

Company Registration Number: 009567930

Exeter Cash Plan Holdings Limited

Annual report and financial statements

Year ended 31 December 2019



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Strategic Report

The Directors present their report of the financial statements of Exeter Cash Plan Holdings Limited (the 'company') for the period to 31st December 2019.

Principal Activities

The company was incorporated on 29th April 2015 and acts as the holding company for The Exeter Cash Plan Limited. The company does not trade.

Business review

No activity took place in the year.

Key performance indicators

As the company does not trade, it does not have any performance indicators other than the position of the company as shown in the Statement of Financial Position on page 11. As such the Board do not consider it appropriate to report any other key performance indicators.

Net Assets as at 31 December 2019 were £100 (2018: £100).

Proposed dividend

The Directors do not recommend the payment of a dividend for the period.

Principal risks and uncertainties

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. In meeting its obligations, the Board has carried out an assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

Given the nature of the Company's activities the key risk is the valuation of the operating subsidiary. This risk is mitigated by operational controls within that subsidiary which are reviewed regularly by the Board. Having monitored and reviewed the Company's risk management and internal control systems during the year, the Board is satisfied that these are operating effectively.

Future outlook

The company's intention is to remain a holding company for the foreseeable future and to continue not to trade.

On behalf of the Board of Directors



W W Dobbin, BA, Barrister
Director
15 April 2020

Registered Office:
Lakeside House, Emperor Way, Exeter, EX1 3FD

Directors' Report

As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report. This information is:

- Results and dividends;
- Principal activities of the company;
- Business review and future prospects;
- Principal risks and uncertainties.

Directors and their interests

The present members of the Board and the members who were in office during the year and up to the date of signing the financial statements are shown below:

A D S Chapman
P Austin (until April 2019)
J R Gunn (from April 2019)
W W Dobbin
D S Brand
S J Payne
H S McEwan
W T Hamilton
S D Bryan
C J Pollard (from April 2019)
K R Baldwin (from August 2019)

Parent company

The company is a wholly owned subsidiary of Exeter Friendly Society Limited, a friendly society incorporated under the Friendly Societies Act 1992.

The company is part of the Exeter Friendly Society Group and the holding company has confirmed that it will continue to provide any financial support required for at least the next 12 months from the date of approval of these financial statements.

Preparation of financial statements

The financial statements for the year have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. This provides consistency with the company's parent company, Exeter Friendly Society Limited.

Employees

The company did not directly employ any staff, instead it utilised the staff and premises of Exeter Friendly Society Limited in carrying out its activities in 2019.

Directors' and officers' liability insurance

Exeter Friendly Society Limited purchased and maintained throughout the period, on behalf of its subsidiaries, Directors' and Officers' liability insurance in respect of the company and its Directors. It is available for inspection at the registered office of the company, details of which are provided on page 3.

Directors' Report (continued)

Risk Management

The Company's only activity is as an intermediate holding company for The Exeter Cash Plan, a regulated insurance company providing Health Cash Plans to corporate and individual customers. If funding is required in The Exeter Cash Plan it is supplied by the Company's parent, Exeter Friendly Society Limited and therefore the risks faced by the company are limited to the value of the investment held in its Subsidiary.

The key risks relating to the valuation of the operating subsidiary are as follows:

- General insurance risks resulting from writing health cash plan products. These risks are managed through regular monitoring of claim and persistency results against budget expectations.
- Market risk arising from changes in the value of assets or in the income from the assets. The key risk faced in this area is interest rate risk and the largest financial asset is a portfolio of Gilt investments. Market risks are managed so that the returns generated are in line with expectations and support future strategic and operational objectives.
- Credit Risk due to default by debtors, customers and other counterparties which is managed by regular review of credit positions.
- Liquidity risk is the risk that the business, although solvent, is unable to meet its obligations as they fall due. In the event that further liquidity is required the Parent Company has agreed to support the Company and its subsidiary as disclosed in the Director's report.
- The coronavirus (COVID-19) has been identified as a risk, and we are monitoring its impact on our business. There is uncertainty over the magnitude of the economic slowdown that will result from this pandemic.

Capital management

Capital resources result from either accumulated reserves or capital supplied by the Holding Company. There are no other capital tiers or capital instruments in issue; subordinated or unsubordinated. Therefore, all surplus capital is available to support the business.

The Exeter Cash Plan operation is a 100% owned subsidiary which has its own regulatory registration and capital resources requirement. On the basis of Solvency II regulations which result in total available capital resources of the subsidiary amount to £3.0 million (2018 on a comparative basis: £3.1 million).

Going concern

The ultimate parent company of Exeter Cash Plan Holdings Limited ("ECPHL") is Exeter Friendly Society Limited. Exeter Friendly Society Limited has prepared a business plan for itself and its subsidiaries and has projected the future working capital requirements of ECPHL. The Directors of ECPHL have presented the financial statements on a going concern basis as Exeter Friendly Society Limited has confirmed, as part of the business plan, its commitment to funding the future working capital requirements of ECPHL for a period of at least twelve months from the date of the signing of the financial statements.

