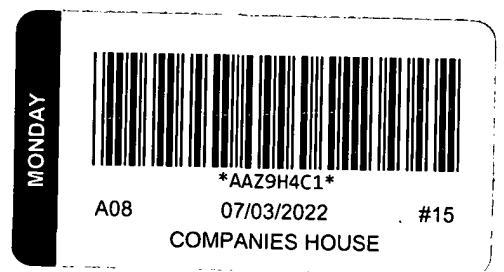


**DAVIES TECHNOLOGY SOLUTIONS LIMITED  
(FORMERLY SERVICETICK LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**REGISTERED NUMBER 06142958**



**DAVIES TECHNOLOGY SOLUTIONS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**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 – 19

**DAVIES TECHNOLOGY SOLUTIONS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**DIRECTORS AND ADVISERS**

**DIRECTORS**

D Coombes  
A Debiase  
D Saulter

**COMPANY SECRETARY**

A Debiase

**REGISTERED OFFICE**

7<sup>th</sup> Floor  
1 Minster Court  
Mincing Lane  
London  
EC3R 7AA

**INDEPENDENT AUDITOR**

BDO LLP  
Chartered Accountants and  
Statutory Auditors  
3 Hardman Street  
Manchester  
M3 3AT

**DAVIES TECHNOLOGY SOLUTIONS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**DIRECTORS' REPORT**

The directors present their report with the audited financial statements of the company, registered number 06142958, for the year ended 30 June 2021.

This report has been prepared in accordance with the special provisions of Part 15, Chapter 1 (Section 382 and 383) of the Companies Act 2006 relating to small companies.

**PRINCIPAL ACTIVITIES**

The principal activity of the company in the year under review was that of customer experience and analytics solutions.

**REVIEW OF BUSINESS**

A summary of the results for the year is given in the Income statement on page 9.

**RESULTS AND DIVIDENDS**

The company's profit for the financial year is £181,422 (2020: £261,244). No dividends were paid or proposed during the year (2020: £nil).

**GOING CONCERN**

Going concern has been discussed in detail in note 1. 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.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The company is a wholly owned subsidiary of Davies Holdings 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. 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 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  
D Saulter

**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.

**DAVIES TECHNOLOGY SOLUTIONS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**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 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



A Debiase  
Director

Date: 25 February 2022

**DAVIES TECHNOLOGY SOLUTIONS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAVIES TECHNOLOGY SOLUTIONS LIMITED**

**Opinion on the financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of Davies Technology Solutions Limited's ("the Company") affairs as at 30 June 2021 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Company for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 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. 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.

**DAVIES TECHNOLOGY SOLUTIONS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAVIES TECHNOLOGY SOLUTIONS LIMITED (continued)**

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' report and financial statements 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.

**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 period 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit;
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAVIES TECHNOLOGY SOLUTIONS LIMITED (continued)**

**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*

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:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements.

These included but were not limited to those that relate to the form and content of the financial statements, such as the accounting policies, United Kingdom Generally Accepted Accounting Practice, the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations including risk of fraud in relation to their work. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with period-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the recognition of revenue, work in progress and use of going concern assumption.
- Revenue year end cut off and work in progress procedures.
- Identifying and testing journal entries, in particular any material journals posted with unusual narratives, manual journals to revenue and cash and Benford's law;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Review of minutes of Board's meeting throughout the year;

**DAVIES TECHNOLOGY SOLUTIONS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAVIES TECHNOLOGY SOLUTIONS LIMITED (continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Obtaining an understanding of how the Company is complying with relevant legal and regulatory frameworks by making enquiries to management and those charged with governance. We corroborated our enquiries through our review of minutes of the Board meetings and other evidence gathered during the course of the audit; and
- Obtaining an understanding of internal controls 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 company's internal control.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures in accordance with the applicable accounting framework, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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 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: [www.frc.org.uk/auditorsresponsibilities](http://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:  
*Julien Rye*  
657B95FCEECB4FF...

