2009 £
Retained profit for the financial year	296,136	270,424
Opening equity shareholders' funds	285,944	15,520
<b>Closing equity shareholders' funds</b>	<b>582,080</b>	<b>285,944</b>

**14 Related party transactions**

During the year, the company had both transactions and balances with Davies Group Limited, the parent undertaking, and with Farradane Limited, a fellow group undertaking

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

	2010 £	2009 £
Davies Group Limited	2,794	121,952
Farradane Limited	25,972	24,659
	<b>28,766</b>	<b>146,611</b>

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

	2010 £	2009 £
Farradane Limited	156,762	-
Davies Group Limited	17,244	95,069
Davies Adair and Partners Limited	-	166,816
Davies Managed Systems Limited	-	36

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

	2010 £	2009 £
Farradane Limited	949	-
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)**

**15 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 £9,507 (2009 £9,180)

There were no outstanding or prepaid contributions at 31 March 2010 (2009 £nil)

**16 Post balance sheet events**

On 1 June 2010, Davies Group Limited, the parent undertaking, acquired the minority shareholding of the company for a cash consideration of £353,000

**17 Ultimate parent undertaking and controlling party**

The company is a subsidiary undertaking of Davies Group Limited which is also the ultimate parent undertaking and controlling party 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

In addition, at 31 March 2010 there was a minority interest holding of 33% in the company