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PLUS ONE SERVICES LIMITED
Report of the Directors and
Financial Statements
For The Year Ended 31 December 2011

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PLUS ONE SERVICES LIMITED (REGISTERED NUMBER. 01709711)

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For The Year Ended 31 December 2011**

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PLUS ONE SERVICES LIMITED

**Company Information
For The Year Ended 31 December 2011**

DIRECTORS:

S A Hood
J M Wallis
R Gildie
S M Milbourne
I J Symmonds
P R Firkins

SECRETARY

R Gildie

REGISTERED OFFICE:

Marland House
Warrior Square
Southend-on-sea
Essex
SS1 2JY

REGISTERED NUMBER.

01709711

AUDITORS

Wilkins Kennedy
Chartered Accountants
& Statutory Auditor
Bridge House
London Bridge
London
SE1 9QR

BANKERS:

Lloyds TSB Bank Plc
77 High Street
Southend on Sea
Essex
SS1 1HT

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER 01709711)

**Report of the Directors
For The Year Ended 31 December 2011**

The directors present their report with the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of services to insurance intermediaries, insurance underwriters and insured clients

REVIEW OF BUSINESS

The results for the year and financial position of the company at the year end are shown in the annexed financial statements

Fair Review of the Business

The company continues to provide policy administration and related insurance services to insurance intermediaries, insurance underwriters and insured clients

The challenging economic climate and competitive market conditions resulted in a change in emphasis from growth to profit by some major clients in 2011. This, offset by the gains made on fledgling accounts, meant that the overall number of policies administered by the company remained fairly static. These changes resulted in a small reduction in turnover compared with 2010. However, the previous years' investment in infrastructure and technology coupled with good cost control brought increased operational productivity and led to a much improved operating performance. The operating result was also helped by the fact that there were, this year, no write-offs and increased costs resulting from the migration of our IT systems to the new platform.

The directors are pleased to see that the new platform is now delivering efficiency gains in the management of existing business and is also enabling the company to handle new business more efficiently. There has been increased interest in the company's services in the market of late. As a result, the company has strengthened its business development team during the last year to accommodate the increased number of clients and to ensure the successful delivery of new opportunities into the business.

Principal Risks and Uncertainties

The principal risks and uncertainties identified by the directors are outlined below.

The continued uncertain economic conditions, including the considerable difficulties in the UK housing market and limited liquidity in mortgage lending, continue to make market conditions very challenging for those clients who are involved in the sale of products linked to the housing market. As a result our clients are faced with increased competition and lower premiums. In order to support our clients in meeting these challenges, we continue to develop solutions to assist them in improving their revenues whilst controlling their policy servicing costs.

Retaining key personnel within the business, retaining existing client relationships and developing new client relationships are all important to the company's ongoing development and success.

Uncertainty regarding the VAT treatment of insurance products and insurance related services is an ongoing concern.

DIVIDENDS

Interim dividends per share were paid as follows

£12.50	- 16 June 2011
£9.00	- 21 October 2011
<hr/>	
£21.50	
<hr/>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2011 will be £215,000.

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER: 01709711)

**Report of the Directors
For The Year Ended 31 December 2011**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report

S A Hood
J M Wallis
R Gildie
S M Milbourne
I J Symmonds

Other changes in directors holding office are as follows

E J Cater - resigned 2 February 2011
R W Bruce - resigned 16 December 2011
P R Firkins - appointed 28 April 2011

The directors consider the ultimate holding company to be Hood Group Limited incorporated in England and Wales. The directors' interests in the share capital of the holding company are disclosed in their financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each 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 company's auditors are aware of that information.

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER 01709711)

**Report of the Directors
For The Year Ended 31 December 2011**

AUDITORS

The auditors Wilkins Kennedy will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'R Gildie', written over the text 'ON BEHALF OF THE BOARD:'.

R Gildie - Secretary

30 March 2012

**Report of the Independent Auditors to the Members of
Plus One Services Limited**

We have audited the financial statements of Plus One Services Limited for the year ended 31 December 2011 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 a Report of the Auditors 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 explained more fully in the Statement of Directors' Responsibilities set out on page three, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Plus One Services Limited**

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



Paul East (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy
Chartered Accountants
& Statutory Auditor
Bridge House
London Bridge
London
SE1 9QR

30 March 2012

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER: 01709711)

**Profit and Loss Account
For The Year Ended 31 December 2011**

	Notes	2011 £	2010 £
TURNOVER	2	6,918,981	7,079,441
Administrative expenses		6,462,740	6,807,144
OPERATING PROFIT	4	456,241	272,297
Interest receivable and similar income	5	25,352	19,516
		481,593	291,813
Interest payable and similar charges	6	4,250	17,074
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		477,343	274,739
Tax on profit on ordinary activities	7	147,019	80,559
PROFIT FOR THE FINANCIAL YEAR		330,324	194,180

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year


The notes form part of these financial statements

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER: 01709711)

