

Registrar

HOOD GROUP LIMITED
Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
For The Year Ended 31 December 2016

THURSDAY



A6CIQQGG

A22

10/08/2017

#319

COMPANIES HOUSE

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Contents of the Consolidated Financial Statements
For The Year Ended 31st December 2016**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Income Statement	8
Consolidated Other Comprehensive Income	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Cash Flow Statement	15
Notes to the Consolidated Cash Flow Statement	16
Notes to the Consolidated Financial Statements	17

HOOD GROUP LIMITED
Company Information
For The Year Ended 31st December 2016

DIRECTORS:

E J Cater
S A Hood
B C Reid
J M Wallis
P R Firkins
S M Milbourne
M Hunter

SECRETARY:

M Hunter

REGISTERED OFFICE:

Maitland House
Warrior Square
Southend-on-Sea
Essex
SS1 2JY

REGISTERED NUMBER:

03139744 (England and Wales)

AUDITORS:

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

BANKERS:

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

**Group Strategic Report
For The Year Ended 31st December 2016**

The directors present their strategic report of the company and the group for the year ended 31st December 2016.

REVIEW OF BUSINESS

Following a reorganisation in 2015, much of the group's trading (previously carried out by various subsidiary companies) is now carried out by the parent company. Two of the group's subsidiary companies continue to trade, as detailed below:

- Plus One Services Limited provides insurance services to external and internal clients acting as an Authorised Representative under the client's FCA registration.
- Hood Travel Limited continues to be responsible for the introduction and management of client and underwriter relationships, to generate travel policy sales in the affinity and partnership sectors, to support the travel insurance products provided by Hood Group Limited.

All trading companies within the group operate in the insurance sector.

The remaining four subsidiary companies are dormant and did not trade during the year under review.

Whilst turnover for the group has reduced by 8% over the previous year this was materially due to the group's ongoing investment in new systems, people and infrastructure beneficially impacting provision of both Residential Property and Travel insurance services, commenced at the end of 2015 and referred to in last year's Report. An extension to original implementation schedule of two of our key software platforms meant that some considerable new business opportunities were deferred from 2016 into 2017 awaiting these new platforms being made available for use by our clients. These platforms have been successfully implemented since the end of the accounting period.

Tight control over expenditure during the year has restricted the effect of the reduction in turnover resulting in a profit for the financial year of £603,764 (2015: £885,495). Meanwhile, Hood Group has continued its investment programme in insurance innovation initiatives which the Directors believe will enhance the company's reputation and profile in what is a swiftly evolving, increasingly technology dependent market.

Given the investments carried through in 2015 and 2016, the Directors are confident that the group is well positioned to grow in 2017 and beyond.

**Group Strategic Report
For The Year Ended 31st December 2016**

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Despite improvements, market conditions within the insurance sector remain challenging. As a result clients and potential clients are faced with increased competition and lower premiums. In order to support our clients and potential clients in meeting these challenges and remaining competitive, we continue to develop cost effective solutions to assist them in improving their revenues whilst controlling their policy servicing costs.

The continued focus on household spending will undoubtedly encourage many policyholders to seek cheaper insurance cover. The threat of raised cancellation rates therefore remains and could impact on our volumes and revenues. Gaining new business can help to mitigate against this possibility.

The actions of some of our competitors, who use aggressive pricing to secure volume in the short term, continues to present challenges as we seek to win new business and retain existing business. Investing in innovative ideas and initiatives will demonstrate how Hood Group's solutions based approach continues to evolve and present our clients with the best possible ways to increase their own sales volumes.

The increasing tendency of consumers to use price comparison websites to purchase their insurance products continues to present a challenge to existing and new business revenue streams. We will seek to mitigate this threat by increasing our presence on price comparison websites.

ON BEHALF OF THE BOARD:



M Hunter - Secretary

24th May 2017

**Report of the Directors
For The Year Ended 31st December 2016**

The directors present their report with the financial statements of the company and the group for the year ended 31st December 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of a group of trading and non-trading companies in the insurance sector.

