

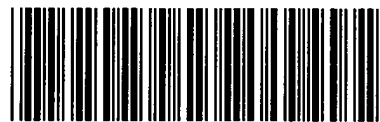
Engage Health Holdings Limited

Annual report and financial statements

Registered number 7112411

Year ended 31 December 2015

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Strategic report

The principal activity of the company was the 100% holding company for Engage Mutual Health. The company is not a trading company.

On 30 October 2015 Engage Mutual Health was sold to Exeter Friendly Society Limited for consideration of £2,836,657.

On 30 November 2015 the capital of the company was reduced by £4,999,901, creating a capital reserve equal to the reduction.

The company made a profit for the year of £2,836,657 (2014: loss of £1,000,000) and paid a dividend of £2,836,557 (2014: £nil).

By order of the board:


KF Meeres
Director

16-17 West Street
Brighton
BN1 2RL

30 March 2016


JW Adams
Director

Directors' report

The Directors present their report and financial statements for the year ended 31 December 2015.

Change in ultimate parent

On 1 April 2015, Family Assurance Friendly Society Limited (FAFSL) merged with Homeowners Friendly Society Limited (HFSL), the former ultimate parent of Engage Health Holdings Limited. The terms of the merger of the two entities as set out in the instrument of transfer are such that the property, rights and liabilities of HFSL were transferred under paragraph 86 (5)(a) of the Friendly Society Act 1992 into FAFSL. This transfer included the ownership of this company.

Going Concern

The parent company of Engage Health Holdings Limited (EHHL) is FAFSL. FAFSL has prepared a business plan for itself and its subsidiaries and has projected the future working capital requirements of EHHL. The Directors have presented the accounts on a going concern basis as FAFSL has confirmed, as part of the business plan, its commitment to funding the future working capital requirements of the company for at least a period of twelve months from the date of the signing of the accounts.

Dividend and share capital reduction

The Directors recommended and paid a dividend of £2,836,557 for the year (2014: £nil). On 30 November 2015 the capital of the company was reduced by £4,999,901, creating a capital reserve equal to the reduction.

Directors

The Directors who held office during the year and subsequently were as follows:

C M McComb (Chairman) resigned 1 April 2015

P J Burrows resigned 30 June 2015

P Chandler resigned 1 April 2015

K J D Elliott resigned 1 April 2015

C Fawcett resigned 1 April 2015

A T Gosling resigned 1 April 2015

N Masters resigned 1 April 2015

S C Markey appointed (Chairman) 1 April 2015

K F Meeres appointed (director and secretary) 1 April 2015

J W Adams appointed 1 April 2015

The board changes were a consequence of the merger between the company's former ultimate parent company (HFSL) and FAFSL on 1 April 2015.

Disclosure of information to the auditor

The Directors who held office at the date of the approval of this Directors' report confirm that, as far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report (cont'd)

Auditor

As part of an orderly wind down, KPMG Audit Plc resigned during 2015. KPMG LLP was appointed under section 487 of the Companies Act 2006 to fill the casual vacancy. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to have been re-appointed and KPMG LLP will therefore continue in office.

By order of the board:



KF Meefes
Director

16-17 West Street
Brighton
BN1 2RL

30 March 2016



JW Adams
Director

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The Directors are responsible for preparing the Strategic Report, 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 and applicable law (UK generally Accepted Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 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. They 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 AUDITOR'S REPORT TO THE MEMBERS OF ENGAGE HEALTH HOLDINGS LIMITED

We have audited the financial statements of Engage Health Holdings Limited for the year ended 31 December 2015 set out on pages 9 to 15. The financial reporting framework that has been applied in their preparation is applicable law and (UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGAGE HEALTH HOLDINGS LIMITED (contd)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Andrew Jones

Andrew Jones (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

Date: 30 March 2016

**Profit & Loss Account and Other Comprehensive Income
for the year ending 31 December 2015**

	Note	2015 £	2014 £
Profit / (loss) on investments	4	2,836,657	(1,000,000)
Profit / (loss) on ordinary activities before tax		2,836,657	(1,000,000)
Tax on profit / (loss) on ordinary activities	5	-	-
Profit / (loss) on ordinary activities after taxation		2,836,657	(1,000,000)

There are no recognised gains or losses for 2015 (2014: £nil) other than the profit on ordinary activities shown above. Accordingly, no separate statement of other comprehensive income has been presented.

The notes on pages 12 to 15 form an integral part of the financial statements.

**Balance Sheet
at 31 December 2015**


	Note	2015 £	2014 £
Fixed Assets			
Investments	4	-	-
Current assets			
Other debtors		100	-
Total assets		100	-

		2015 £	2014 £
Liabilities			
Capital and reserves			
Called up share capital	6	100	5,000,001
Capital reserve		2,163,344	-
Profit and loss account		(2,163,344)	(5,000,001)
Total shareholders' funds		100	-

The notes on pages 12 to 15 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 30 March 2016 and signed on its behalf by:


KF Meeres
Director


JW Adams
Director

Company Number: 7112411

Statement of Changes in Equity

	Share capital £	Capital reserve £	Profit and loss account £	Total £
At 1 January 2014	4,000,001	-	(4,000,001)	-
Loss for the year	-	-	(1,000,000)	(1,000,000)
Issue of share capital	1,000,000	-	-	1,000,000
At 31 December 2014	5,000,001	-	(5,000,001)	-
At 1 January 2015	5,000,001	-	(5,000,001)	-
Reduction of share capital	(4,999,901)	4,999,901	-	-
Profit for year	-	-	2,836,657	2,836,657
Dividend paid	-	(2,836,557)	-	(2,836,557)
At 31 December 2015	100	2,163,344	(2,163,344)	100

The notes on pages 12 to 15 form an integral part of the financial statements.