**Julien Rye (Audit Partner)**

For and on behalf of BDO LLP, Statutory Auditor  
Manchester  
United Kingdom  
25 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**DAVIES TECHNOLOGY SOLUTIONS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

		Year ended 30 June 2021	Year ended 30 June 2020
	Note	£	£
Turnover	3	2,426,004	2,286,405
Cost of sales		(1,254,020)	(740,749)
<b>Gross profit</b>		<b>1,171,984</b>	<b>1,545,656</b>
Administrative expenses		(735,640)	(1,100,718)
<b>EBITDA (before amortisation)</b>		<b>432,894</b>	<b>449,172</b>
Depreciation		-	(1,344)
Amortisation		(271,260)	(202,331)
<b>Total administrative expenses</b>		<b>(1,006,900)</b>	<b>(1,304,393)</b>
Other income		(3,451)	4,234
<b>Operating profit</b>	5	<b>161,633</b>	<b>449,172</b>
<b>Profit on ordinary activities before taxation</b>		<b>161,633</b>	<b>449,172</b>
Tax on profit on ordinary activities	7	19,789	15,747
<b>Profit for the financial year</b>		<b>181,422</b>	<b>464,919</b>

All amounts relate to continuing operations.

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
<b>Profit for the financial year</b>	<b>181,422</b>	<b>464,919</b>
<b>Total recognised profit relating to the year</b>	<b>181,422</b>	<b>464,919</b>

The notes on pages 12 to 19 form part of these financial statements.

DAVIES TECHNOLOGY SOLUTIONS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	As at 30 June 2021		As at 30 June 2020	
		£	£	£	£
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible assets	8	303,075		381,335	
			303,075		381,335
<b>Current assets</b>					
Debtors	10	1,997,920		918,444	
Cash at bank and in hand		243,660		95,837	
			2,241,580		1,014,281
<b>Total assets</b>		<b>2,544,655</b>		<b>1,395,616</b>	
<b>LIABILITIES AND EQUITY</b>					
<b>Capital and reserves</b>					
Called up share capital	14	275,800		275,800	
Capital redemption reserve		306,748		306,748	
Profit and loss account		337,259		155,837	
<b>Total shareholders' funds</b>		<b>919,807</b>		<b>738,385</b>	
<b>Other liabilities</b>					
Creditors: amounts falling due within one year	13	1,615,316		627,910	
Deferred tax	13	9,532		29,321	
<b>Total other liabilities</b>		<b>1,624,848</b>		<b>657,231</b>	
<b>Total equity and liabilities</b>		<b>2,544,655</b>		<b>1,395,616</b>	

The financial statements on pages 9 to 19 were approved by the Board of Directors on 25 February 2022 and were signed on its behalf by:



A Debiase  
Director

Company registered number 06142958

The notes on pages 12 to 19 form part of these financial statements.

**DAVIES TECHNOLOGY SOLUTIONS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total Equity £
Balance as at 1 July 2019	275,800	306,748	(105,407)	477,141
Profit for the year	-	-	261,244	261,244
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	261,244	261,244
<b>Balance as at 30 Jun 2020</b>	<b>275,800</b>	<b>306,748</b>	<b>155,837</b>	<b>738,385</b>
Profit for the year	-	-	181,422	181,422
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	181,422	181,422
<b>Balance as at 30 June 2021</b>	<b>275,800</b>	<b>306,748</b>	<b>337,259</b>	<b>919,807</b>

The notes on pages 12 to 19 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies

Davies Technology Solutions 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, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The company changed its name from ServiceTick Limited to Davies Technology Solutions on 6 November 2021.

*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.

This information is included in the consolidated financial statements of Davies Group Limited as at 30 June 2021 and these financial statements may be obtained from the company's registered office.

#### Going concern

The company is a subsidiary of Tennessee Topco Limited and party to group funding facilities. The directors continually review and monitor business performance and liquidity of the Group which over the past 20 months has been carried out with additional rigour and scrutiny due to the COVID-19 pandemic. The Group navigated the COVID-19 pandemic robustly and experienced a smaller COVID-19 impact than first anticipated. 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.

