

# eDevelopment (2) Limited

## Report & Financial Statements

For the year ended 31 December 2016

Company Registration No. 07804781



**eDevelopment (2) Limited**  
**Report and financial statements**  
**For the year ended 31 December 2016**

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**Company information**

Company registration number:	07804781
Registered office:	Lysander House (2nd Floor) Catbrain Lane Cribbs Causeway Bristol BS10 7TQ
Directors:	A Banks E Bilney
Auditors:	BDO LLP Registered Auditors and Chartered Accountants 55 Baker Street London W1U 7EU

**eDevelopment (2) Limited**  
**Report and financial statements**  
**For the year ended 31 December 2016**

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**eDevelopment (2) Limited**  
**Directors' report**  
For the year ended 31 December 2016

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The directors present this report and the audited financial statements for the year ended 31 December 2016.

eDevelopment (2) Limited ("the Company") is a limited company incorporated in England and Wales on 11 October 2011 and is a member of the Rock Holdings Group ("the Group").

**Principal activity**

The Company's principal activity is that of a cash handling company for the underwritten premium of Southern Rock Insurance Company Limited.

**Business review**

The profit for the year after taxation was £61,000 (2015: profit of £86,000). No dividends were paid or proposed in the year ended 31 December 2016 (2015: £nil).

**Future outlook**

The directors intend for the Company to continue its current operations.

**Directors**

The directors who served during the period and to the date of signing the accounts were:

A Banks  
E Bilney

There were no changes to directors during the year.

**Strategic report exemption**

The directors have taken advantage of the small companies' exemption as defined under the Companies Act 2006 from the requirement to prepare a Strategic report.

**Financial risk management objectives and policies**

The Group parent company, Rock Holdings Limited ("RHL"), uses financial instruments such as cash, loans, debtors and creditors in order to raise finance for the Company's operations. The existence of these instruments exposes the Company to financial risks which are detailed below.

***Liquidity / cash flow risk***

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet its foreseeable needs and to invest cash assets safely and profitably. The Group as a whole monitors cash flow using sophisticated forecasting techniques to ensure that all liabilities are met when due.

***Interest risk***

The Group monitors its banking facilities and compliance with related covenants as required. Group monies are also monitored to minimise interest charges on overdrafts and to ensure cash balances are used to offset overdrafts.

***Credit risk***

The principal credit risk for the Company arises from its debtors as part of its premium cash handling operations. In order to manage credit risk the directors have incorporated a range of credit control procedures to monitor debt levels and to ensure that any debts are collected as soon as reasonable possible.

#### Statement of directors' responsibilities

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

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

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

#### Provision of information to the auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditor is aware of that information.

#### Auditors

The auditors are BDO LLP, who are eligible for re-appointment.

This report was approved by the Board and signed on its behalf by:

  
E Bilney  
Director

Date:

25<sup>th</sup> September 2017

**eDevelopment (2) Limited**  
**Independent auditor's report to the member of eDevelopment (2) Limited**  
**For the year ended 31 December 2016**

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We have audited the financial statements of eDevelopment (2) Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the company's profit 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.

**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.

**eDevelopment (2) Limited**

**Independent auditor's report to the member of eDevelopment (2) Limited (continued)**  
**For the year ended 31 December 2016**

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

In the light of the knowledge and understanding of the group and 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

David Roberts (Senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, United Kingdom

Date 25 Sept 2017



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

**eDevelopment (2) Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2016**

	Note	2016 £'000	2015 £'000
Turnover	2	900	925
Administrative expenses		(535)	(813)
<b>Operating profit</b>	3	<b>365</b>	<b>112</b>
Interest receivable		(2)	(4)
Changes in fair value of Investments		(314)	-
<b>Profit on ordinary activities before tax</b>		<b>49</b>	<b>108</b>
Tax on profit on ordinary activities	5	12	(22)
<b>Profit for the financial period, being total comprehensive income</b>		<b>61</b>	<b>86</b>