Notes to the financial statements

1. Accounting policies

The company is a company limited by shares and incorporated and domiciled in the UK.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentational currency of these financial statements is sterling. In the transition to FRS 102 from old UK GAAP, the company has made no measurement and recognition adjustments. All amounts have been rounded to the nearest £1.

The company's parent undertaking FAFSL includes the company in its consolidated financial statements. The consolidated financial statements of FAFSL are prepared in accordance with FRS 102 as issued in August 2014 and are available to the public and may be obtained from 16-17 West Street, Brighton, BN1 2RL. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

The financial statements present information about the company as an individual undertaking and not about its Group. The company is exempt (by section 400 of the Companies Act 2006) from the requirement to prepare group financial accounts.

Going concern

The parent company of Engage Health Holdings Limited (EHHL) is FAFSL. FAFSL has prepared a business plan for itself and its subsidiaries and has projected the future working capital requirements of EHHL. The Directors have presented the accounts on a going concern basis as FAFSL has confirmed, as part of the business plan, its commitment to funding the future working capital requirements of the company for at least a period of twelve months from the date of the signing of the accounts.

Investments

In the balance sheet of the company, investments in group undertakings are stated at cost value, less any provision for impairment. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised. The company sold its only investment during the year (note 4).

Taxation

Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised in Other Comprehensive Income

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws enacted or substantially enacted at the balance sheet date.

Except as set out in FRS 102, deferred tax is provided on timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantially enacted at the balance sheet date.

Notes to the financial statements (continued)

2. Audit fees

Audit fees amounting to £1,750 (2014: £1,750) have been borne by the parent company, FAFSL.

The total value of fees for non-audit and other services paid by the company to KPMG LLP are disclosed in the accounts of the ultimate parent undertaking, FAFSL, on a consolidated basis.

3. Remuneration of Directors

The company paid for no Directors' remuneration (2014: £nil). None of the Directors had any pension benefits provided by the company (2014: £nil).

Prior to 1 April 2015, the Directors of the company were also Directors of Homeowners Friendly Society Limited (HFSL), the ultimate holding company. These Directors were remunerated by Engage Mutual Administration Limited, further details of which can be found in the Engage Mutual Administration Limited Report and Accounts, which are available from the address in note 8 to these accounts.

From 1 April 2015 onwards, the Directors of the company were also Directors of FAFSL, the ultimate holding company following the merger of HFSL and FAFSL on 1 April 2015. These Directors are remunerated by FAFSL, further details of which can be found in the FAFSL Group Report and Accounts, which are available from the address in note 8 to these accounts.

None of the Directors in the period received any remuneration in respect of their services to the company, and it was not possible to determine an appropriate proportion of their services on behalf of the company.

4. Investments

	2015 £	2014 £
Investment in subsidiary		
Cost	-	5,000,001
Provision for impairment	-	(5,000,001)
	<hr/>	<hr/>
Net investment	-	-
	<hr/>	<hr/>

The investment represented a 100% holding in Engage Mutual Health. On 30 October 2015 the entire holding in Engage Mutual Health was sold to Exeter Friendly Society Limited for consideration of £2,836,657.

Notes to the financial statements (continued)

5. Taxation

Analysis of the tax charge for the period:

	2015 £	2014 £
UK Corporation Tax		
Current tax on income for period		-
Total tax	-	-

Reconciliation of tax charge:

	2015 £	2014 £
Profit / (loss) on ordinary activities before taxation	2,836,657	(1,000,000)
Current tax at standard corporation tax rate - 20.25% (2014 - 21.5%)	574,423	(215,000)
Effects of: (Utilisation) / creation of tax losses for which no deferred tax asset was recognised	(574,423)	215,000
Total tax on income for period	-	-

The tax charge in the future will be lower than the standard rate of corporation tax due to the brought forward losses which are not recognised as a deferred tax asset in the Balance Sheet.

The total amount of unrecognised trading losses carried forwards for tax purposes is £2,163,344 (2014: £5,000,001).

The Finance Act 2013 reduced the main rate of corporation tax from 21% to 20% from 1 April 2015. The Finance Act 2015 will further reduce the main rate of corporation tax to 19% from 1 April 2017, and to 18% from 1 April 2020. This will reduce the company's future tax charge accordingly. The deferred tax liability at 31 December 2015 has been calculated based on the rate of 18.75% substantively enacted at the balance sheet date.

Notes to the financial statements (continued)

6. Share capital

On 30 November 2015 the capital of the company was reduced by £4,999,901, creating a capital reserve equal to the reduction.

	2015 £	2014 £
Issued and fully paid ordinary shares of £1 each	100	5,000,001

7. Related party disclosures

As the company is a wholly owned subsidiary of Family Assurance Friendly Society Limited, the company has taken advantage of the exemption contained in FRS 102 section 33.1A 'Related Party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

8. Ultimate parent company

The consolidated financial statements of Family Assurance Friendly Society Limited, the company's immediate and ultimate parent and the smallest and largest entity within which the company is included, can be obtained from Family Assurance Friendly Society Limited, 16-17 West Street, Brighton, BN1 2RL.