Directors' Report (continued)

Statement of disclosure of information to the auditor

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors and signed on behalf of the Board

W W Dobbin, BA, Barrister
Director
15 April 2020

A handwritten signature in black ink, appearing to read 'Wallace Dobbin', written over a horizontal line.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Exeter Cash Plan Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Exeter Cash Plan Holdings Limited's financial statements:

give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss and cash flows for the year then ended;

have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and

have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Sue Morling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
15 April 2020

Statement of Comprehensive Income

For the year ending 31 December 2019

	Note	2019	2018
Total Income		0	0
Net Operating Expenses	4	(918,738)	0
(Loss) / Profit before tax		(918,738)	0
Income Tax Expense		0	0
(Loss) / Profit		(918,378)	0

The notes on pages 12 to 16 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2019

	2019			2018		
	Share capital	Retained earnings	Total equity	Share capital	Retained earnings	Total equity
	£	£	£	£	£	£
Balance at 1 January 2019 / Balance at 1 January 2018	100	-	100	100	-	100
(Loss) for the year	-	(918,738)	(918,738)	-	-	-
Balance at 31 December 2019 / 2018	100	(918,738)	(918,738)	100	-	100

The notes on pages 12 to 16 form part of these financial statements.

Statement of Financial Position

as at 31 December 2019

	Note	2019	2018
		£	£
Assets			
Investment in subsidiary	5	2,983,532	3,902,270
Total Assets		2,983,532	3,902,270
Equity			
Share capital	8	100	100
Accumulated losses		(918,738)	0
Total Equity		(918,638)	100
Liabilities			
Trade and other payables			
- Amounts due to group undertakings	6	3,902,170	3,902,170
Total Liabilities		3,902,170	3,902,170
Total equity and liabilities		2,983,532	3,902,270

There are no cash flows to report for the period. The notes on pages 12 to 16 form part of these financial statements.

The financial statements on pages 10 to 11 were approved by the Board of Directors on 15 April 2020 and were signed on its behalf by:

W W Dobbin, BA, Barrister
Director



A D S Chapman, ACII, APFS
Director



Notes to the Financial Statements

for the period ended 31 December 2019

1 Accounting policies

1.1 General information

The company is a private company, limited by shares incorporated in England, the United Kingdom and is a holding company for The Exeter Cash Plan Limited.

1.2 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and in line with the interpretations of the IFRS Interpretations Committee (IFRS IC). In addition, the company's financial statements conform to those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. Other than forecasting subsidiary company results for the impairment review the company has not used any significant estimates or judgements in preparing the financial statements in conformity with IFRS. The principal accounting policies are listed below. The accounting policies have been applied consistently and the financial statements have been prepared on a going concern basis.

A Statement of Comprehensive income has not been presented for the reporting period as the company did not incur any comprehensive income in the reporting period.

A Statement of Cash Flows has not been presented for the reporting period as the company had no cash movements in the reporting period.

The company has taken advantage of the exemption to produce consolidated financial statements under IFRS 10 para 4a as it is an intermediate parent company that meets the following conditions:

- i. it is a wholly-owned subsidiary or is a partially-owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements;
- ii. its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
- iii. it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market; and
- iv. its ultimate or any intermediate parent produces consolidated financial statements that are available for public use and comply with IFRS.

1.3 Principal accounting policies

i. Investment in subsidiary

Subsidiaries are held in the Statement of Financial Position at fair value through other comprehensive income. The carrying amounts of the company's investments are reviewed for impairment at each balance sheet date, or when events or changes in

Notes to the Financial Statements

for the period ended 31 December 2019

circumstances indicate that the carrying amount of the investment may not be recoverable.

1.3 Principal accounting policies continued

recoverable. The recoverable amount is deemed to be the higher of Fair Value less costs to sale and Value In Use. If any such indication exists, the investment's recoverable amount is estimated, and any shortfall is recognised in the Statement of Other Comprehensive Income.

ii. Trade and other payables

Trade and other payables are recognised as they fall due. Trade and other payables include amounts due to group undertakings. They are initially measured at fair value, and then at amortised cost.

2 Directors emoluments

The emoluments of the Directors are paid by the ultimate parent company, Exeter Friendly Society Limited, which makes no recharge to the company. Each of the Directors are also directors of the parent company and the company's subsidiary, The Exeter Cash Plan. It is not possible to make an accurate apportionment of their emoluments in respect of each of the company and its subsidiary, The Exeter Cash Plan. Accordingly, no emoluments have been included within this disclosure. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Exeter Friendly Society Limited.

3 Auditors remuneration

Audit fees incurred by the company are paid for by the parent company Exeter Friendly Society Limited. The company incurred fees of £3,500 (2018: £3,275) for the audit of the financial statements for the period to 31st December 2019.

In addition, fees of £11,500 (2018: £14,480) were incurred by The Exeter Cash Plan Limited, the company's subsidiary, for the audit of the financial statements. There were no audit fees associated with regulatory submissions of The Exeter Cash Plan Limited for the year ended 31st December 2019 (2018: nil).

