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**ROCK INSURANCE SERVICES LIMITED**

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**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**ROCK INSURANCE SERVICES LIMITED**  
**REGISTERED NUMBER: 04255878**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	4	284,217	391,128
Tangible assets	5	187,225	208,899
Investments	6	430	430
		<u>471,872</u>	<u>600,457</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	934,958	502,273
Cash at bank and in hand		2,661,601	1,621,633
		<u>3,596,559</u>	<u>2,123,906</u>
Creditors: amounts falling due within one year	8	(2,511,212)	(1,770,383)
<b>Net current assets</b>		<u>1,085,347</u>	<u>353,523</u>
<b>Total assets less current liabilities</b>		<u>1,557,219</u>	<u>953,980</u>
Creditors: amounts falling due after more than one year	9	(12,423)	(61,600)
<b>Net assets</b>		<u><u>1,544,796</u></u>	<u><u>892,380</u></u>

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**ROCK INSURANCE SERVICES LIMITED**  
**REGISTERED NUMBER: 04255878**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2017**

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	Note	2017 £	2016 £
<b>Capital and reserves</b>			
Called up share capital	11	200	200
Profit and loss account		1,544,596	892,180
		<u>1,544,796</u>	<u>892,380</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 September 2018.

**A J Martin**

Director

The notes on pages 5 to 14 form part of these financial statements.

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ROCK INSURANCE SERVICES LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	200	892,180	892,380
<b>Comprehensive income for the year</b>			
Profit for the year	-	652,416	652,416
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	652,416	652,416
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2017</b>	<b>200</b>	<b>1,544,596</b>	<b>1,544,796</b>

The notes on pages 5 to 14 form part of these financial statements.

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ROCK INSURANCE SERVICES LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

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	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	200	597,761	597,961
<b>Comprehensive income for the year</b>			
Profit for the year	-	294,419	294,419
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	294,419	294,419
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2016</b>	<b>200</b>	<b>892,180</b>	<b>892,380</b>

The notes on pages 5 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**1. General information**

Rock Insurance Services Limited is a private company limited by shares and incorporated in England under registered number 04255878. Its registered office is at 135 High Street, Crawley, West Sussex RH10 1DQ.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

**2.2 Associates and joint ventures**

Associates and Joint Ventures are held at cost less impairment.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover includes revenue earned from sales of insurance products to mainly travel clients and is recognised on the date of booking basis.

**2.4 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software development	-	4	years
Website copyright	-	4	years

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%
Computer equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**2. Accounting policies (continued)**

**2.9 Financial instruments (continued)**

rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.12 Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

**2.13 Taxation**

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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2. Accounting policies (continued)

2.14 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Sales	44	45
Administration	15	13
Technical	5	5
	<hr/>	<hr/>
	<u>64</u>	<u>63</u>

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**ROCK INSURANCE SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**4. Intangible assets**

	Software devel.	Website copyright	Total
	£	£	£
<b>Cost</b>			
At 1 January 2017	843,114	2,160	845,274
Additions	92,158	-	92,158
	<hr/>	<hr/>	<hr/>
At 31 December 2017	935,272	2,160	937,432
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
At 1 January 2017	452,616	1,530	454,146
Charge for the year	198,529	540	199,069
	<hr/>	<hr/>	<hr/>
At 31 December 2017	651,145	2,070	653,215
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2017	<u>284,127</u>	<u>90</u>	<u>284,217</u>
<b>At 31 December 2016</b>	<u>390,498</u>	<u>630</u>	<u>391,128</u>

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ROCK INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2017	192,163	234,164	426,327
Additions	-	72,051	72,051
Disposals	(3,055)	(1,640)	(4,695)
At 31 December 2017	189,108	304,575	493,683
<b>Depreciation</b>			
At 1 January 2017	110,900	106,528	217,428
Charge for the year on owned assets	38,757	61,694	100,451
Disposals	(7,935)	(3,486)	(11,421)
At 31 December 2017	141,722	164,736	306,458
<b>Net book value</b>			
At 31 December 2017	47,386	139,839	187,225
<b>At 31 December 2016</b>	81,263	127,636	208,899

**ROCK INSURANCE SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**6. Fixed asset investments**

	Investments in subsidiary companies £	Investments in associates £	Total £
<b>Cost or valuation</b>			
At 1 January 2017	380	50	430
At 31 December 2017	380	50	430
<b>Net book value</b>			
At 31 December 2017	380	50	430
<b>At 31 December 2016</b>	380	50	430