The notes on pages 8 to 12 are an integral part of these financial statements.



eDevelopment (2) Limited  
Statement of financial position  
For the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Investments	6	1,176	-
<b>Current assets</b>			
Debtors	7	30,494	35,456
Cash at bank		6,035	1,591
		36,529	37,047
<b>Creditors</b>			
Amounts falling due within one year	8	(37,442)	(36,846)
<b>Net current (liabilities)/assets</b>		(913)	201
<b>Total assets less net current (liabilities)/assets</b>		263	201
<b>Net assets</b>		263	201
<b>Capital and reserves</b>			
Share capital	9	-	-
Profit and loss account		262	201
<b>Shareholders' funds</b>		262	201

The notes on pages 8 to 12 are an integral part of these financial statements.

These financial statements are prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved by the board of directors and were signed on its behalf by:

  
E Bilney  
Director

25<sup>th</sup> September 2017

**eDevelopment (2) Limited**  
**Statement of changes in equity**  
For the year ended 31 December 2016

	Share capital £'000	Profit & loss account £'000	Total equity £'000
At 1 January 2016	-	201	201
<b>Comprehensive income for the year</b>			
Profit for the year	-	61	61
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income</b>	-	61	61
<b>Contributions by and distributions to owners</b>	-	-	-
<b>As at 31 December 2016</b>	-	262	262
	Share capital £'000	Profit & loss account £'000	Total equity £'000
At 1 January 2015	-	115	115
<b>Comprehensive income for the year</b>			
Profit for the year	-	86	86
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income</b>	-	86	86
<b>Contributions by and distributions to owners</b>	-	-	-
<b>As at 31 December 2015</b>	-	201	201

The notes on pages 8 to 12 are an integral part of these financial statements.

**1. Accounting policies**

**1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

**1.2 Going concern basis**

The directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. Accordingly, the going concern basis is used in preparing the financial statements.

**1.3 Critical accounting estimates and judgements in applying accounting policies**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies; the directors do not consider there to be significant level of uncertainty in any estimate used in preparing these accounts.

There are no estimates and judgements that have a significant risk of causing material misstatement of the reported amounts of assets and liabilities or revenues and expenses.

**1.4 Cash flow statement**

The directors have taken advantage of the small companies' exemption from preparing a cash flow statement, under FRS 102 and the Companies Act 2006.

**1.5 Income recognition**

Turnover comprises revenue in respect of cash handling fees, exclusive of value added tax and trade discounts.

**1.6 Investments**

Investments comprise investments in listed companies. These are recognised in the Statement of financial position at market value at the balance sheet date. Any movement in market value is recognised in the Statement of comprehensive income.

**1.7 Financial instruments**

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities.

Financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction; therefore the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets that are measured at cost and amortised cost are assessed for objective evidence of impairment. If evidence is found, an impairment loss is recognised in the Income statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount the Company would receive for the asset if it were to be sold at the reporting date.

Financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction; therefore the liability is measured at the present value of the future payments discounted at a market rate of interest.

Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expires.

Financial asset and liabilities are offset and the net amount reported in the Statement of financial position where 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.

## 1.8 Taxation

The tax expense for the period recognised in the income statement comprises current tax.

Current tax which is payable or receivable on taxable profits or losses is recognised as an expense or credit in the period in which the profits or losses arise. The current income tax charge is calculated on the basis of the tax rates enacted or substantially enacted at the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

## 1.9 Creditors

Short term creditors are measured at the transaction price.

## 2. Turnover

Turnover comprises cash handling fees paid by Rock Holdings Limited ("RHL"), a related party, and arose in the United Kingdom (see note 11).

## 3. Operating profit

Operating profit is stated after charging:

	2016 £'000	2015 £'000
Audit fees	8	8
Fees for non-audit services - tax compliance	2	4

## 4. Directors' emoluments

	2016 £'000	2015 £'000
Directors' emoluments	50	50

Other than directors, the Company has no employees. Staff who provide administrative services to the Company are employed by a related party and the cost of these services are recharged to the Company.

