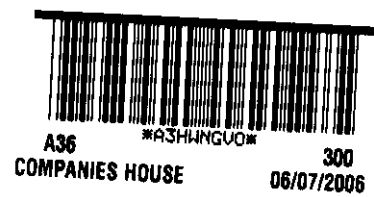


Go Private Limited

Directors' report and financial statements

Year ended 31 December 2005

Registered number 03749532



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

Principal activities

The principal activities of the company during the year were:

- Sourcing medical treatments on behalf of its members, and
- Insurance brokerage.

Business review

The company made a net loss of £382,935 (2004: loss £91,832) and had net assets of £1,105,824 at 31 December 2005. (2004: £238,759).

During the year the company opened a branch in Spain under the trading name of Go Insure It for the purpose of selling the private medical insurance products of the parent company, Exeter Friendly Society, and other PMI providers. It also sells a range of products from other general insurance providers. In May 2005 the company decided to cease its UK operations and these will be fully wound down by June 2006.

Directors

The directors who held office during the period were as follows:

Non-executive

ADS Chapman, ACII, APFS (with effect from 03.10.05)
GAL Cruwys, LLB (Exon)
PR Easton, FCIB
PD Egan, FCA
Dr WT Hamilton, MD, MB, ChB, BSc, FRCP, FRCGP (with effect from 24.02.05)
AJ Martin, JP, FCA
CW Moore, MSc

Executive

N Armitage
CT Barkell, ACIB (with effect from 01.09.05)
RB Cawse, JP, DMS, FCIB
MH Dunford, MA, FIA
JP Edwards, BSc, ACIS
NJ McLeod, BA, FCA
MJ Moreland, BSc, MBA, MBCS

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.

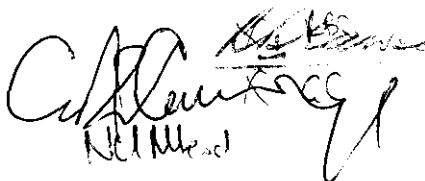
None of the directors held any interests in the shares of the company.

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, DMS, FCIB, *Director*
GAL Cruwys, LLB (Exon), *Director*
NJ McLeod, BA, FCA, *Director*



16 March 2006

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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.



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 2005 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

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
16 March 2006

Profit and loss account
 for the year ended 31 December 2005

	<i>Note</i>	2005 £	2004 £
Turnover	2	68,442	38,919
Cost of sales		(10,500)	(27,839)
Gross profit		57,942	11,080
Operating expenses	4	(441,301)	(103,493)
Operating (loss)		(383,359)	(92,413)
Interest receivable		424	581
(Loss) on ordinary activities before and after taxation		(382,935)	(91,832)

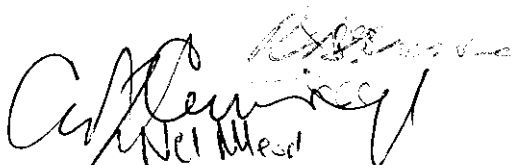
All amounts relate to continuing activities. There were no recognised gains or losses other than the loss for the period, accordingly a statement of recognised gains and losses has not been prepared.

Balance sheet
at 31 December 2005

		2005	2004
		£	£
Fixed assets			
Tangible assets	5	31,384	4,951
Current assets			
Debtors	6	35,075	245,505
Cash at bank		<u>1,264,747</u>	<u>4,775</u>
		1,299,822	250,280
Creditors: amounts falling due within one year	7	(44,247)	(16,472)
Net current assets		<u>1,255,575</u>	<u>233,808</u>
Total assets less current liabilities		1,286,959	238,759
Creditors: amounts falling due after more than one year	8	<u>(181,135)</u>	—
Total net assets		<u>1,105,824</u>	<u>238,759</u>
Capital and reserves			
Called up share capital	11	2,350,000	1,100,000
Profit and loss account	12	<u>(1,244,176)</u>	<u>(861,241)</u>
Shareholders' funds	13	<u>1,105,824</u>	<u>238,759</u>

These financial statements were approved by the board of directors on 16 March 2006 and were signed on its behalf by:

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



Notes to the financial statements
for the year ended 31 December 2005

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:-

Motor vehicles	4 years
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.

