Go Private Limited

Directors' report and financial statements

Year ended 31 December 2006
Registered number 03749532

Directors' report and financial statements

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

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 £723,554 *(2005 loss £382,935)* and had net assets of £382,270 at 31 December 2006 *(2005 £1,105,824)*

In June 2006 the company ceased all its UK treatment sourcing operations

On 22 February 2007, the Board decided to terminate all activities of the *Go Insure It* branch operating in Spain and it is planning to close the branch before the end of June 2007 The estimated closure costs including redundancy, legal, communication and property costs are £68,000 which will be expensed in the 2007 accounts

Directors

The directors who held office during the period were as follows

Non-executive

ADS Chapman, ACII, APFS
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

N Armitage (to 21 June 2006)
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

One director receives remuneration from the company This is disclosed in note 4 on page 8 None of the other directors received remuneration from the company during the period
None of the directors held any interests in the shares of the company

Auditors

KPMG Audit Plc are willing to continue in office and a resolution will be proposed at the Annual General Meeting for their re-appointment

By order of the board

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

15 March 2007

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 kpmg

KPMG 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 2006 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 2006 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
15 March 2007

Profit and loss account
for the year ended 31 December 2006

	Note	2006 £	2006 £	2005 £	2005 £
Turnover	2				
Continuing operations		**90,875**		40,368	
Discontinued operations		**4,429**		28,074	
			95,304		68,442
Cost of sales			**-**		-
Gross profit			**95,304**		68,442
Operating expenses	4		**(840,852)**		(451,801)
Operating (loss)					
Continuing operations		**(745,209)**		(339,979)	
Discontinued operations		**(339)**		(43,380)	
			(745,548)		(383,359)
Interest receivable			**21,994**		424
(Loss) on ordinary activities before and after taxation			**(723,554)**		(382,935)

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 2006

	Note	2006 £	2006 £	2005 £	2005 £
Fixed assets					
Tangible assets	*5*		1,220		31,384
Current assets					
Debtors	*6*	22,009		35,075	
Cash at bank		458,042		1,264,747	
		480,051		1,299,822	
Creditors amounts falling due within one year	*7*	(39,723)		(44,247)	
Net current assets			440,328		1,255,575
Total assets less current liabilities			441,548		1,286,959
Creditors amounts falling due after more than one year	*8*		(59,278)		(181,135)
Total net assets			382,270		1,105,824
Capital and reserves					
Called up share capital	*10*		2,350,000		2,350,000
Profit and loss account	*11*		(1,967,730)		(1,244,176)
Shareholders' funds	*12*		382,270		1,105,824

These financial statements were approved by the board of directors on 15 March 2007 and were signed on its behalf by

R B Cawse

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

Neil 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 2006

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 The fixed assets and current assets have been evaluated on a net realisable basis The accounts have been prepared on a break-up basis The estimated closure costs including redundancy, legal, communication and property costs are £68,000 and will be expensed in the 2007 accounts The parent undertaking has agreed that it shall continue to provide financial and other support to the Company until the operations are terminated during 2007

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

Related party transactions

Advantage has been taken of the exemption in FRS8 (Related Party Disclosures) not to report on transactions with entities which are more than 90% controlled by a common parent undertaking whose accounts 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

	2006	2005
	£	£
Subscriptions	**1,251**	19,086
Commission	**94,053**	49,356
	95,304	68,442

Notes to the financial statements

for the year ended 31 December 2006

3 Particulars of staff

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

	2006	2005
Sales and Marketing	9	3
Administration	4	3
	13	6

Remuneration in respect of these employees was as follows

	2006 £	2005 £
Wages and salaries	286,474	111,611
Social security costs	81,584	36,187
Other pension costs	3,375	-
	371,433	147,798

There are no Go Private employees, or directors remunerated by Go Private, who are members of a company or group defined benefits pension scheme

4 Operating expenses include the following :

	2006 £	2005 £
Auditors' remuneration payable, excluding VAT, all of which was in connection with statutory audit work	4,700	4,200
Depreciation	35,769	9,149
Aggregate amount of the director's emoluments (salaries, bonus, benefits-in-kind, and employer's pension contribution) Emoluments were paid to one executive director only	39,375	23,220

Notes to the financial statements
for the year ended 31 December 2006

5 Tangible fixed assets

	Fixtures and fittings	Computer equipment & software	Total
	£	£	£
Cost			
At 1 January 2006	15,467	55,279	70,746
Additions	-	5,605	5,605
Disposals	(4,303)	(30,861)	(35,164)
At 31 December 2006	**11,164**	**30,023**	**41,187**
Depreciation			
At 1 January 2006	3,850	35,512	39,362
Charge for year	11,617	24,152	35,769
Disposals	(4,303)	(30,861)	(35,164)
At 31 December 2006	**11,164**	**28,803**	**39,967**
Net book value			
At 31 December 2006	**-**	**1,220**	**1,220**
At 1 January 2006	11,617	19,767	31,384

6 Debtors

	2006	2005
	£	£
Trade debtors	**11,284**	32,322
Other debtors	**2,568**	2,753
Prepayments	**8,157**	-
	22,009	35,075

7 Creditors – amounts falling due within one year

	2006	2005
	£	£
Trade creditors	-	70
Accruals	**19,074**	4,200
Deferred income	-	2,084
VAT	**144**	1,368
Tax and social security	**20,505**	36,525
	39,723	44,247

8 Creditors – amounts falling due after more than one year

	2006	2005
	£	£
Amounts due to parent company	**59,278**	181,135

Notes to the financial statements
for the year ended 31 December 2006

9 Deferred tax

At 31 December 2006 the Company had accumulated trading losses of £1,967,730 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

	2006 £	2005 £
Authorised		
2006 2,350,000 (2005 2,350,000) ordinary shares of £1 each	**2,350,000**	2,350,000
Allotted, called-up and fully paid		
2006 2,350,000 (2005 2,350,000) ordinary shares of £1 each	**2,350,000**	2,350,000

11 Reserves

	2006 £	2005 £
Profit & Loss Reserve		
at 1 January 2006	**(1,244,176)**	(861,241)
loss for the period	**(723,554)**	(382,935)
at 31 December 2006	**(1,967,730)**	(1,244,176)

12 Reconciliation of the movement in shareholders' funds

	2006 £	2005 £
Shareholders' funds at 1 January 2006	**1,105,824**	238,759
Issue of share capital	**-**	1,250,000
Loss for the period	**(723,554)**	(382,935)
Shareholders' funds at 31 December 2006	**382,270**	1,105,824

Notes to the financial statements

for the year ended 31 December 2006

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

15 Post balance sheet events

The directors authorised the financial statements for issue on 15 March 2007 On 22 February the Board decided to terminate all the activities of the Go Insure branch operating in Spain and it is planning to close the branch before the end of June 2007 The fixed assets have been written down to net realisable value through an additional depreciation charge to the 2006 accounts The estimated closure costs including redundancy, legal, communication and property costs are £68,000 and this will be expensed in the 2007 accounts