
ROCK INSURANCE SERVICES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021

ROCK INSURANCE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK INSURANCE SERVICES LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

Opinion

We have audited the financial statements of Rock Insurance Services Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Financial Position and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

The impact of uncertainties due to the COVID-19 pandemic on our audit

Uncertainties related to the effects of the COVID-19 pandemic are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments, intangible assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

The COVID-19 pandemic had an unprecedented impact upon the worldwide economy and in particular upon the travel insurance industry, with many consumers cancelling or delaying travel plans as a result. At the date of this report, the full range of possible effects upon travel insurance companies cannot be estimated or assessed due to the current levels of uncertainty around the economy and consumer resilience. There is also a post pandemic issue with airline and supplier resource to cope with the resurging demand for travel, which is well publicised. There is also the uncertainty of the potential impact of a further surge in infection rates in the coming winter months.

We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group or company and this is particularly the case in relation to the COVID-19 pandemic impact.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK INSURANCE SERVICES LIMITED (CONTINUED)
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.4 to the financial statements concerning the Company's ability to continue as a going concern.

As explained in note 2.4, the COVID-19 pandemic has had an unprecedented impact upon the global economy and especially upon the travel insurance industry. These problematic trading conditions have negatively impacted the Company's trade, the Company's current assets, as well as its immediate and projected cash flows.

We draw attention to note 2.4 of the financial statements as to the review and actions undertaken by the Board of Directors to ensure that the Company has adequate resources to continue trading for at least 12 months. The financial statements have therefore been prepared on a going concern basis.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK INSURANCE SERVICES LIMITED (CONTINUED)
UNDER SECTION 449 OF THE COMPANIES ACT 2006

Matters on which we are required to report by exception

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; 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 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK INSURANCE SERVICES LIMITED (CONTINUED)
UNDER SECTION 449 OF THE COMPANIES ACT 2006

Auditors' 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 Auditors' 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.

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:

- We exercise professional judgment and maintain professional scepticism throughout the audit;
- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the deliberate override of internal control;
- We obtain an understanding of internal control 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 internal control;
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made;
- We assess the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- We review the scope of the Company's compliance with its regulator, the Financial Conduct Authority ("FCA") and sample test relevant documentation to assess this and the effectiveness of its control environment;
- We request and review the minutes of management meetings, and assess any matters identified not already provided for or disclosed that may materially impact the financial statements;
- We review the Company's relationships with related parties and other group companies, identifying and disclosing transactions during the year and balances at year-end with such parties;
- We conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

ROCK INSURANCE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK INSURANCE SERVICES LIMITED (CONTINUED)
UNDER SECTION 449 OF THE COMPANIES ACT 2006

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 Auditors' 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.

Ms N A Spoor ACA FCCA (Senior Statutory Auditor)

for and on behalf of

White Hart Associates (London) Limited

Chartered Accountants and Statutory Auditors

2nd Floor, Nucleus House

2 Lower Mortlake Road

Richmond

TW9 2JA

27 September 2022

ROCK INSURANCE SERVICES LIMITED
REGISTERED NUMBER: 04255878

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-----------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 4 | 687,996 | 761,431 |
| Tangible assets | 5 | 45,070 | 70,023 |
| Investments | 6 | 430 | 430 |
| | | <u>733,496</u> | <u>831,884</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 7 | 2,244,933 | 1,023,606 |
| Cash at bank and in hand | | 2,169,062 | 1,877,464 |
| | | <u>4,413,995</u> | <u>2,901,070</u> |
| Creditors: amounts falling due within one year | 8 | (4,203,156) | (2,464,159) |
| Net current assets | | <u>210,839</u> | <u>436,911</u> |
| Total assets less current liabilities | | <u>944,335</u> | <u>1,268,795</u> |
| Net assets | | <u><u>944,335</u></u> | <u><u>1,268,795</u></u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 200 | 200 |
| Profit and loss account | | 944,135 | 1,268,595 |
| | | <u><u>944,335</u></u> | <u><u>1,268,795</u></u> |

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 statement of comprehensive income 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 27 September 2022.