**Balance Sheet
31 December 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	9	514,281	587,037
CURRENT ASSETS			
Debtors	10	729,014	839,393
Cash at bank and in hand		634,476	313,290
		<u>1,363,490</u>	<u>1,152,683</u>
CREDITORS			
Amounts falling due within one year	11	<u>1,332,489</u>	<u>1,281,072</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>31,001</u>	<u>(128,389)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>545,282</u>	<u>458,648</u>
CREDITORS			
Amounts falling due after more than one year	12	<u>-</u>	<u>28,690</u>
NET ASSETS		<u><u>545,282</u></u>	<u><u>429,958</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	10,000	10,000
Share premium	17	99,980	99,980
Profit and loss account	17	<u>435,302</u>	<u>319,978</u>
SHAREHOLDERS' FUNDS	21	<u><u>545,282</u></u>	<u><u>429,958</u></u>

The financial statements were approved by the Board of Directors on 30 March 2012 and were signed on its behalf by


S A Hood - Director


J M Wallis - Director

The notes form part of these financial statements

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER 01709711)

**Cash Flow Statement
For The Year Ended 31 December 2011**

	Notes	2011 £	2010 £
Net cash inflow from operating activities	1	794,297	234,313
Returns on investments and servicing of finance	2	21,102	2,442
Taxation		(181,515)	(72,569)
Capital expenditure	2	(227,465)	(174,292)
Equity dividends paid		(215,000)	-
		<u>191,419</u>	<u>(10,106)</u>
Financing	2	129,767	(208,622)
Increase/(Decrease) in cash in the period		<u>321,186</u>	<u>(218,728)</u>
Reconciliation of net cash flow to movement in net funds	3		
Increase/(Decrease) in cash in the period		321,186	(218,728)
Cash (inflow)/outflow from (increase)/decrease in debt		<u>(9,768)</u>	<u>88,623</u>
Change in net funds resulting from cash flows		<u>311,418</u>	<u>(130,105)</u>
Movement in net funds in the period		311,418	(130,105)
Net funds at 1 January		12,784	142,889
Net funds at 31 December		<u>324,202</u>	<u>12,784</u>

The notes form part of these financial statements

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER: 01709711)

Notes to the Cash Flow Statement
For The Year Ended 31 December 2011

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit	456,241	272,297
Depreciation charges	300,222	404,004
Increase in debtors	(33,862)	(89,453)
Increase/(Decrease) in creditors	71,696	(352,535)
Net cash inflow from operating activities	794,297	234,313

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest received	25,352	19,516
Interest paid	(4,250)	(17,074)
Net cash inflow for returns on investments and servicing of finance	21,102	2,442
Capital expenditure		
Purchase of tangible fixed assets	(227,465)	(174,292)
Net cash outflow for capital expenditure	(227,465)	(174,292)
Financing		
Loan repayments in year	(113,603)	(99,829)
Amounts transferred from group companies	243,370	(108,793)
Net cash inflow/(outflow) from financing	129,767	(208,622)

The notes form part of these financial statements

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER: 01709711)

**Notes to the Cash Flow Statement
For The Year Ended 31 December 2011**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/11 £	Cash flow £	At 31/12/11 £
Net cash			
Cash at bank and in hand	313,290	321,186	634,476
	<u>313,290</u>	<u>321,186</u>	<u>634,476</u>
Debt			
Debts falling due within one year	(271,816)	(38,458)	(310,274)
Debts falling due after one year	(28,690)	28,690	-
	<u>(300,506)</u>	<u>(9,768)</u>	<u>(310,274)</u>
Total	<u>12,784</u>	<u>311,418</u>	<u>324,202</u>

The notes form part of these financial statements

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER: 01709711)

**Notes to the Financial Statements
For The Year Ended 31 December 2011**

1 ACCOUNTING POLICIES

Accounting convention

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

Turnover

Credit is taken for administration fees billed to clients in the period in which they are earned. Other income is credited to the profit and loss account as it is received.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Systems development costs	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

The company operates defined contribution pension schemes. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3 STAFF COSTS

	2011 £	2010 £
Wages and salaries	4,416,211	4,364,848
Other pension costs	129,331	116,558
	<u>4,545,542</u>	<u>4,481,406</u>

The average monthly number of employees during the year was as follows:

	2011	2010
Management	7	6
Administration	172	172
	<u>179</u>	<u>178</u>

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER 01709711)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2011**

4 OPERATING PROFIT

The operating profit is stated after charging

	2011	2010
	£	£
Depreciation - owned assets	300,222	404,005
Auditors' remuneration	9,791	28,789
Auditors' remuneration for non audit work	7,718	8,576
Operating leases - Rent	<u>310,906</u>	<u>304,395</u>
Directors' remuneration	574,564	526,211
Directors' pension contributions to money purchase schemes	<u>43,789</u>	<u>35,854</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>6</u>	<u>4</u>
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Information regarding the highest paid director is as follows