2 Turnover

	2005 £	2004 £
Subscriptions	19,086	23,957
Commission	49,356	14,962
	<hr/> 68,442	<hr/> 38,919

Notes to the financial statements
 for the year ended 31 December 2005

3 Particulars of staff

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

	2005	2004
Sales and Marketing	3	-
Administration	3	1
	<u>6</u>	<u>1</u>

Remuneration in respect of these employees was as follows

	2005 £	2004 £
Wages and salaries	111,611	9,016
Social security costs	36,187	710
	<u>147,798</u>	<u>9,726</u>

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 :

	2005 £	2004 £
Auditors remuneration payable, excluding VAT, all of which was in connection with statutory audit work.	4,200	4,200
Depreciation	9,149	7,673
Aggregate amount of the director's emoluments (salaries, bonus, benefits-in-kind, and employer's pension contribution)	23,220	-
Emoluments were paid to one executive director only	<u> </u>	<u> </u>

Notes to the financial statements
for the year ended 31 December 2005

5 Tangible fixed assets

	Fixtures and fittings	Computer equipment & software	Total
	£	£	£
<i>Cost</i>			
At 1 January 2005	4,303	30,861	35,164
Additions	11,164	24,418	35,582
	<hr/>	<hr/>	<hr/>
At 31 December 2005	15,467	55,279	70,746
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2005	2,150	28,063	30,213
Charge for year	1,700	7,449	9,149
	<hr/>	<hr/>	<hr/>
At 31 December 2005	3,850	35,512	39,362
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2005	11,617	19,767	31,384
	<hr/>	<hr/>	<hr/>
At 1 January 2005	2,153	2,798	4,951
	<hr/>	<hr/>	<hr/>

6 Debtors

	2005	2004
	£	£
Trade debtors	32,322	5,039
Other debtors	2,753	5,042
VAT	-	476
Amounts owing from parent company	-	234,948
	<hr/>	<hr/>
	35,075	245,505
	<hr/>	<hr/>

7 Creditors – amounts falling due within one year

	2005	2004
	£	£
Trade creditors	70	6,297
Accruals	4,200	4,450
Deferred income	2,084	5,725
VAT	1,368	-
Tax and social security	36,525	-
	<hr/>	<hr/>
	44,247	16,472
	<hr/>	<hr/>

8 Creditors – amounts falling due after more than one year

	2005	2004
	£	£
Amounts due to parent company	181,135	-
	<hr/>	<hr/>

Notes to the financial statements
for the year ended 31 December 2005

9 Deferred tax

At 31 December 2005 the Company had accumulated trading losses of £1,244,176 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 Clients monies accounts

At 31 December 2005 the Company held a clients money bank account with a balance amounting to £nil (2004: £22,996). The funds are not shown as the Company's assets or liabilities respectively as they are held on behalf of clients.

11 Called up share capital

	2005 £	2004 £
Authorised:		
2005: 2,350,000 (2004: 1,100,000) ordinary shares of £1 each	2,350,000	1,100,000
Allotted, called-up and fully paid:		
2005: 2,350,000 (2004: 1,100,000) ordinary shares of £1 each	2,350,000	1,100,000
During the year 1,250,000 ordinary shares of £1 each were authorised and issued for consideration of £1,250,000.		

12 Reserves

	2005 £	2004 £
Profit & Loss Reserve		
at 1 January 2005	(861,241)	(769,409)
loss for the period	(382,935)	(91,832)
at 1 December 2005	(1,244,176)	(861,241)

13 Reconciliation of the movement in shareholders' funds

	2005 £	2004 £
Shareholders' funds at 1 January 2005	238,759	(669,409)
Issue of share capital	1,250,000	1,000,000
Loss for the period	(382,935)	(91,832)
Shareholders' funds at 31 December 2005	1,105,824	238,759

Notes to the financial statements
for the year ended 31 December 2005

14 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

15 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.

16 Going concern

The accounts have been prepared on a going concern basis. The parent undertaking has agreed that it shall continue to provide financial and other support to the Company at least for the next twelve months and thereafter for the foreseeable future to enable it to continue to trade.

17 Post balance sheet events

The directors authorised the financial statements for issue on 16 March 2006. They were not aware of any adjusting or non-adjusting events between 31 December 2005 and this date.