A J Martin
Director

The notes on pages 7 to 22 form part of these financial statements.

ROCK INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

As disclosed in the Directors' Report, the principal activity of the Company in the period under review was that of a travel insurance intermediary.

Rock Insurance Services Limited is a private company limited by shares and incorporated in England under registered number 04255878. The address of the Company's principal place of business, being the same as the registered office stated on the Company Information page, is:

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:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.2 Going concern

The COVID-19 pandemic had an unprecedented impact upon the global economy and in particular upon the travel insurance industry, causing many consumers to cancel, amend their travel arrangements, or not travel at all. The travel insurance industry is currently experiencing the benefit of a post COVID-19 bounce back in travel, however the travel industry is still experiencing the knock-on effect of the pandemic in relation to supplier resource and ability to service. This, combined with consumer unease in relation to the current economic environment, with increasing energy costs, the impact of inflation and potential surge in infection rates as we move into the winter months, has meant that Group management and the directors have continued to review the Company's financial position, as well as forecasts and plan mitigation actions in order to neutralise the financial impact from the significant downturn in trading seen during the COVID-19 pandemic period.

Additionally, they have also performed a sensitivity analysis on the Company's budgets and forecasts to assess the financial impact of any potential further slowdown in trading from the reforecast and its impact on the liquidity of the business. This sensitivity analysis shows that the Company has enough liquidity and cash to trade through a further slowdown.

Group management and the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least the following 12 months from the signing of these financial statements. This is supported by the strong performance seen so far in the first half of 2022, which has seen a significant upside and demand for travel insurance, which the Group has been well placed to meet and service the additional volume.

As a result, and with the Company continuing to receive the full support of its group and shareholders, the directors believe that it is still appropriate to apply the going concern basis for the foreseeable future.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 a date of booking basis.

2.5 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.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent 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 tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 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.

Amortisation is provided on the following bases:

| | | |
|----------------------|---|--------------------|
| Software development | - | 25 % straight line |
| Website copyright | - | 25 % straight line |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 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.

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% | straight line |
| Computer equipment | - | 25% | straight line |

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 profit or loss.

2.13 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 reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.14 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.15 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.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.17 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.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.19 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

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

| | 2021 No. | 2020 No. |
|----------------|-------------|-------------|
| Sales | 37 | 35 |
| Administration | 13 | 12 |
| Technical | 3 | 3 |
| | <u>53</u> | <u>50</u> |

ROCK INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Intangible assets

| | Software development £ | Website copyright £ | Total £ |
|-------------------------------------|------------------------------|---------------------------|----------------|
| Cost | | | |
| At 1 January 2021 | 2,202,066 | 2,160 | 2,204,226 |
| Additions | 290,034 | - | 290,034 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2021 | 2,492,100 | 2,160 | 2,494,260 |
| | <hr/> | <hr/> | <hr/> |
| Amortisation | | | |
| At 1 January 2021 | 1,440,635 | 2,160 | 1,442,795 |
| Charge for the year on owned assets | 363,469 | - | 363,469 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2021 | 1,804,104 | 2,160 | 1,806,264 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| At 31 December 2021 | <u>687,996</u> | <u>-</u> | <u>687,996</u> |
| <i>At 31 December 2020</i> | <u>761,431</u> | <u>-</u> | <u>761,431</u> |

