

## **Go Private Limited**

### **Directors' report and financial statements**

Year ended 31 December 2007

Registered number 03749532

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## **Directors' report and financial statements**

Directors' report	1
Statement of directors' responsibilities	2
Independent auditor's report to the members of Go Private Limited	3-4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-11

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

### Principal activities

The principal activities of the company during the year were carried out through its branch in Spain

- Selling the private medical insurance products of its parent company, Exeter Friendly Society, and other PMI providers, and
- Selling a range of insurance products (motor, household and travel) from other general insurance providers

### Business review

The company made a net loss of £357,842 (2006 loss £723,554) and had net assets of £24,430 at 31 December 2007 (2006 £382,270)

On 22 February 2007, the Board decided to terminate all activities of the *Go Insure It* branch operating in Spain and had closed the branch before the end of June 2007. The closure costs including redundancy, legal, communication and property costs were £106,154. The company is now dormant with no current plans to trade in the future.

### Directors

The directors who held office during the period were as follows

#### **Non-executive**

ADS Chapman, ACII, APFS (resigned 15 November 2007)  
GAL Cruwys, LLB (Exon)  
PR Easton, FCIB  
PD Egan, FCA  
Dr WT Hamilton, MD, BSc, FRCP, FRCGP  
AJ Martin, JP, FCA  
CW Moore, MSc

#### **Executive**

CT Barkell, ACIB  
RB Cawse, JP, MA (Exon), DMS, FCIB  
MH Dunford, MA, FIA  
JP Edwards, BSc, ACIS  
NJ McLeod, BA, FCA  
MJ Moreland, BSc, MBA, MBCS, CITP

None of the directors received remuneration from the company during the period

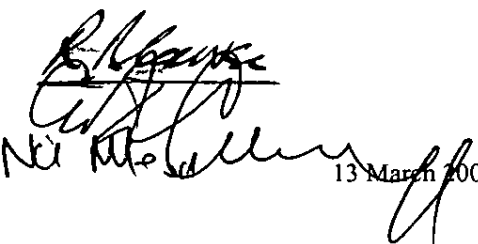
None of the directors held any interests in the shares of the company

### Auditors

Each person who is a director at the date of approval of this report confirms that so far as the director is aware, there is no relevant audit information of which the Society's auditor is unaware, and the director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Society's auditor is aware of that information.

By order of the board

RB Cawse, JP, MA (Exon), DMS, FCIB, *Director*  
GAL Cruwys, LLB (Exon), *Director*  
NJ McLeod, BA, FCA, *Director*

  
13 March 2008

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 then apply them consistently,
- make judgments 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, 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPM G Audit Plc

100 Temple Street

Bristol

BS1 6AG

United Kingdom

## **Independent auditors' report to the members of Go Private Limited**

We have audited the financial statements of Go Private Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*KPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
100 Temple Street  
Bristol  
BS1 6AG  
13 March 2008

**Profit and loss account**  
*for the year ended 31 December 2007*

	Note	2007 £	2007 £	2006 £	2006 £
<b>Turnover</b>	2				
Continuing operations		-		90,875	
Discontinued operations		34,464		4,429	
		<hr/>		<hr/>	
Cost of sales			34,464		95,304
			<hr/>		<hr/>
<b>Gross profit</b>			34,464		95,304
<b>Operating expenses</b>	4		(405,240)		(840,852)
<b>Profit on sale of assets</b>			6,661		
<b>Operating loss</b>					
Continuing operations		-		(745,209)	
Discontinued operations		(364,115)		(339)	
		<hr/>	<hr/>	<hr/>	<hr/>
			(364,115)		(745,548)
			<hr/>		<hr/>
Interest receivable			6,273		21,994
			<hr/>		<hr/>
<b>Loss on ordinary activities before and after taxation</b>			(357,842)		(723,554)
			<hr/> <hr/>		<hr/> <hr/>