DIVIDENDS

During the year the directors did not pay interim dividends (2015: £410,164).

RESEARCH AND DEVELOPMENT

The group has over the last few years invested in research and development, aimed at providing efficient and innovative insurance solutions and systems that will provide a commercial advantage to the business and its clients and partners. This investment will continue in 2017 and beyond.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2016 to the date of this report.

E J Cater
S A Hood
B C Reid
J M Wallis
P R Firkins
S M Milbourne

Other changes in directors holding office are as follows:

R Gildie - resigned 31st August 2016
M Hunter - appointed 31st August 2016

ADDITIONAL DISCLOSURES

Two of the directors, Mr E.J. Cater and Mr S.A. Hood, are both trustees of the Bernard Hood Discretionary Will Trust which is the majority shareholder of Hood Group Limited.

PURCHASE OF OWN SHARES

On 9th May 2016 the company purchased 1,645 ordinary shares with a nominal value of £1 per share.

The aggregate consideration paid by the company amounted to £502,498.

The reason for the purchase of own shares being a change in the capital structure of the company.

**Report of the Directors
For The Year Ended 31st December 2016**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



M Hunter - Secretary

24th May 2017

Report of the Independent Auditors to the Members of Hood Group Limited

We have audited the financial statements of Hood Group Limited for the year ended 31 December 2016 on pages eight to thirty one. 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), including Financial Reporting Standard 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 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 five, 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 (APB'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 FRC'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 group's and of the parent company's affairs as at 31 December 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Directors.

**Report of the Independent Auditors to the Members of
Hood Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



D.P. Garside (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Chartered Accountants
& Statutory Auditor
Bridge House
London Bridge
London
SE1 9QR

24th May 2017

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Consolidated Income Statement
For The Year Ended 31st December 2016**

	Notes	2016 £	2015 £
TURNOVER		9,793,682	10,622,601
Administrative expenses		<u>9,255,904</u>	<u>9,460,850</u>
		537,778	1,161,751
Other operating income		<u>-</u>	<u>(40,027)</u>
OPERATING PROFIT	4	537,778	1,121,724
Interest receivable and similar income		<u>39,027</u>	<u>43,409</u>
		576,805	1,165,133
Interest payable and similar expenses	5	<u>60,865</u>	<u>656</u>
PROFIT BEFORE TAXATION		515,940	1,164,477
Tax on profit	6	<u>(87,824)</u>	<u>278,982</u>
PROFIT FOR THE FINANCIAL YEAR		<u>603,764</u>	<u>885,495</u>
Profit attributable to: Owners of the parent		<u>603,764</u>	<u>885,495</u>

The notes form part of these financial statements

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Consolidated Other Comprehensive Income
For The Year Ended 31st December 2016**

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		603,764	885,495
OTHER COMPREHENSIVE INCOME			
Purchase of own shares		(500,853)	-
Increase in capital contribution reserve		36,537	-
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(464,316)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>139,448</u>	<u>885,495</u>
Total comprehensive income attributable to: Owners of the parent		<u>139,448</u>	<u>885,495</u>

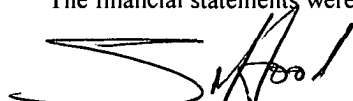
The notes form part of these financial statements

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Consolidated Balance Sheet
31st December 2016**