ROCK INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Tangible fixed assets

| | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-------------------------------------|-------------------------------|----------------------------|------------|
| Cost or valuation | | | |
| At 1 January 2021 | 189,108 | 413,851 | 602,959 |
| Additions | - | 12,297 | 12,297 |
| At 31 December 2021 | 189,108 | 426,148 | 615,256 |
| Depreciation | | | |
| At 1 January 2021 | 189,108 | 343,828 | 532,936 |
| Charge for the year on owned assets | - | 37,250 | 37,250 |
| At 31 December 2021 | 189,108 | 381,078 | 570,186 |
| Net book value | | | |
| At 31 December 2021 | - | 45,070 | 45,070 |
| <i>At 31 December 2020</i> | - | 70,023 | 70,023 |

6. Fixed asset investments

| | Investments in subsidiary companies £ | Investments in associates £ | Total £ |
|--------------------------|--|-----------------------------------|------------|
| Cost or valuation | | | |
| At 1 January 2021 | 380 | 50 | 430 |
| At 31 December 2021 | 380 | 50 | 430 |

ROCK INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The aggregate of the share capital and reserves as at 31 December 2021 and of the profit or loss for the year ended on that date for the associate undertaking were as follows:

| | Aggregate of share capital and reserves | Profit/(loss) |
|----------------------------|--|----------------------|
| | £ | £ |
| MGA Cover Services Limited | 4,672 | (19,198) |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Registered office | Principal activity | Class of shares | Holding |
|-----------------------------------|--|---------------------------|----------------------------|----------------|
| Rock Cover Services Limited | 135 High Street, Crawley, West Sussex, RH10 1DQ | Insurance intermediary | Ordinary | 100 % |
| Rock (SFC) Cover Services Limited | 135 High Street, Crawley, West Sussex, RH10 1DQ | Dormant | Ordinary | 100 % |

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| Name | Aggregate of share capital and reserves | Profit/(Loss) |
|-----------------------------------|--|----------------------|
| | £ | £ |
| Rock Cover Services Limited | 44,284 | 14,605 |
| Rock (SFC) Cover Services Limited | - | - |

Associate

The following was an associate of the Company:

| Name | Registered office | Principal activity | Class of shares | Holding |
|----------------------------|--|---------------------------|----------------------------|----------------|
| MGA Cover Services Limited | 135 High Street, Crawley, West Sussex, RH10 1DQ | Managing general agency | Ordinary | 50 % |

ROCK INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Debtors

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Trade debtors | 1,490,962 | 548,109 |
| Amounts owed by group undertakings | 260,525 | 94,403 |
| Amounts owed by joint ventures and associated undertakings | 4,250 | 7,181 |
| Other debtors | 221,033 | 271,733 |
| Prepayments and accrued income | 215,294 | 86,428 |
| Deferred taxation | 52,869 | 15,752 |
| | <u>2,244,933</u> | <u>1,023,606</u> |

8. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 3,419,803 | 1,323,552 |
| Amounts owed to group undertakings | 28,309 | 324,528 |
| Other taxation and social security | 201,743 | 251,984 |
| Other creditors | 155,135 | 160,120 |
| Accruals and deferred income | 398,166 | 403,975 |
| | <u>4,203,156</u> | <u>2,464,159</u> |

ROCK INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Deferred taxation

| | 2021 £ |
|---------------------------|----------------------|
| At beginning of year | 15,752 |
| Charged to profit or loss | 37,117 |
| At end of year | <u>52,869</u> |

The deferred tax asset is made up as follows:

| | 2021 £ | 2020 £ |
|--------------------------------|----------------------|----------------------|
| Accelerated capital allowances | (23,339) | (60,456) |
| Tax losses carried forward | 76,208 | 76,208 |
| | <u>52,869</u> | <u>15,752</u> |

10. Share capital

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Authorised, allotted, called up and fully paid | | |
| 102 (2020 - 102) A Ordinary shares of £1.00 each | 102 | 102 |
| 98 (2020 - 98) B Ordinary shares of £1.00 each | 98 | 98 |
| | <u>200</u> | <u>200</u> |

The A and B Ordinary shares of £1 each carry full voting rights, full dividend rights and full rights to participation in any capital distribution on winding up.

