Company Registration No. 00584047

GOLLEY SLATER GROUP LIMITED

Report and Financial Statements

31 March 2012

REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A J Tillard
C C Lovell
S J Freethy
A O Golley
T P Jessen (Appointed 7^{th} Februrary 2012)
D Longden (Appointed 7^{th} February 2012)

SECRETARY

M&A Secretaries Limited

REGISTERED OFFICE

Wharton Place
Wharton Street
Cardiff
CF10 1GS

BANKERS

HSBC Bank Plc
97 Bute Street
Cardiff Bay
Cardiff
CF10 5NA

AUDITORS

Kingston Smith LLP
141 Wardour Street
London
W1F 0UT

DIRECTORS' REPORT

The directors present their report and the audited financial statements for year ended 31 March 2012

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company's principal activities comprise advertising, marketing, public relations and social media consultancy and as a holding company of a group whose activities comprise digital advertising, direct marketing, and recruitment advertising There have been no significant changes in the company's principal activities in the period under review The directors are not aware, at the date of this report, of any likely changes in the company's activities in the forthcoming year

As shown in the consolidated profit and loss account on page 7, the gross profit has decreased by 5% over the prior year (2011 - increase 1%)

The company's key measurement of the effectiveness of its operations is the margin of operating profit against gross profit As shown in the consolidated profit and loss account, operating profit margin has decreased from 8 8% in March 2011 to 5 6% in March 2012 The margin has been impacted by restructuring costs during the year and investment in growth disciplines

The consolidated balance sheet on page 9 shows an increase in net current assets of £198,491 at the year end to £10,179,591 The business has good credit controls in place and negotiates terms with suppliers to enable it to maintain a cash positive working capital position There is also a £2,000,000 overdraft facility in place

The directors have considered the use of the going concern basis in the preparation of the financial statements and have concluded that it was appropriate More information is provided in note 1 of the financial statements

There have been no significant events since the balance sheet date

FUTURE PROSPECTS

The directors are satisfied with the results for the financial period and believe that the company and the group will continue to trade satisfactorily in the future

RESULTS AND DIVIDENDS

The group profit for the financial period, after taxation and minority interest, was £559,640 (31 March 2011 - £878,757)

An interim dividend of £250,000 was proposed and paid by the directors for the financial year (31 March 2011 - £275,000)

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in a highly competitive market where there is an ongoing risk of losing clients to competitors The company manages this risk by having in place comprehensive contracts with fixed terms and notice periods of three months or more wherever practical

Credit risk with clients is addressed through credit checks and the risk of financial loss is mitigated through the group's credit insurance policy

Financial risk on borrowings is limited to movements in interest rates The company has entered into a hedging arrangement on half of the debt to reduce exposure to upward movements in the rates

DIRECTORS' REPORT (continued)

EMPLOYMENT POLICY

It is the Group's policy to employ individuals with the necessary qualifications and experience and with full regard to the governing anti-discrimination laws Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities

The Group recognises the great importance of the contributions made by all employees and aims to keep them informed on matters affecting them as employees and on developments within the Group Communication and consultation is achieved by a variety of means, both within individual operating companies and on a group-wide basis

DIRECTORS

The current directors of the company, who served throughout the financial period unless stated otherwise, are as shown on page 1

DONATIONS

During the financial period, the group made charitable donations of £1,283 (31 March 2011 - £2,296) No political donations were made during either period

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) 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 the Companies Act 2006

Kingston Smith LLP have been appointed as the company's auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

Director C C LOVELL

Date 11/10/12

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that 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 AUDITORS' REPORT
TO THE MEMBERS OF GOLLEY SLATER GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Golley Slater Group Limited for the year ended 31 March 2012 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes 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 an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 group's and 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 directors' report 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 group's and the parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the Companies Act 2006,

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF GOLLEY SLATER GROUP LIMITED

Opinion on other matter prescribed by the Companies Act 2006

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

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

Kingston Smith LLP

12/10/12

Ian Graham (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

Chartered Accountants
Statutory Auditor
141 Wardour Street
London
W1F 0UT

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

	Note	Year ended 31 March 2012 £	Year ended 31 March 2011 £
TURNOVER	2	31,917,963	33,915,250
Cost of sales		(17,638,455)	(18,822,895)
Gross profit		14,279,508	15,092,355
Administrative expenses		(13,570,766)	(13,867,108)
Other operating income		95,956	98,848
OPERATING PROFIT		804,698	1,324,095
Interest receivable and similar income		1,594	1,306
Interest payable and similar charges	4	(88,557)	(55,731)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	717,736	1,269,670
Tax on profit on ordinary activities	6	(166,998)	(372,267)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		550,738	897,403
Minority interests		8,902	(18,646)
PROFIT FOR THE FINANCIAL PERIOD	18	559,640	878,757