4 Net operating expenses

	2019	2018
	£	£
Provision for impairment	918,738	-
Net operating expenses	918,738	-

Notes to the Financial Statements

for the period ended 31 December 2019

5 Investment in subsidiary

	2019	2018
	£	£
At 1 January	3,902,270	3,902,270
Provision for impairment	(918,738)	-
At 31 December	2,983,532	3,902,270

The investment in subsidiary relates to The Exeter Cash Plan Limited which was acquired in 2015. The issued share capital consists of 5,000,001 ordinary shares of £1 each. The principal activity of The Exeter Cash Plan Limited is the underwriting of health insurance business.

The company has examined the carrying value of its subsidiary and concluded that a provision for impairment is required. In previous years the investment in subsidiary has been measured at Value in Use. This is the carrying value compared to embedded value based on actuarial assumptions. The value of future cash flow is highly sensitive to Claim Loss Ratios which have been volatile in 2019. As a result of this the Fair Value measurement is higher, and this has resulted in an impairment being recognised in the year.

6 Trade and other payables

	2019	2018
	£	£
Amounts owed to group undertakings	3,902,170	3,902,170
Total trade and other payables including tax and social security	3,902,170	3,902,170

Amounts owed to group undertakings are considered a non-current liability, repayable on demand from the group.

7 Related party transactions

The company is a wholly owned subsidiary of Exeter Friendly Society Limited. IAS 24 requires the subsidiary to disclose any balances due or from other group companies.

Transactions in the period

	2019	2018
	£	£
Investment in The Exeter Cash Plan Limited in the year	-	-
Loan received from Exeter Friendly Society Limited in the year	-	-

The amount owing to Exeter Friendly Society Limited at 31 December 2019 was £3,902,170 (31 December 2018: £3,902,170)

Notes to the Financial Statements

for the period ended 31 December 2019

8 Share capital

	2019	2018
	£	£
100 (2018: 100) ordinary shares of £1 each	100	100

9 Ultimate parent company

The immediate and ultimate parent company and the ultimate controlling party is Exeter Friendly Society Limited, a UK incorporated Friendly Society registered under the Friendly Societies Act 1992.

The largest and smallest group whose financial statements this company is consolidated into is Exeter Friendly Society Limited. Exeter Cash Plan Holdings Limited is the smallest company within the group.

The consolidated financial statements of Exeter Friendly Society Limited are available to the public and may be obtained from: The Company Secretary, Lakeside House, Emperor Way, Exeter, EX1 3FD or at www.the-exeter.com.

10 Related undertakings

The company has the following subsidiary undertakings:

The Exeter Cash Plan Limited is a wholly owned subsidiary of Exeter Cash Plan Holdings Limited and is incorporated in the UK. The company holds all of the issued ordinary shares of The Exeter Cash Plan Limited. The registered address of the Exeter Cash Plan Limited is Lakeside House, Emperor Way, Exeter, EX1 3FD

11 Events after the reporting period

The coronavirus (COVID-19) has been identified as a non-adjusting post Balance Sheet event, and we are monitoring its impact on our business. There is uncertainty over the magnitude of the economic slowdown that will result from this pandemic and in the resulting impact on the Investment in subsidiary. The Company is unable to estimate the full financial impact at this stage. We are actively continuing to monitor the situation.

12 IFRS Developments

Standards, amendments and interpretations effective for 2019, which are considered to have no significant impact on the Company's results, are set out below.

12.1 New standards which are now effective

IFRS 16 'Leases'

Effective for accounting periods beginning on or after 1 January 2019. The Company does not currently hold any leases within the scope of IFRS 16.

Notes to the Financial Statements

for the period ended 31 December 2019

IAS 28 'Investments in associates'

Effective for annual accounting periods beginning on or after 1 January 2019. The Company does not have any long term interests in Subsidiaries that require additional disclosure under this standard.

IFRIC 23 'Uncertainty over income tax'

Effective for annual accounting periods beginning on or after 1 January 2019. An uncertain tax treatment is any tax treatment applied where there is uncertainty over whether the treatment will be accepted by the tax authority. This is not applicable to The Company

Annual improvements 2015-2017 cycle

The annual improvements are effective on or after 1 January 2019 and cover the following standards; IFRS 3 'Business Combinations', IFRS 11 'Joint arrangements', IAS 12 'Income Taxes' and IAS 23 'Borrowing costs'. These changes have not had an impact on the financial statements of The Company.

12.2 New standards not yet effective

As at the date of authorisation of these financial statements, the following Standards and Interpretations as well as amendments to existing Standards and Interpretations, which have not been applied in these financial statements, were in issue but not effective;

IFRS 3 'Business Combinations'

IFRS 3 provides clarification over what can be defined as a business. The Company will not be impacted by these changes.

Amendments to IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and errors' definition of material

The amendments to these standards concern the definition of 'material' and make IFRS's more consistent. The Company does not expect this to have a significant impact on the preparation of Financial Statements.