There were no recognised gains or losses other than the loss for the period, accordingly a statement of recognised gains and losses has not been prepared

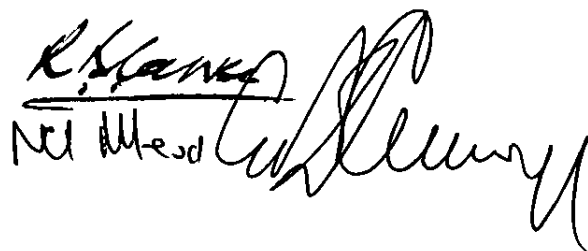
The notes on pages 7 to 11 form part of these financial statements

**Balance sheet**  
*at 31 December 2007*

		2007	2006
		£	£
<b>Fixed assets</b>			
Tangible assets	5	-	1,220
<b>Current assets</b>			
Debtors	6	18,411	22,009
Cash at bank		<u>6,019</u>	<u>458,042</u>
		<b>24,430</b>	<b>480,051</b>
<b>Creditors amounts falling due within one year</b>	7	-	(39,723)
<b>Net current assets</b>		<b><u>24,430</u></b>	<b><u>440,328</u></b>
<b>Total assets less current liabilities</b>		<b>24,430</b>	<b>441,548</b>
<b>Creditors amounts falling due after more than one year</b>	8	-	<u>(59,278)</u>
<b>Total net assets</b>		<b><u>24,430</u></b>	<b><u>382,270</u></b>
<b>Capital and reserves</b>			
Called up share capital	10	2,350,000	2,350,000
Profit and loss account	11	<u>(2,325,570)</u>	<u>(1,967,730)</u>
<b>Shareholders' funds</b>	12	<b><u>24,430</u></b>	<b><u>382,270</u></b>

These financial statements were approved by the board of directors on 13 March 2008 and were signed on its behalf by

RB Cawse, JP, MA (Exon), DMS, FCIB, *Director*  
GAL Cruwys, LLB (Exon), *Director*  
NJ McLeod, BA, FCA, *Director*

  
RB Cawse  
NJ McLeod

The notes on pages 7 to 11 form part of these financial statements



**Notes to the financial statements**  
*for the year ended 31 December 2007*

**1 Accounting policies**

***Basis of preparation***

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards under the historical cost convention

***Depreciation***

Depreciation is provided to write off the cost of tangible assets by equal instalments over their estimated useful economic lives as follows -

Computer equipment & software	3-4 years
Fixtures & fittings	10 years

***Cash flow statement***

Under FRS 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking that is included within the consolidated financial statements of its ultimate parent company which produces a cash flow statement and whose financial statements are publicly available

***Turnover***

Turnover consists of commission which is accounted for on a receivables basis and subscription revenue which is recognised as earned over the period of the subscription

***Foreign currencies***

Assets and liabilities denominated in foreign currencies are expressed in sterling at the rates of exchange ruling at the balance sheet date. Activities during the year are converted at an average rate of exchange

**2 Turnover**

	2007 £	2006 £
Subscriptions	-	1,251
Commission	34,464	94,053
	<u>34,464</u>	<u>95,304</u>

**Notes to the financial statements**  
**for the year ended 31 December 2007**

**3 Particulars of staff**

The average number of persons employed by the company during the period, and the activities performed were as follows

	2007	2006
Sales and Marketing	3	9
Administration	2	4
	<u>5</u>	<u>13</u>

Remuneration in respect of these employees was as follows

	2007 £	2006 £
Wages and salaries	85,550	286,474
Social security costs	32,179	81,584
Other pension costs	<u>-</u>	<u>3,375</u>
	<u>117,729</u>	<u>371,433</u>

During the year there were no Go Private employees, or directors remunerated by Go Private, who were members of a company or group defined benefits pension scheme

In addition termination payments of £68,606 were made to 12 staff made redundant as a result of the closure of the Go Insure It branch in Spain during the second quarter of 2007