The Group has performed ahead of expectations since the outbreak of the COVID-19 pandemic and after the first half of the year ending 30 June 2022 it is significantly ahead of its annual revenue, EBITDA and cash budgets. The Group still maintains significantly more cash resources on its balance sheet than required for normal working capital purposes and also 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 2023. As part of their forecasting work, the directors undertook some detailed sensitivity analysis which showed that the Group revenue would need to drop by 35% by December 2022 for there to be a significant impact on future covenant headroom. The key mitigant for a covenant breach would be an equity injection from the shareholders which is permitted under the existing banking agreement. Additionally, a further mitigant should the Group experience a liquidity issue, would be to drawdown on the £90m RCF which can be accessed for any purpose.

In July 2021 the Group recommenced its M&A program. During the year ended 30 June 2021 the Group made 17 acquisitions. Since October 2021 the Group has made four acquisitions in the UK and the US: Insurance Risk Services Inc., Sionic, the BVS Group and Merlino Actuarial Consultants. In September 2021 the Group announced a deal to acquire Asta, the market leading third party managing agent at Lloyds, and this deal will complete subject to the appropriate regulatory approvals.

In August 2021, the Group completed a transaction with BC Partners who have acquired a majority stake in the business following a rigorous due diligence process. As part of this transaction, Blackstone replaced ICG as the Group's debt provider; upon completion new debt of £552m was drawn down, and an acquisition facility of £350m was secured alongside a c£90m rolling credit facility. This is a committed facility which can be utilised for any purpose including operational, working capital and M&A requirements and can be drawn down in 5 working days.

The following principal accounting policies have been applied:

**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.

**Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Technology asset - 33% straight line

**Tangible assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

**Depreciation**

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Fixtures and fittings and office equipment - 20% straight line

Computer equipment - 33.3% straight line

**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 provision 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 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.

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

**1 Accounting policies (continued)**

**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;
- 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.

**2 Significant judgements and estimates**

In preparing these financial statements, the directors have made the following judgements:

- 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 leasee on a lease by lease basis.

**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.

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

**4 Staff costs and employee information**

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Wages and salaries	1,857,925	1,242,099
Social security costs	197,886	127,885
Other pension costs	89,225	61,369
<b>Total</b>	<b>2,145,037</b>	<b>1,431,353</b>

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

	Year ended 30 June 2021	Year ended 30 June 2020
	Number	Number
Technical	26	7
Support	14	20
<b>Total</b>	<b>40</b>	<b>27</b>

At 30 June 2021, the Group employed 35 (30 June 2020: 25) employees.

**5 Operating profit**

Operating profit is stated after charging:

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Amortisation	271,260	202,331
Depreciation - Owned assets	-	1,344
	<b>271,260</b>	<b>203,675</b>

The auditors' remuneration for the year ended 30 June 2021 of £4,180 (2020: £4,000) was borne by Farradane Limited on behalf of all the subsidiaries of Davies Group Limited.

**6 Directors' emoluments**

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Aggregate emoluments	-	-

No emoluments were paid to the directors for their services to the company (2020: £nil). There are three (2020: three) directors who were remunerated through a fellow group undertaking for their services to the group as a whole. 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.

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

**7 Tax on profit on ordinary activities**

**a) Analysis of the tax payment in the year**

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

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
<b>Current tax:</b>		
UK corporation tax on profits for the year	-	(45,297)
<b>Total current tax</b>	<b>-</b>	<b>(45,297)</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(29,651)	19,158
Adjustments in respect of previous years	458	9,274
Changes in tax rate	9,404	1,118
<b>Total deferred tax</b>	<b>(19,789)</b>	<b>29,550</b>
<b>Total tax charge on profit on ordinary activities</b>	<b>(19,789)</b>	<b>(15,747)</b>

**b) Factors affecting the tax charge**

The tax assessed for the year is the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The difference is explained below:

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
<b>Profit on ordinary activities before taxation</b>	<b>161,633</b>	<b>449,172</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	30,710	85,343
<b>Tax effects of:</b>		
Expenses not deductible for tax purposes	-	(38)
Other timing differences	-	(45,297)
Group relief claimed	(53,245)	(2,086)
Deferred tax not recognised	-	(22,692)
Adjustment to previous years	-	9,274
Adjustment to previous years (deferred tax)	458	-
Remeasurement of deferred tax for changes in tax rates	2,288	(1,552)
<b>Total current tax charge</b>	<b>(19,789)</b>	<b>22,952</b>