		2016		2015	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		1,099,305		416,174
Tangible assets	10		1,170,137		1,351,102
Investments	11		<u>-</u>		<u>-</u>
			2,269,442		1,767,276
CURRENT ASSETS					
Debtors	12	4,385,668		3,121,740	
Cash at bank		<u>2,554,682</u>		<u>1,479,106</u>	
		6,940,350		4,600,846	
CREDITORS					
Amounts falling due within one year	13	<u>2,300,674</u>		<u>1,768,355</u>	
NET CURRENT ASSETS			<u>4,639,676</u>		<u>2,832,491</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,909,118		4,599,767
CREDITORS					
Amounts falling due after more than one year	14		(2,297,382)		(124,517)
PROVISIONS FOR LIABILITIES	18		<u>(47,464)</u>		<u>(48,781)</u>
NET ASSETS			<u>4,564,272</u>		<u>4,426,469</u>
CAPITAL AND RESERVES					
Called up share capital	19		48,100		49,745
Share premium	20		15,010		15,010
Capital redemption reserve	20		2,050		405
Capital contribution reserve	20		36,537		-
Retained earnings	20		<u>4,462,575</u>		<u>4,361,309</u>
SHAREHOLDERS' FUNDS			<u>4,564,272</u>		<u>4,426,469</u>

The financial statements were approved by the Board of Directors on 24th May 2017 and were signed on its behalf by:


S A Hood - Director


M Hunter - Director

The notes form part of these financial statements

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Company Balance Sheet
31st December 2016**

		2016		2015	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		736,818		-
Tangible assets	10		936,571		1,012,307
Investments	11		<u>2,134,971</u>		<u>1,849,971</u>
			3,808,360		2,862,278
CURRENT ASSETS					
Debtors	12	4,466,131		3,135,773	
Cash at bank		<u>2,525,140</u>		<u>1,423,438</u>	
		6,991,271		4,559,211	
CREDITORS					
Amounts falling due within one year	13	<u>3,097,537</u>		<u>2,335,643</u>	
NET CURRENT ASSETS			<u>3,893,734</u>		<u>2,223,568</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,702,094		5,085,846
CREDITORS					
Amounts falling due after more than one year	14		(2,297,382)		(124,517)
PROVISIONS FOR LIABILITIES	18		<u>(47,464)</u>		<u>(57,491)</u>
NET ASSETS			<u>5,357,248</u>		<u>4,903,838</u>


The notes form part of these financial statements

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Company Balance Sheet - continued
31st December 2016**

		2016		2015	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	19		48,100		49,745
Share premium	20		15,010		15,010
Capital redemption reserve	20		2,050		405
Capital contribution reserve	20		36,537		-
Retained earnings	20		<u>5,255,551</u>		<u>4,838,678</u>
SHAREHOLDERS' FUNDS			<u><u>5,357,248</u></u>		<u><u>4,903,838</u></u>
 Company's profit for the financial year			 <u><u>919,371</u></u>		 <u><u>5,181,668</u></u>

The financial statements were approved by the Board of Directors on 24th May 2017 and were signed on its behalf by:


S A Hood - Director


M Hunter - Director

The notes form part of these financial statements

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Consolidated Statement of Changes in Equity
For The Year Ended 31st December 2016**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1st January 2015	49,745	3,885,978	15,010
Changes in equity			
Dividends	-	(410,164)	-
Total comprehensive income	-	885,495	-
Balance at 31st December 2015	<u>49,745</u>	<u>4,361,309</u>	<u>15,010</u>
Changes in equity			
Purchase of own shares	(1,645)	-	-
Total comprehensive income	-	101,266	-
Balance at 31st December 2016	<u>48,100</u>	<u>4,462,575</u>	<u>15,010</u>
	Capital redemption reserve £	Capital contribution reserve £	Total equity £
Balance at 1st January 2015	405	-	3,951,138
Changes in equity			
Dividends	-	-	(410,164)
Total comprehensive income	-	-	885,495
Balance at 31st December 2015	<u>405</u>	<u>-</u>	<u>4,426,469</u>
Changes in equity			
Purchase of own shares	-	-	(1,645)
Total comprehensive income	1,645	36,537	139,448
Balance at 31st December 2016	<u>2,050</u>	<u>36,537</u>	<u>4,564,272</u>

