
ROCK COVER SERVICES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

ROCK COVER SERVICES LIMITED

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

Opinion

We have audited the financial statements of Rock Cover Services Limited (the 'Company') for the year ended 31 December 2019, 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 2019 and of its 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.

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 and Britain exiting the European Union on our audit

Uncertainties related to the effects of the COVID-19 pandemic and Brexit 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 Company's future prospects and performance.

The COVID-19 pandemic has 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 companies cannot be estimated or assessed due to the current levels of uncertainty around government and consumer responses to what might happen. We have applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit is able, or should be expected, to predict unknowable factors or all possible future implications for a company and this is particularly the case in relation to the COVID-19 pandemic.

Brexit was also one of the most significant economic events for the UK, and at the date of this report its effects are still subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty 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 company or group and this is particularly the case in relation to Brexit.

ROCK COVER SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK COVER 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 2.2 to the financial statements concerning the Company's ability to continue as a going concern.

As explained in note 2.2, the current COVID-19 pandemic has had an unprecedented impact upon the global economy and especially upon the travel insurance industry. This has led many consumers to hold off on taking out new policies or to cancel existing travel plans until the global situation stabilises, resulting in greatly reduced cash flows for travel insurance companies. These problematic trading conditions have negatively impacted the Company's trade as well as its immediate and projected cash flows.

In the event that the COVID-19 pandemic worsens for a prolonged period of time, this would put pressure on the Company's finances and its ability to continue as a going concern. We draw attention to note 2.2 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.

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

ROCK COVER SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK COVER 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 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.

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.

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 COVER SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK COVER 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 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 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

16 November 2020

ROCK COVER SERVICES LIMITED
REGISTERED NUMBER: 07301317

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors	4	181,173	126,815
Cash at bank and in hand		211,639	120,587
		<u>392,812</u>	<u>247,402</u>
Creditors: amounts falling due within one year	5	(345,648)	(211,949)
Net current assets		<u>47,164</u>	35,453
Total assets less current liabilities		<u>47,164</u>	35,453
Net assets		<u><u>47,164</u></u>	<u><u>35,453</u></u>
Capital and reserves			
Called up share capital	7	200	200
Profit and loss account		46,964	35,253
		<u><u>47,164</u></u>	<u><u>35,453</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 16 November 2020.

A J Martin
Director

The notes on pages 6 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 Cover Services Limited is a private company limited by shares and incorporated in England under registered number 07301317. 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:

2.2 Going concern

The current COVID-19 pandemic has had an unprecedented impact upon the global economy and in particular upon the travel insurance industry, causing many consumers to cancel or amend their travel arrangements.

Additionally, with the majority of consumers no longer seeking to book holidays until the global situation stabilises, many travel insurance companies are struggling to cope with greatly reduced cash flows. The full impact of the COVID-19 pandemic on the business remains uncertain and as a result is not completely quantifiable.

Nevertheless, the directors have taken immediate and comprehensive steps to review the Company's financial position, downgraded its forecasts and planned mitigation actions in order to neutralise the financial impact from the significant downturn in trading for the travel insurance industry. The directors have also performed a sensitivity analysis to assess the financial impact of a further and/or prolonged downturn 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. 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. As a result, the directors believe that it is still appropriate to apply the going concern basis for the Company for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

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.

2.4 Revenue

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 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 Statement of Financial Position 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.

2.7 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 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.

ROCK COVER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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.

2.11 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.

3. Employees

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

	2019 No.	2018 No.
Directors	<u>2</u>	<u>2</u>

ROCK COVER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Debtors

	2019 £	2018 £
Trade debtors	157,440	126,815
Prepayments and accrued income	13,287	-
Deferred taxation	10,446	-
	<u>181,173</u>	<u>126,815</u>

5. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	243,981	129,875
Amounts owed to group undertakings	13,714	-
Accruals and deferred income	87,953	82,074
	<u>345,648</u>	<u>211,949</u>

ROCK COVER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Deferred taxation

	2019 £
Charged to profit or loss	10,446
At end of year	10,446

The deferred tax asset is made up as follows:

	2019 £	2018 £
Tax losses carried forward	10,446	-
	10,446	-

ROCK COVER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Share capital

	2019	<i>2018</i>
	£	£
Authorised, allotted, called up and fully paid		
20 (2018 - 20) A Ordinary shares of £1.00 each	20	<i>20</i>
180 (2018 - 180) B Ordinary shares of £1.00 each	180	<i>180</i>
	<hr/>	<hr/>
	200	<i>200</i>
	<hr/>	<hr/>

8. Related party transactions

Rock Insurance Services Limited - parent company holding 90% of the issued share capital in the Company. The Inter-company balance due from the related party at the year end (included in debtors due within 1 year) amounted to £Nil (2018: £Nil). Management fees payable during the year to Rock Insurance Services Limited amounted to £36,000 (2018: £74,246).

9. Controlling party

The company is a 90% owned subsidiary of Rock Insurance Services 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, a company incorporated in England and Wales, whose registered office is situated at 135 High Street, Crawley, West Sussex, England, RH10 1DQ is the ultimate parent undertaking in the group.

10. Debenture charge

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

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 16 November 2020 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.