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Rock Cover Services Limited	England	Ordinary	90 %	Insurance intermediary
Rock (SFC) Cover Services Limited	England	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Rock Cover Services Limited	36,330	(6,308)
Rock (SFC) Cover Services Limited	(8,319)	(429)
	28,011	(6,737)

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**ROCK INSURANCE SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**6. Fixed asset investments (continued)**

**Participating interests**

**Associates**

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
MGA Cover Services Limited	<b>England</b>	<b>Ordinary</b>	50%	<b>Managing general agency</b>

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the associate undertaking were as follows:

	<b>Aggregate of share capital and reserves</b>	<b>Profit/(loss)</b>
	<b>£</b>	<b>£</b>
MGA Cover Services Limited	<b>82,316</b>	<b>480,067</b>
	<hr/>	<hr/>
	<b>82,316</b>	<b>480,067</b>
	<hr/>	<hr/>

**7. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>349,826</b>	354,941
Amounts owed by group undertaking-Rock Services Holdings Ltd	<b>462,038</b>	-
Amounts owed by group undertaking-Rock (SFC) Cover Services Ltd	<b>30,049</b>	27,900
Other debtors	<b>7,948</b>	39,965
Prepayments and accrued income	<b>85,097</b>	79,467
	<hr/>	<hr/>
	<b>934,958</b>	<b>502,273</b>
	<hr/>	<hr/>

**ROCK INSURANCE SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	2017 £	2016 £
Trade creditors	598,332	1,195,702
Amounts owed to group undertaking-Rock Cover Services Ltd	1,412,645	175,495
Other taxation and social security	42,795	44,551
Obligations under finance lease and hire purchase contracts	47,079	48,011
Other creditors	91,631	33,168
Accruals and deferred income	318,730	273,456
	<u>2,511,212</u>	<u>1,770,383</u>

**9. Creditors: Amounts falling due after more than one year**

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	12,423	61,600
	<u>12,423</u>	<u>61,600</u>

**10. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	58,000	58,000
Between 1-5 years	795	58,795
	<u>58,795</u>	<u>116,795</u>

**11. Share capital**

	2017 £	2016 £
<b>Authorised, allotted, called up and fully paid</b>		
102 A Ordinary shares of £1 each	102	102
98 B Ordinary shares of £1 each	98	98
	<u>200</u>	<u>200</u>

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## ROCK INSURANCE SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 12. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £32,687 (2016: £26,998). Outstanding contributions amounted to £9,662 (2016: £3,635) at the year end

#### 13. Related party transactions

**Mr M J Cheetham** - a director, provided consultancy services to the company during the year amounting to £20,136 (2016: £19,913).

**Spark LLP** - business owned by the spouse of director and shareholder Mr A J Martin, provided PR services to the company during the year amounting to £33,000 (2016: £32,220). Amount due to the related party, at the year end (included in creditors due within 1 year) amounted to £2,750 (2016: £3,060).

**Electric Farm Limited** - business owned by the spouse of director Ms K Vyse, provided marketing and consultancy services to the company during the year amounting to £36,449 (2016: £25,504).

**Rock Services Holdings Limited** - parent company holding 100% of the issued share capital in the company. Inter company balance due from the related party, at the year end (included in debtors due within 1 year) amounted to £462,038.

**Rock (SFC) Cover Services Limited** - a subsidiary company of which the company owns 100% of the issued share capital. Inter company balance due from the related party, at the year end ( included in debtors due within 1 year) amounted to £30,049 (2016: £27,900).

**Rock Cover Services Limited** - a subsidiary company of which the company owns 90% of the issued share capital. Inter company balance due to the related party, at the year end ( included in creditors due within 1 year) amounted to £1,412,645 (2016: £175,495).

**MGA Cover Services Limited** - 50% owned joint venture with Advantage Financial Services Limited. Commissions payable to MGA Cover Services Limited in respect of insurance declarations amounted to £54,816 (2016: £77,714). Management fees receivable from MGA Cover Services Limited amounted to £99,908 (2016: £81,796) Amount due to the related party amounted to £24,108 (2016: £23,032) at the year end. The company also received £340,000 as dividends from MGA Cover Services Limited for the year ending 31 December 2017 (2016: £150,000).

#### 14. Controlling party

The company is a 100% owned subsidiary of Rock Services Holdings Limited, a company incorporated in England and Wales, whose registered office is situated at 135 High Street, Crawley, West Sussex, England, RH10 1DQ. Rock Services Holdings Limited is the ultimate parent undertaking in the group.

#### 15. Debenture charge

A debenture charge was registered on 5 February 2018 in favour of Clydesdale Bank Plc.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.