The notes form part of these financial statements

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Company Statement of Changes in Equity
For The Year Ended 31st December 2016**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1st January 2015	49,745	67,173	15,010
Changes in equity			
Dividends	-	(410,163)	-
Total comprehensive income	-	5,181,668	-
Balance at 31st December 2015	<u>49,745</u>	<u>4,838,678</u>	<u>15,010</u>
Changes in equity			
Purchase of own shares	(1,645)	-	-
Total comprehensive income	-	416,873	-
Balance at 31st December 2016	<u>48,100</u>	<u>5,255,551</u>	<u>15,010</u>
	Capital redemption reserve £	Capital contribution reserve £	Total equity £
Balance at 1st January 2015	405	-	132,333
Changes in equity			
Dividends	-	-	(410,163)
Total comprehensive income	-	-	5,181,668
Balance at 31st December 2015	<u>405</u>	<u>-</u>	<u>4,903,838</u>
Changes in equity			
Purchase of own shares	-	-	(1,645)
Total comprehensive income	1,645	36,537	455,055
Balance at 31st December 2016	<u>2,050</u>	<u>36,537</u>	<u>5,357,248</u>

The notes form part of these financial statements

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Consolidated Cash Flow Statement
For The Year Ended 31st December 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	(546,249)	1,297,700
Interest paid		(45,625)	(656)
Interest element of hire purchase payments paid		(5,754)	-
Finance costs paid		(9,486)	-
Tax paid		(188,165)	(165,196)
Taxation refund		<u>247,338</u>	<u>65,328</u>
Net cash from operating activities		<u>(547,941)</u>	<u>1,197,176</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(834,133)	-
Purchase of tangible fixed assets		(328,648)	(659,488)
Sale of tangible fixed assets		1,103	652
Sale of investment property		214,947	(1,414)
Interest received		<u>39,027</u>	<u>43,409</u>
Net cash from investing activities		<u>(907,704)</u>	<u>(616,841)</u>
Cash flows from financing activities			
New loans in year		3,500,000	-
Loan repayments in year		(393,979)	-
Capital repayments in year		(72,302)	(58,853)
Share buyback		(502,498)	-
Equity dividends paid		<u>-</u>	<u>(410,164)</u>
Net cash from financing activities		<u>2,531,221</u>	<u>(469,017)</u>
Increase in cash and cash equivalents		1,075,576	111,318
Cash and cash equivalents at beginning of year	2	1,479,106	1,367,788
Cash and cash equivalents at end of year	2	<u>2,554,682</u>	<u>1,479,106</u>

The notes form part of these financial statements

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Notes to the Consolidated Cash Flow Statement
For The Year Ended 31st December 2016**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	515,940	1,164,477
Depreciation charges	754,569	480,663
Profit on disposal of fixed assets	(84)	(201)
Revaluation of investment property	-	40,027
Finance costs	60,865	656
Finance income	(39,027)	(43,409)
	1,292,263	1,642,213
Increase in trade and other debtors	(1,486,198)	(830,853)
(Decrease)/increase in trade and other creditors	(352,314)	486,340
Cash generated from operations	<u>(546,249)</u>	<u>1,297,700</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2016

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	<u>2,554,682</u>	<u>1,479,106</u>

Year ended 31st December 2015

	31/12/15	1/1/15
	£	£
Cash and cash equivalents	<u>1,479,106</u>	<u>1,367,788</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
For The Year Ended 31st December 2016**

1. STATUTORY INFORMATION

Hood Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In the opinion of the directors, it remains appropriate to continue to adopt the going concern basis of accounting.

Turnover

Credit is taken for net commission on premiums receivable on insurance policies placed during the accounting period.

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.

Profit share payments are received, from time to time, from some insurance underwriters based on the underlying performance of the books of insurance underwritten on the company's behalf by those underwriters. These payments are regarded as contingent commissions and are recognised as revenue once the calculation has been agreed with the underwriter and the cash has been received from the underwriter.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of shares in The Select & Protect Program Limited in 2013 and 2014, is being amortised evenly over its useful life of ten years.