11. 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 £49,387 (2020: £47,413). Outstanding contributions amounted to £16,158 (2020: £7,542) at the year end

ROCK INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Not later than 1 year | 86,008 | 92,248 |
| Later than 1 year and not later than 5 years | 341,764 | 342,331 |
| Later than 5 years | 170,882 | 256,323 |
| | <u>598,654</u> | <u>690,902</u> |

ROCK INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Related party transactions

ROCK INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Related party transactions (continued)

Mr A J Martin - a director, provided consultancy services to the Company during the year amounting to £13,500 (2020: £76,000). The amount due from the related party at the year end amounted to £3,947 (2020: £13,500 due to the related party).

Mr M T Humphreys - a director who provided consultancy services to the Company during the year amounting to £Nil (2020: £48,000).

Electric Farm Limited - a business which has directors in common with the Company. Graphic design and production services payable to the related party during the year amounted to £2,472 (2020: £Nil).

Practicum Solutions Limited - a business which has directors in common with the Company. Consultancy payable to the related party during the year amounted to £63,798 (2020: £Nil).

Spark Public Relations LLP - a business owned by the spouse of director and shareholder Mr A J Martin, provided PR services to the Company during the year amounting to £35,253 (2020: £47,004). The amount due from the related party at the year end amounted to £Nil (2020: £11,751).

Pallmall Business Limited - a business which previously owned 33.5% of the immediate parent company, Rock Services Holdings Limited until 7 July 2021. Commissions and consultancy payable to Pallmall Business Limited during the year amounted to £9,000 (2020: £80,500).

Endacott Enterprises Limited - a business which has directors in common with the Company. Commissions and consultancy payable to Endacott Enterprises Limited during the year amounted to £28,140 (2020: £82,900).

Howserv Limited - a business which is also part of the Staysure Group, which Rock Insurance Services Limited became a part of on 7 July 2021. The inter-company balance due to the related party at the year end amounted to £153,987. Call centre and staff costs payable to Howserv Limited during the year amounted to £248,473.

Payingtoomuch Holidays Limited - a business which is also part of the Staysure Group, which Rock Insurance Services Limited became a part of on 7 July 2021. The inter-company balance due to the related party at the year end amounted to £113,041. Gross insurance premiums receivable during the year from Payingtoomuch Holidays Limited amounted to £155,416.

Rock Services Holdings Limited - parent company holding 100% of the issued share capital in the Company. The inter-company balance due to the related party at the year end (included within creditors due within 1 year) amounted to £28,309 (2020: £324,528).

Rock Cover Services Limited - a subsidiary company of which the Company owns 100% of the issued share capital. The inter-company balance due from the related party at the year end (included within creditors due within 1 year) amounted to £13,821 (2020: £13,714). Management fees receivable during the year from Rock Cover Services Limited amounted to £Nil (2020: £40,000).

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 £Nil (2020: £10,105). Management fees receivable from MGA Cover Services Limited amounted to £8,286 (2020: £17,742). The balance due from the related party amounted to £4,250 (2020: £6,976) at the year end. The Company also received £Nil as dividends from MGA Cover Services Limited for the year ending 31 December 2021 (2020: £50,000).

Tigon Cover Services Limited - a company which is under control of the same parent company, Rock Services Holdings Limited. The inter-company balance due from the related party at the year end

ROCK INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Related party transactions (continued)

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.

On 7 July 2021, the parent company, Rock Services Holdings Limited, was acquired by Staysure Holdings Limited, a company incorporated in Gibraltar.

The ultimate controlling party is Mr R Howsam, due to his majority shareholding in the ultimate holding company of the group.

15. Debenture charge

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

A further debenture charge was registered on 7 July 2021 in favour of Mr S Endacott, a company director.

16. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 27 September 2022 by Ms N A Spoor ACA FCCA (Senior Statutory Auditor) on behalf of White Hart Associates (London) Limited.

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.