	2011	2010
	£	£
Emoluments etc	170,932	162,106
Pension contributions to money purchase schemes	<u>12,167</u>	<u>11,813</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011	2010
	£	£
Bank deposit interest	<u>25,352</u>	<u>19,516</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank loan interest	2,673	16,446
Other interest payable	<u>1,577</u>	<u>628</u>
	<u>4,250</u>	<u>17,074</u>

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER 01709711)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2011**

7 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax		
UK corporation tax	136,149	181,515
Under provision in prior years	-	(763)
Over provision in prior year	(424)	-
	<u>135,725</u>	<u>180,752</u>
Total current tax	135,725	180,752
Deferred tax	11,294	(100,193)
	<u>147,019</u>	<u>80,559</u>
Tax on profit on ordinary activities	<u>147,019</u>	<u>80,559</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>477,343</u>	<u>274,739</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%)	124,109	76,927
Effects of		
Depreciation	78,058	113,121
Capital Allowances	(61,986)	(54,601)
Disallowable expenses	3,386	4,395
Non FRS 12 provision	(9,675)	41,673
Group relief	(277)	-
Over provision in previous years	(424)	(763)
Effect of reduction in rate of corporation tax	2,534	-
	<u>135,725</u>	<u>180,752</u>
Current tax charge	<u>135,725</u>	<u>180,752</u>

8 DIVIDENDS

	2011 £	2010 £
Ordinary shares of £1.00 each		
Interim	<u>215,000</u>	<u>-</u>

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER: 01709711)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2011**

9 TANGIBLE FIXED ASSETS

	Systems development costs £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2011	2,040,206	69,499	683,948	2,793,653
Additions	191,242	13,920	22,303	227,465
At 31 December 2011	2,231,448	83,419	706,251	3,021,118
DEPRECIATION				
At 1 January 2011	1,499,649	59,526	647,440	2,206,615
Charge for year	275,659	5,767	18,796	300,222
At 31 December 2011	1,775,308	65,293	666,236	2,506,837
NET BOOK VALUE				
At 31 December 2011	456,140	18,126	40,015	514,281
At 31 December 2010	540,557	9,973	36,508	587,038

10 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	6,220	27,723
Amounts owed by group undertakings	160,067	293,014
Other debtors	453,625	398,260
Deferred tax asset	109,102	120,396
	<u>729,014</u>	<u>839,393</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank loans and overdrafts (see note 13)	14,917	99,830
Trade creditors	21,937	127,318
Amounts owed to group undertakings	455,424	345,000
Tax	135,725	181,515
Social security and other taxes	339,694	175,893
Other creditors and accruals	364,792	351,516
	<u>1,332,489</u>	<u>1,281,072</u>

12 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Bank loans (see note 13)	-	28,690

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER: 01709711)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2011**

13 LOANS

An analysis of the maturity of loans is given below

	2011 £	2010 £
Amounts falling due within one year or on demand		
Bank loans	<u>14,917</u>	<u>99,830</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>-</u>	<u>28,690</u>

14 SECURED DEBTS

The following secured debts are included within creditors

	2011 £	2010 £
Bank loans	<u>14,917</u>	<u>128,520</u>

There is an unlimited guarantee and letter of set off in place between The Select & Protect Program Ltd, Hood Direct Limited and Plus One Services Limited in relation to any credit balances with the company's bankers

15 DEFERRED TAX

	£
Balance at 1 January 2011	(120,396)
Movement in the year	<u>11,294</u>
Balance at 31 December 2011	<u>(109,102)</u>

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2011	2010
Number	Class	Nominal value	£	£
10,000	Ordinary	£1 00	<u>10,000</u>	<u>10,000</u>

17 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2011	319,978	99,980	419,958
Profit for the year	330,324		330,324
Dividends	<u>(215,000)</u>		<u>(215,000)</u>
At 31 December 2011	<u>435,302</u>	<u>99,980</u>	<u>535,282</u>

PLUS ONE SERVICES LIMITED (REGISTERED NUMBER 01709711)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2011**

18 PENSION COMMITMENTS

The company operates defined contribution pension schemes. The assets of the schemes are administered by trustees in funds independent from those of the company. The total contributions paid in the year amounted to £129,331 (2010 £116,558).

19 ULTIMATE PARENT COMPANY

The directors consider the ultimate holding company to be Hood Group Limited incorporated in England and Wales.

20 RELATED PARTY DISCLOSURES

The company provided insurance services in the normal course of business to The Select and Protect Program Limited, a company owned by Hood Group Limited and with some directors in common. Sales for the year amounted to £3,381,227 (2010 £3,483,117).

The company provided insurance services in the normal course of business to Hood Direct Limited, a company owned by Hood Group Limited and with some directors in common. Sales for the year amounted to £nil (2010 £58,034).

During the year the company paid £21,000 (2010 £21,000) in respect of consultancy services, to Hemsign Limited, a company in which Mr E J. Cater (a director of Hood Group Limited) is a director.

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the financial year	330,324	194,180
Dividends	(215,000)	-
Net addition to shareholders' funds	115,324	194,180
Opening shareholders' funds	429,958	235,778
Closing shareholders' funds	545,282	429,958