Goodwill, being the amount paid in connection with the acquisition of a book of business in 2016, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

System development costs	- 20% on cost and 33% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost
Motor vehicles	- 20% on cost

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment is recognised immediately in profit or loss.

Investment property

Investment property is shown at fair value. Surpluses or deficits arising on revaluation are recognised in the profit & loss account.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Trade and other receivables

Trade and other receivables are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

Trade and other payables

Trade and other payables are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Financial instruments

Debt instruments which are not subject to a market rate of interest are measured at amortised cost using an effective interest rate for a similar loan product. Differences between the liability on initial recognition and the carrying value are recognised as a capital contribution within reserves.

3. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	5,772,918	5,956,638
Other pension costs	<u>205,425</u>	<u>197,519</u>
	<u>5,978,343</u>	<u>6,154,157</u>

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

	2016	2015
Directors	6	6
Administration	<u>166</u>	<u>168</u>
	<u>172</u>	<u>174</u>

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016****3. EMPLOYEES AND DIRECTORS - continued**

Wages and salaries includes gross payments made to staff plus national insurance contributions, expenses and benefits.

	2016 £	2015 £
Directors' remuneration	1,066,135	1,053,634
Directors' pension contributions to money purchase schemes	<u>104,519</u>	<u>98,257</u>

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

Money purchase schemes	<u>6</u>	<u>6</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2016 £	2015 £
Emoluments etc	255,535	266,168
Pension contributions to money purchase schemes	<u>38,578</u>	<u>37,791</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Depreciation - owned assets	552,698	404,290
Depreciation - assets on hire purchase contracts	50,869	22,686
Profit on disposal of fixed assets	(84)	(201)
Goodwill amortisation	151,002	53,687
Auditors' remuneration	40,942	37,358
Auditors' remuneration for non audit work	53,101	36,863
Operating leases - Rental and service charges	294,950	402,848
Operating leases - Hire/Lease of equipment	<u>53,491</u>	<u>101,866</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016 £	2015 £
Bank loan interest	45,625	-
Other interest payable	-	656
Hire purchase	5,754	-
Financial liability interest	<u>9,486</u>	<u>-</u>
	<u>60,865</u>	<u>656</u>

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016****6. TAXATION****Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	160,308	188,241
Over provision in prior years	(246,815)	-
Total current tax	(86,507)	188,241
Deferred tax	(1,317)	90,741
Tax on profit	(87,824)	278,982

Tax effects relating to effects of other comprehensive income

	Gross £	2016 Tax £	Net £
Purchase of own shares	(500,853)	-	(500,853)
Increase in capital contribution reserve	36,537	-	36,537
	(464,316)	-	(464,316)

	Gross £	2015 Tax £	Net £
Purchase of own shares			

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	2016 £	2015 £
Ordinary shares of £1.00 each		
Interim	-	410,164