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

**8 Intangible fixed assets**

	Other intangible assets £	Total £
<b>Cost</b>		
At 1 July 2020	747,159	747,159
Additions	193,000	193,000
<b>At 30 June 2021</b>	<b>940,159</b>	<b>940,159</b>
<b>Accumulated amortisation</b>		
At 1 July 2020	(365,824)	(365,824)
Amortisation for year	(271,260)	(271,260)
<b>At 30 June 2021</b>	<b>(637,084)</b>	<b>(637,084)</b>
<b>Net book value</b>		
<b>At 30 June 2021</b>	<b>303,075</b>	<b>303,075</b>
At 30 June 2020	381,335	381,335

The technology asset relates to an internally generated development asset comprising staff and contractor costs.

**9 Tangible fixed assets**

	Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost</b>			
At 1 July 2020	15,006	34,242	49,248
Additions	-	-	-
<b>At 30 June 2021</b>	<b>15,006</b>	<b>34,242</b>	<b>49,248</b>
<b>Accumulated depreciation</b>			
At 1 July 2020	(15,006)	(34,242)	(49,248)
Charge for the year	-	-	-
<b>At 30 June 2021</b>	<b>(15,006)</b>	<b>(34,242)</b>	<b>(49,248)</b>
<b>Net book value</b>			
<b>At 30 June 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 30 June 2020	-	-	-

Fixed assets are stated at historical cost.

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

**10 Debtors due within one year**

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Trade debtors	294,875	374,510
Amounts owed by Group undertakings	1,672,212	451,695
Corporation tax	-	45,297
Other debtors	22,800	28,120
Prepayments and accrued income	8,033	18,822
	<b>1,997,920</b>	<b>918,444</b>

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

**11 Deferred tax**

The movements on deferred tax are as follows:

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
At the beginning of year	(29,321)	(229)
Deferred tax credit in income statement for the year	19,789	29,550
<b>At the end of year</b>	<b>(9,532)</b>	<b>29,321</b>

The deferred tax comprises:

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Fixed asset timing differences	(9,532)	31,221
	<b>(9,532)</b>	<b>29,321</b>

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

**12 Called up share capital**

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Allotted, issued and fully paid		
800 (2019: 800) Ordinary A Shares of £1.00 each	800	800
200 (2019: 200) Ordinary B Shares of £750.00 each	150,000	150,000
32 (2019: 32) Ordinary B Shares of £3,906.25 each	125,000	125,000
	<b>275,800</b>	<b>275,800</b>

All classes of share rank pari passu with each other.

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

	Year ended 30 June 2021	Year ended 30 June 2020
	£	£
Trade creditors	40,225	48,192
Amounts owed to Group undertakings	1,241,711	392,984
Other taxation and social security	36,433	-
Other creditors	82,340	54,122
Accruals and deferred income	214,607	132,612
	<b>1,615,316</b>	<b>627,910</b>

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

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

**14 Operating lease commitments**

At 30 June 2021, the company had no future minimum lease payments under non-cancellable operating leases (2020: nil).

**15 Defined contribution scheme**

The company operates a defined contribution scheme. The assets are held separately from those of the company in a separately-administered fund. The charge for the period represents contributions payable by the company to the fund and amounted to £89,225 (year ended 2020: £61,369).

At 30 June 2021, the company had outstanding contributions of £nil (2020: £nil).

**16 Ultimate parent undertaking and controlling party**

The company is a wholly owned subsidiary of a Group whose parent company is Daisybright Limited which is the smallest Group to consolidate these financial statements. At 30 June 2021 Daisybright Limited was in turn ultimately owned by Davies Topco Limited which the directors considered to be the ultimate parent undertaking and the largest Group to consolidate these financial statements. On 3 August 2021 the ultimate parent undertaking became Tennessee Topco Limited.

Copies of Daisybright Limited and Tennessee Topco Limited consolidated financial statements can be obtained from the Company Secretary at 7th Floor, 1 Minster Court, Mincing Lane, EC3R 7AA.

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

**17 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.