

Engage Health Holdings Limited

Annual report and financial statements

Registered number 7112411

Year ended 31 December 2013

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Strategic report

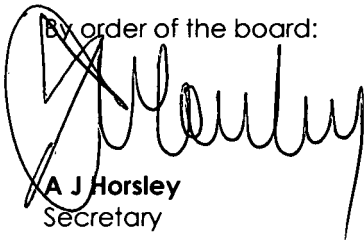
The principal activity of the company is a holding company for Engage Mutual Health. The company is not a trading company and has therefore not received any income or expenditure.

On 15 March 2013, Home Owners Friendly Society subscribed for 3,000,000 ordinary shares in Engage Health Holdings Limited for a consideration of £3,000,000. On 15 March 2013, Engage Health Holdings Limited subscribed for 3,000,000 ordinary shares in Engage Mutual Health for a consideration of £3,000,000. On 7 March 2014, the Society subscribed for 1,000,000 ordinary shares in Engage Health Holdings Limited for a consideration of £1,000,000. On 7 March 2014, Engage Health Holdings Limited subscribed for 1,000,000 ordinary shares in Engage Mutual Health for a consideration of £1,000,000.

Engage Mutual Health made losses in the current and prior years, as investment in health insurance was made, and this investment is expected to continue in the short term. Accordingly a provision for the full value of the investment in Engage Mutual Health was made.

Consequently, the company made a loss of £4,000,001 in 2013 (2012: £nil).

By order of the board:



A J Horsley
Secretary

Hornbeam Park Avenue
Harrogate
HG2 8XE

20 March 2014

Directors' report

The Directors present their report and financial statements for the year ended 31 December 2013.

Going Concern

The parent company of Engage Health Holdings Limited (EHHL) is Homeowners Friendly Society Limited (HFSL). HFSL 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 HFSL 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.

Proposed dividend

The Directors do not recommend the payment of a dividend for the year (2012: £nil).

Directors

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

D Robinson (Chairman)
P J Burrows
K J D Elliott
A T Gosling
C M McComb
P W Mason (resigned 31 January 2013)

Political donations

The company made no political donations during the year (2012: £nil).

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

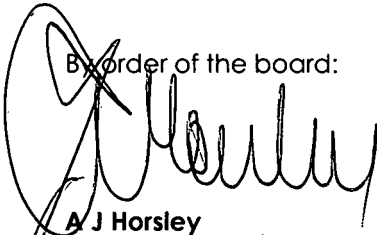
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report (cont'd)

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed, and KPMG Audit plc will therefore continue in office.

By order of the board:



A J Horsley
Secretary

Hornbeam Park Avenue
Harrogate
HG2 8XE

20 March 2014

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).

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2013 set out of pages 9 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 2013 and of its loss 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 matter prescribed by the Companies Act 2006

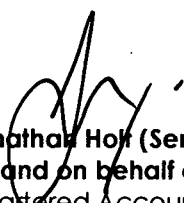
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Engage Health Holdings Limited (continued)

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.



Jonathan Holt (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
St. James Square
Manchester
M2 6DS

20 March 2014

**Profit & Loss Account
for the year ending 31 December 2013**

	Notes	2013 £	2012 £
Provision for investments	2	(4,000,001)	-
(Loss) on ordinary activities before taxation		(4,000,001)	-
Tax on (loss) on ordinary activities	3	-	-
(Loss) on ordinary activities after taxation	5	(4,000,001)	-

**Balance Sheet
at 31 December 2013**

	Note	2013 £	2012 £
Assets			
Investments			
Shares in Group Undertakings	2	-	1,000,001
Total assets		-	1,000,001
Liabilities			
Capital and reserves			
Called up share capital	4	4,000,001	1,000,001
Reserves	5	(4,000,001)	-
Total shareholders' funds	5	-	1,000,001

The financial statements were approved by the Board of Directors on 20 March 2014 and signed on its behalf by:



P J Burrows
Director

Company Number: 7112411

Notes to the financial statements

1. Accounting policies

Investments

In the balance sheet of the Company, investments in group undertakings are stated at cost value, less any provision for impairment.