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016**

9. INTANGIBLE FIXED ASSETS

Group

**Goodwill
£**

COST

At 1st January 2016

536,870

Additions

834,133

At 31st December 2016

1,371,003

AMORTISATION

At 1st January 2016

120,696

Amortisation for year

151,002

At 31st December 2016

271,698

NET BOOK VALUE

At 31st December 2016

1,099,305

At 31st December 2015

416,174

Company

**Goodwill
£**

COST

Additions

834,133

At 31st December 2016

834,133

AMORTISATION

Amortisation for year

97,315

At 31st December 2016

97,315

NET BOOK VALUE

At 31st December 2016

736,818

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016**

10. TANGIBLE FIXED ASSETS

Group	Systems development costs £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st January 2016	3,830,064	29,964	204,730	213,943	4,278,701
Additions	294,684	11,596	94,973	22,368	423,621
Disposals	-	(5,116)	-	(22,265)	(27,381)
At 31st December 2016	<u>4,124,748</u>	<u>36,444</u>	<u>299,703</u>	<u>214,046</u>	<u>4,674,941</u>
DEPRECIATION					
At 1st January 2016	2,741,944	25,180	3,412	157,063	2,927,599
Charge for year	520,756	3,057	47,652	32,102	603,567
Eliminated on disposal	-	(4,694)	-	(21,668)	(26,362)
At 31st December 2016	<u>3,262,700</u>	<u>23,543</u>	<u>51,064</u>	<u>167,497</u>	<u>3,504,804</u>
NET BOOK VALUE					
At 31st December 2016	<u>862,048</u>	<u>12,901</u>	<u>248,639</u>	<u>46,549</u>	<u>1,170,137</u>
At 31st December 2015	<u>1,088,120</u>	<u>4,784</u>	<u>201,318</u>	<u>56,880</u>	<u>1,351,102</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Systems development costs £	Motor vehicles £	Totals £
COST			
At 1st January 2016	57,829	204,730	262,559
Additions	-	94,973	94,973
Transfer to ownership	(57,829)	-	(57,829)
At 31st December 2016	<u>-</u>	<u>299,703</u>	<u>299,703</u>
DEPRECIATION			
At 1st January 2016	54,612	3,412	58,024
Charge for year	3,217	47,652	50,869
Transfer to ownership	(57,829)	-	(57,829)
At 31st December 2016	<u>-</u>	<u>51,064</u>	<u>51,064</u>
NET BOOK VALUE			
At 31st December 2016	<u>-</u>	<u>248,639</u>	<u>248,639</u>
At 31st December 2015	<u>3,217</u>	<u>201,318</u>	<u>204,535</u>

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016**

10. TANGIBLE FIXED ASSETS - continued

Company	Systems development costs £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st January 2016	3,307,879	29,963	204,730	205,815	3,748,387
Additions	294,684	11,596	94,973	22,368	423,621
Disposals	-	(5,116)	-	(22,265)	(27,381)
At 31st December 2016	<u>3,602,563</u>	<u>36,443</u>	<u>299,703</u>	<u>205,918</u>	<u>4,144,627</u>
DEPRECIATION					
At 1st January 2016	2,557,749	25,180	3,412	149,739	2,736,080
Charge for year	416,319	3,057	47,652	31,310	498,338
Eliminated on disposal	-	(4,694)	-	(21,668)	(26,362)
At 31st December 2016	<u>2,974,068</u>	<u>23,543</u>	<u>51,064</u>	<u>159,381</u>	<u>3,208,056</u>
NET BOOK VALUE					
At 31st December 2016	<u>628,495</u>	<u>12,900</u>	<u>248,639</u>	<u>46,537</u>	<u>936,571</u>
At 31st December 2015	<u>750,130</u>	<u>4,783</u>	<u>201,318</u>	<u>56,076</u>	<u>1,012,307</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Systems development costs £	Motor vehicles £	Totals £
COST			
At 1st January 2016	57,829	204,730	262,559
Additions	-	94,973	94,973
Transfer to ownership	(57,829)	-	(57,829)
At 31st December 2016	<u>-</u>	<u>299,703</u>	<u>299,703</u>
DEPRECIATION			
At 1st January 2016	54,612	3,412	58,024
Charge for year	3,217	47,652	50,869
Transfer to ownership	(57,829)	-	(57,829)
At 31st December 2016	<u>-</u>	<u>51,064</u>	<u>51,064</u>
NET BOOK VALUE			
At 31st December 2016	<u>-</u>	<u>248,639</u>	<u>248,639</u>
At 31st December 2015	<u>3,217</u>	<u>201,318</u>	<u>204,535</u>

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016**

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertaking £
COST	
At 1st January 2016	1,849,971
Additions	<u>285,000</u>
At 31st December 2016	<u>2,134,971</u>
NET BOOK VALUE	
At 31st December 2016	<u>2,134,971</u>
At 31st December 2015	<u>1,849,971</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