All activities derive from continuing operations

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 March 2012

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Profit for the financial period as previously reported	559,640	878,757
Actuarial gain/(loss) recognised in the pension scheme (refer to note 7)	(455,100)	87,120
Total gains recognised since last report and financial statements	114,540	965,877

CONSOLIDATED BALANCE SHEET
31 March 2012

	Note	£	31 March 2012 £	£	31 March 2011 £
FIXED ASSETS					
Intangible assets – Positive Goodwill	9	4,089,157		4,089,157	
Intangible assets – Negative Goodwill	9	(12,410)		(12,410)	
Tangible assets	10	384,693		362,773	
Investments	11	14,923		14,923	
			4,476,363		4,454,443
CURRENT ASSETS					
Debtors	12	17,723,406		17,958,925	
Cash at bank and in hand		1,071,634		239,776	
		18,795,040		18,198,701	
CREDITORS: amounts falling due within one year	14	(8,615,450)		(8,217,601)	
NET CURRENT ASSETS			10,179,591		9,981,100
TOTAL ASSETS LESS CURRENT LIABILITIES			14,655,954		14,435,543
CREDITORS: amounts falling due after more than one year	15		(87,891)		(65,605)
PROVISIONS FOR LIABILITIES	16		(1,186,767)		(800,265)
MINORITY INTERESTS			(50,771)		(59,673)
NET ASSETS			13,330,525		13,510,000
CAPITAL AND RESERVES					
Called up share capital	17		52,942		52,942
Share premium account	18		374,260		374,260
Capital redemption reserve	18		9,239		9,239
Merger reserve	18		72,000		72,000
Capital contribution reserve	18		35,517		32,393
Profit and loss account	18		12,786,567		12,969,166
SHAREHOLDERS' FUNDS	18		13,330,525		13,510,000

These financial statements were approved and authorised for issue by the Board of Directors on 11/10/12
Signed on behalf of the Board of Directors

C C Lovell
Director

Company Registration No 584047

COMPANY BALANCE SHEET
31 March 2012

	Note	£	31 March 2012 £	£	31 March 2011 £
FIXED ASSETS					
Intangible assets	9	644,321		644,321	
Tangible assets	10	362,711		362,711	
Investments	11	4,309,711		3,665,390	
			4,694,404		4,672,485
CURRENT ASSETS					
Debtors	12	16,542,303		16,606,958	
Cash at bank and in hand		1,071,634		239,776	
		17,613,937		16,846,734	
CREDITORS: amounts falling due within one year	14	(8,615,450)		(8,132,233)	
NET CURRENT ASSETS			8,998,487		8,714,501
TOTAL ASSETS LESS CURRENT LIABILITIES			13,692,891		13,386,986
CREDITORS: amounts falling due after more than one year	15		(87,891)		(65,605)
PROVISIONS FOR LIABILITIES	16		(1,186,767)		(800,265)
NET ASSETS			12,418,233		12,521,116
CAPITAL AND RESERVES					
Called up share capital	17		52,942		52,942
Share premium account	18		374,260		374,260
Capital redemption reserve	18		9,239		9,239
Capital contribution reserve	18		35,517		32,393
Profit and loss account	18		11,946,275		12,052,282
SHAREHOLDERS' FUNDS	18		12,418,233		12,521,116

These financial statements were approved and authorised for issue by the Board of Directors on 4/10/12.
Signed on behalf of the Board of Directors

C C Lovell
Director

Company Registration No 584047

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2012

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards The particular accounting policies adopted, which have been applied consistently throughout the current financial year and the prior financial period, are described below

Accounting convention

The financial statements are prepared under the historical cost convention

Going concern basis

The financial statements have been prepared on the going concern basis

The directors have prepared projected profitability and cash flow information for the period ending 12 months from the date of their approval of these financial statements The Group continues to manage its working capital effectively On the basis of this information the financial statements have been prepared on the going concern basis

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Golley Slater Group Limited and its subsidiaries for the 12 months ended 31 March 2012

Acquisitions and goodwill

On the acquisition of a business, fair values are attributed to the group's share of net separable assets Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and, prior to FRS 10"Goodwill and intangible assets", was written off directly to reserves This goodwill amounts to £460,544 (31 March 2011 - £460,544) and remains eliminated in reserves and will be charged or credited to the profit and loss account as appropriate on the subsequent disposal of the business to which it relates