The 2015 comparative for directors' emoluments has been restated from £375,000 to £50,000 in order to separate the expense into its relevant components.

## 5. Taxation

	2016 £'000	2015 £'000
Current tax		
- UK corporation tax on profit on ordinary activities	(12)	22

The tax (credit)/charge on the profit for the year is higher (2015: equal) than would arise using the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

eDevelopment (2) Limited  
Notes to the financial statements (continued)  
For the year ended 31 December 2016

5. Taxation (continued)

	2016 £'000	2015 £'000
Factors affecting the tax (credit)/charge for the year:		
Profit before tax	49	108
Profit before tax multiplied by the UK corporation tax rate of 20% (2015: 20.25%)	10	22
Effects of:		
- Adjustments in respect of prior periods	(22)	-
	<u>(12)</u>	<u>22</u>

6. Investments

	Other investments £'000
Cost	
At 1 January and 31 December 2015	-
Additions	1,490
Changes in fair value of Investments	(314)
At 31 December 2016	<u>1,176</u>

7. Debtors

	2016 £'000	2015 £'000
Amounts owed to related parties (see note 11)	26,690	33,259
Trade debtors	3,788	2,197
Current tax	12	-
Other debtors	4	-
	<u>30,494</u>	<u>35,456</u>

Amounts owed by related parties are unsecured, interest free and repayable on demand.

8. Creditors

	2016 £'000	2015 £'000
Amounts falling due within one year		
Amounts owed to related parties (see note 11)	37,425	35,821
Accruals and deferred income	17	910
Current tax	-	22
Other creditors	-	93
	<u>37,442</u>	<u>36,846</u>

Amounts owed to related parties are unsecured, interest free and repayable on demand.

**eDevelopment (2) Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**9. Share capital**

	2016 £'000	2015 £'000
Allotted, called up and fully paid		
1 ordinary share of £1 each		

**10. Financial instruments**

	2016 £'000	2015 £'000
<b>Financial assets</b>		
Financial assets measured at amortised cost	36,517	37,047
Investments measured at fair value through profit and loss	1,176	-
	<b>37,693</b>	<b>37,047</b>
<b>Financial liabilities</b>		
Liabilities measured at amortised cost	37,442	36,846

**11. Related party transactions**

	2016 Income £'000	2016 Expense £'000	2015 Income £'000	2015 Expense £'000
<b>Transactions with Group undertakings</b>				
Rock Holdings Limited	900	-	-	-
Rock Services Limited	-	(593)	-	783
Southern Rock Insurance Company Limited	-	-	900	-
	<b>900</b>	<b>(593)</b>	<b>900</b>	<b>783</b>
<b>Year end balances arising from transactions with Group undertakings</b>				
Rock Holdings Limited	21,988	-	21,988	24,860
Rock Services Limited	-	-	-	3,560
Southern Rock Insurance Company Limited	-	(37,425)	(37,425)	(35,821)
	<b>21,988</b>	<b>(37,425)</b>	<b>(15,437)</b>	<b>(7,401)</b>
<b>Year end balances arising from transactions with entities sharing key management</b>				
Eldon Insurance Services Limited	4,602	-	-	4,839
Business Choice Direct Insurance Services Limited	101	-	-	-
	<b>4,703</b>	<b>-</b>	<b>-</b>	<b>4,839</b>

**12. Ultimate parent undertaking and controlling party**

The immediate and ultimate parent undertaking for which group accounts have been prepared is Rock Holdings Limited. The registered address of Rock Holdings Limited is 2nd Floor, Murdoch Chambers, South Quay, Douglas, Isle of Man, IM1 5AS and the company number is 114781C.

The ultimate controlling party of Rock Holdings Limited is A Banks by virtue of his majority shareholding.