The Select and Protect Program Limited

Registered office: Maitland House, Warrior Square, Southend-on-Sea, Essex, SS1 2JY

Nature of business: Insurance services

	%		
Class of shares:	holding	2016	2015
Ordinary	100.00	£	£
Aggregate capital and reserves		344,487	344,487
Loss for the year		<u>-</u>	<u>(43,216)</u>

Plus One Administration Services Limited

Registered office: Maitland House, Warrior Square, Southend-on-Sea, Essex, SS1 2JY

Nature of business: Insurance services

	%		
Class of shares:	holding	2016	2015
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>25,000</u>	<u>25,000</u>

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016**

11. FIXED ASSET INVESTMENTS - continued

Plus One Services Limited

Registered office: Maitland House, Warrior Square, Southend-on-Sea, Essex, SS1 2JY

Nature of business: Insurance services

	% holding	2016	2015
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		358,405	333,760
Profit for the year		<u>24,645</u>	<u>101,278</u>

Hood Direct Limited

Registered office: Maitland House, Warrior Square, Southend-on-Sea, Essex, SS1 2JY

Nature of business: Insurance services

	% holding	2016	2015
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		<u>95,990</u>	<u>95,990</u>

Select & Protect Limited

Registered office: Maitland House, Warrior Square, Southend-on-Sea, Essex, SS1 2JY

Nature of business: Non-trading

	% holding	2016	2015
Class of shares:		£	£
Ordinary	100.00		
Preference	100.00		
Aggregate capital and reserves		<u>110,000</u>	<u>110,000</u>

Hood Travel Limited

Registered office: Maitland House, Warrior Square, Southend-on-Sea, Essex, SS1 2JY

Nature of business: Insurance services

	% holding	2016	2015
Class of shares:		£	£
Ordinary	100.00		
5% redeemable preference	100.00		
Aggregate capital and reserves		(954,736)	(668,171)
Loss for the year		<u>(286,565)</u>	<u>(478,743)</u>

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	736,431	672,935	543,228	645,291
Amounts owed by group undertakings	-	-	328,428	360,731
Other debtors	<u>3,649,237</u>	<u>2,448,805</u>	<u>3,594,475</u>	<u>2,129,751</u>
	<u>4,385,668</u>	<u>3,121,740</u>	<u>4,466,131</u>	<u>3,135,773</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts (see note 15)	500,000	-	500,000	-
Other loans (see note 15)	404,800	-	404,800	-
Hire purchase contracts (see note 16)	55,458	40,969	55,458	40,969
Trade creditors	556,326	533,330	514,444	460,974
Amounts owed to group undertakings	-	-	925,864	755,156
Tax	160,308	188,241	160,308	162,272
Social security and other taxes	274,761	304,397	274,761	304,397
Other creditors	<u>349,021</u>	<u>701,418</u>	<u>261,902</u>	<u>611,875</u>
	<u>2,300,674</u>	<u>1,768,355</u>	<u>3,097,537</u>	<u>2,335,643</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans (see note 15)	1,750,000	-	1,750,000	-
Other loans (see note 15)	414,683	-	414,683	-
Hire purchase contracts (see note 16)	<u>132,699</u>	<u>124,517</u>	<u>132,699</u>	<u>124,517</u>
	<u>2,297,382</u>	<u>124,517</u>	<u>2,297,382</u>	<u>124,517</u>