Impairment

The carrying amounts of the Group's investments are reviewed for impairment at each balance sheet date, or when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated and any shortfall is recognised immediately in profit or loss.

Going concern

The Directors have reviewed the business and have confirmed the accounts should be prepared on a going concern basis.

Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Law and applicable accounting standards, and under historic cost accounting rules.

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 account.

2. Investments

	2013 £	2012 £
Cost at 1 January	1,000,001	1
Additions	3,000,000	1,000,000
Cost at 31 December	4,000,001	1,000,001
Provision at 1 January	-	-
Provided in the year	(4,000,001)	-
Provision at 31 December	(4,000,001)	-
Carrying value at 31 December	-	1,000,001

Notes to the financial statements

2. Investments (continued)

Investments consist of an equity investment in Engage Mutual Health, a wholly owned subsidiary incorporated in the United Kingdom, which was acquired on 30 September 2010.

Engage Mutual Health made losses in prior years, as investment in health insurance was made, and this investment is expected to continue in the short term. Accordingly, a provision of £4,000,001 has been provided in relation to the Company's investment.

3. Taxation

Analysis of the tax charge for the period:

	2013 £	2012 £
Corporation Tax	-	-
Total tax (charge) / credit	-	-

Reconciliation of current year tax charge:

	2013 £	2012 £
Loss on ordinary activities before tax	(4,000,001)	-
Tax on result (23.25%)	(930,000)	-
Factors affecting tax charge: Items disallowable in the tax returns	930,000	-
Current corporation tax credit for the year	-	-

Notes to the financial statements

4. Share capital

	2013 £	2012 £
Authorised		
4,000,001 ordinary shares of £1 each	4,000,001	1,000,001
	<u>4,000,001</u>	<u>1,000,001</u>
Allotted, issued and fully paid		
4,000,001 ordinary shares of £1 each	4,000,001	1,000,001
	<u>4,000,001</u>	<u>1,000,001</u>

5. Reconciliation of movement in equity shareholders' funds

	Share capital £	Profit and loss account £	Total £
Issued on incorporation	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>
At 1 January 2012	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>
Issue of share capital on 24 December 2012	1,000,000	-	1,000,000
	<u>1,000,001</u>	<u>-</u>	<u>1,000,001</u>
At 1 January 2013	1,000,001	-	1,000,001
	<u>1,000,001</u>	<u>-</u>	<u>1,000,001</u>
Issue of share capital on 15 March 2013	3,000,000	-	3,000,000
	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
Loss in year	-	(4,000,001)	(4,000,001)
	<u>-</u>	<u>(4,000,001)</u>	<u>(4,000,001)</u>
At 31 December 2013	4,000,001	(4,000,001)	-
	<u>4,000,001</u>	<u>(4,000,001)</u>	<u>-</u>

One ordinary share of £1 was purchased by HFSL on 18 August 2010 for consideration of £1. On 24 December 2012, the Society subscribed for 1,000,000 ordinary £1 shares in Engage Health Holdings Limited for a consideration of £1,000,000. On 24 December 2012, Engage Health Holdings Limited subscribed for 1,000,000 ordinary £1 shares in Engage Mutual Health for a consideration of £1,000,000. On 15 March 2013, the Society subscribed for 3,000,000 ordinary shares in Engage Health Holdings Limited for a consideration of £3,000,000. On 15 March 2013, Engage Health Holdings Limited subscribed for 3,000,000 ordinary shares in Engage Mutual Health for a consideration of £3,000,000.

Notes to the financial statements

6. Audit fees

Audit fees amounting to £1,765 (2012: £1,714) have been paid by Engage Mutual Health, a wholly owned subsidiary, on the company's behalf.

7. Ultimate parent company

The consolidated financial statements of Homeowners 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 Homeowners Friendly Society Limited, Hornbeam Park Avenue, Harrogate, HG2 8XE.

8. Post Balance Sheet Event

On 7 March 2014, the Society subscribed for 1,000,000 ordinary shares in Engage Health Holdings Limited for a consideration of £1,000,000. On 7 March 2014, Engage Health Holdings Limited subscribed for 1,000,000 ordinary shares in Engage Mutual Health for a consideration of £1,000,000.