**4 Operating expenses include the following :**

	2007 £	2006 £
Auditors' remuneration payable, excluding VAT, all of which was in connection with statutory audit work	3,500	4,700
Depreciation	1,220	35,769
Aggregate amount of the director's emoluments (salaries, bonus, benefits-in-kind, and employer's pension contribution)		39,375
Emoluments were paid to one executive director only		
	<u>          </u>	<u>          </u>

**Notes to the financial statements**  
*for the year ended 31 December 2007*

**5 Tangible fixed assets**

	Fixtures and fittings	Computer equipment & software	Total
	£	£	£
<b>Cost</b>			
At 1 January 2007	11,164	30,023	41,187
Additions	-	-	-
Disposals	(11,164)	(30,023)	(41,187)
	<hr/>	<hr/>	<hr/>
At 31 December 2007	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 2007	11,164	28,803	39,967
Charge for year	-	1,220	1,220
Disposals	(11,164)	(30,023)	(41,187)
	<hr/>	<hr/>	<hr/>
At 31 December 2007	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2007	-	-	-
	<hr/>	<hr/>	<hr/>
At 1 January 2007	<hr/>	1,220	1,220
	<hr/>	<hr/>	<hr/>

**6 Debtors**

	2007 £	2006 £
Trade debtors	-	11,284
Other debtors	-	2,568
Prepayments	-	8,157
Amounts due from parent company	<b>18,411</b>	-
	<hr/>	<hr/>
	<b>18,411</b>	22,009
	<hr/>	<hr/>

**7 Creditors – amounts falling due within one year**

	2007 £	2006 £
Accruals	-	19,074
VAT	-	144
Tax and social security	-	20,505
	<hr/>	<hr/>
	-	39,723
	<hr/>	<hr/>

**8 Creditors – amounts falling due after more than one year**

	2007 £	2006 £
Amounts due to parent company	-	59,278
	<hr/>	<hr/>

**Notes to the financial statements**  
*for the year ended 31 December 2007*

**9 Deferred tax**

At 31 December 2007 the Company had accumulated trading losses of £2,325,570 which have not been recognised as a deferred tax asset. This is because the Company is not expected in the short-term to generate sufficient taxable income in excess of the deductible expenses of the same period and accordingly it is unlikely that the Company will be able to reduce the future taxation liabilities through the use of existing surplus expenses.

**10 Called up share capital**

	2007 £	2006 £
Authorised		
2007 2,350,000 (2006 2,350,000) ordinary shares of £1 each	<u>2,350,000</u>	<u>2,350,000</u>
Allotted, called-up and fully paid		
2007 2,350,000 (2006 2,350,000) ordinary shares of £1 each	<u>2,350,000</u>	<u>2,350,000</u>

**11 Reserves**

	2007 £	2006 £
Profit & Loss Reserve		
at 1 January 2007	(1,967,728)	(1,244,176)
loss for the period	(357,842)	(723,552)
	<u>                    </u>	<u>                    </u>
at 31 December 2007	<u>(2,325,570)</u>	<u>(1,967,728)</u>

**12 Reconciliation of the movement in shareholders' funds**

	2007 £	2006 £
Shareholders' funds at 1 January 2007	382,272	1,105,824
Loss for the period	(357,842)	(723,552)
	<u>                    </u>	<u>                    </u>
Shareholders' funds at 31 December 2007	<u>24,430</u>	<u>382,272</u>

**Notes to the financial statements**  
*for the year ended 31 December 2007*

**13 Ultimate parent company**

The company is a wholly owned subsidiary of Exeter Friendly Society Limited, which is the ultimate parent company. Copies of the group accounts are available from Exeter Friendly Society Limited, Lakeside House, Emperor Way, Exeter, EX1 3FD.

**14 Related party transactions**

Advantage has been taken of the exemption contained within FRS 8 not to disclose transactions with group companies as more than 90% of the voting rights of the Company are held by the immediate parent undertaking which prepares consolidated financial statements.