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016**

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	500,000	-	500,000	-
Other loans	<u>404,800</u>	<u>-</u>	<u>404,800</u>	<u>-</u>
	<u>904,800</u>	<u>-</u>	<u>904,800</u>	<u>-</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	500,000	-	500,000	-
Other loans - 1-2 years	<u>359,470</u>	<u>-</u>	<u>359,470</u>	<u>-</u>
	<u>859,470</u>	<u>-</u>	<u>859,470</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	1,250,000	-	1,250,000	-
Other loans - 2-5 years	<u>55,213</u>	<u>-</u>	<u>55,213</u>	<u>-</u>
	<u>1,305,213</u>	<u>-</u>	<u>1,305,213</u>	<u>-</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	55,458	40,969
Between one and five years	<u>132,699</u>	<u>124,517</u>
	<u>188,157</u>	<u>165,486</u>

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016**

16. LEASING AGREEMENTS - continued

Company

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	55,458	40,969
Between one and five years	<u>132,699</u>	<u>124,517</u>
	<u>188,157</u>	<u>165,486</u>

Group

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	365,596	348,764
Between one and five years	<u>934,785</u>	<u>1,290,297</u>
	<u>1,300,381</u>	<u>1,639,061</u>

Company

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	365,596	348,764
Between one and five years	<u>934,785</u>	<u>1,290,297</u>
	<u>1,300,381</u>	<u>1,639,061</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Company	
	2016	2015
	£	£
Bank loans	<u>2,250,000</u>	<u>-</u>

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

Bank loans are secured by way of a fixed charge over the company's contracts, book debts, intellectual property, cash at bank and in hand and goodwill and a floating charge over all of the company's undertakings and assets.

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016**

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Deferred tax	<u>47,464</u>	<u>48,781</u>	<u>47,464</u>	<u>57,491</u>
Group				Deferred tax
				£
Balance at 1st January 2016				48,781
Movement in the year				<u>(1,317)</u>
Balance at 31st December 2016				<u>47,464</u>
Company				Deferred tax
				£
Balance at 1st January 2016				57,491
Movement in year				<u>(10,027)</u>
Balance at 31st December 2016				<u>47,464</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016	2015
			£	£
48,100	Ordinary	£1.00	<u>48,100</u>	<u>49,745</u>
(2015 - 49,745)				

20. RESERVES

Group					
	Retained earnings	Share premium	Capital redemption reserve	Capital contribution reserve	Totals
	£	£	£	£	£
At 1st January 2016	4,361,309	15,010	405	-	4,376,724
Profit for the year	603,764				603,764
Purchase of own shares	(502,498)	-	1,645	-	(500,853)
Increase in capital contribution reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,537</u>	<u>36,537</u>
At 31st December 2016	<u>4,462,575</u>	<u>15,010</u>	<u>2,050</u>	<u>36,537</u>	<u>4,516,172</u>

HOOD GROUP LIMITED (REGISTERED NUMBER: 03139744)**Notes to the Consolidated Financial Statements - continued
For The Year Ended 31st December 2016****20. RESERVES - continued****Company**

	Retained earnings £	Share premium £	Capital redemption reserve £	Capital contribution reserve £	Totals £
At 1st January 2016	4,838,678	15,010	405	-	4,854,093
Profit for the year	919,371				919,371
Purchase of own shares	(502,498)	-	1,645	-	(500,853)
Increase in capital contribution reserve	-	-	-	36,537	36,537
At 31st December 2016	<u>5,255,551</u>	<u>15,010</u>	<u>2,050</u>	<u>36,537</u>	<u>5,309,148</u>

21. PENSION COMMITMENTS

The group 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 £205,425 (2015: £197,519).

22. RELATED PARTY DISCLOSURES

In the board of director's opinion the company is under the control of the Bernard Hood Discretionary Will Trust of which two of the trustees, Mr E.J. Cater and Mr S.A. Hood, are also directors of Hood Group Limited.

During the year the company paid £42,000 (2015: £42,000) 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.

As at the balance sheet date there existed a balance of £1,575,000 (2015: £1,431,500) owed from Augmentum Management Limited, a company which has some directors in common with Hood Group Limited. During the year the company paid £nil (2015: £38,500) in respect of management charges to Augmentum Management Limited.

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the company was £1,170,654 (2015: £1,151,891).