Following the issue of FRS 10, goodwill is capitalised as an intangible asset

Goodwill impairment is assessed by comparing the carrying value of goodwill to the net present value of future cash flows derived from the operating performance underpinned by each cash generating unit's three year forecast After this period, growth rates equivalent to expected nominal GDP are generally assumed In accordance with FRS 10 and 11 the carrying value of goodwill is reviewed for impairment on the basis stipulated in FRS 11 and adjusted to the recoverable amount if required Impairment is recognised in the Profit and Loss Account and is not subsequently reversed The individual circumstances of each future acquisition will be assessed to determine the appropriate treatment of any related goodwill

Previously the company has amortised goodwill on a straight line basis over an estimated useful economic life of 20 years

Tangible fixed assets

Tangible fixed assets are depreciated over their expected useful lives on a straight-line basis as follows

Leasehold property, fixtures and fittings, and office equipment	-	10%-33 1/3% per annum
Motor vehicles	-	25% per annum

Investments

Fixed asset investments are stated at cost less provision for impairment

1. ACCOUNTING POLICIES (continued)

Taxation

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

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

Leases

Operating lease rentals are charged to the profit and loss account in equal amounts over the period of the lease

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Pensions

The group operates a defined benefit pension scheme for its employees, providing benefits based on final pensionable pay Membership to the scheme has been by invitation and in recent years has been closed to new members The defined benefit scheme is contributory and contributions are assessed in accordance with the advice of a qualified actuary The group's contributions to the defined benefit scheme are charged to the profit and loss account so as to spread the cost of pension provisions over the employees' working lives with the group

FRS 17 requires the assets of a defined benefit scheme to be measured at the market value at each balance sheet date and the liabilities to be measured using a specified valuation method and to be discounted using a corporate bond rate FRS 17 also requires the surplus or deficit on the scheme to be recognised immediately on the balance sheet and any actual gains or losses arising to be recognised immediately in the statement of total recognised gains and losses, rather than progressively over time in the profit and loss account In accordance with FRS 17, additional disclosures relating to the group's defined benefit scheme are given in note 7

The company also makes defined contributions to certain employee pension schemes Contributions payable are charged to the profit and loss account in the year they are payable

Rental income

Rentals receivable are accounted for as operating lease income and credited to the profit and loss account on a straight-line basis over the lease term, with any rental increases recognised during the period to which they relate

1. ACCOUNTING POLICIES (continued)

Cash flow statement

The company has taken advantage of the exemption under FRS 1 (revised 1996) from preparing a cash flow statement, being a wholly-owned subsidiary of Tgthr Group Limited and included in its consolidated financial statements, which are publicly available

Revenue recognition

Group turnover consists of four main sources of revenue advertising, marketing, digital, and public relations, which is recognised in the period in which the service is performed

Advertising and marketing production revenue is recognised in the year in which the project is worked on For projects which fall over the financial year end, income is recognised to reflect the partial completion of the contractual obligation in accordance with UITF40

Media Commissions are recognised in the month to which they relate, and commissions are recognised as income when the related advertisement appears

Revenue from fees and services to be performed subject to a specific agreement is recognised when the service is performed in accordance with the terms of the contractual arrangement

Share based payment transactions

In accordance with FRS 20 the fair value of share options granted to employees and earn-out arrangements are required to be treated as remuneration within the Profit and Loss Account

Equity-settled share-based payments, such as share options, are measured at fair value at the date of grant The fair value determined at the grant date of the equity-settled share payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of the number of shares that will eventually vest

Fair value is measured by use of a Black Scholes model on the grounds that there are no market related vesting conditions The expected life used in the model has been adjusted, based on management's best estimate, for the effects on non-transferability, exercise restrictions and behavioural considerations Market price on any given day is obtained from external publicly available sources

2. TURNOVER

Group turnover represents sales by group companies to outside customers, excluding value added tax All turnover is derived from within the United Kingdom

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Directors – Group and company		
Emoluments (excluding pension contributions)	223,591	301,440
Pension contributions	-	-
	No.	**No**
Number of directors who are members of a defined benefit pension scheme	-	-
	£	**£**
Highest paid director's remuneration		
Aggregate of emoluments (excluding pension contributions)	151,685	151,490

	Group		Company	
	Year ended 31 March 2012 £	Year ended 31 March 2011 £	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Employee costs during the year				
Wages and salaries	8,767,354	9,122,841	6,071,041	6,068,626
Social security costs	930,790	909,740	649,589	618,543
Other pension costs	188,241	234,091	164,592	184,638
	9,886,385	10,266,672	6,885,222	6,871,807
Average number of persons employed				
Production	63	68	38	32
Sales and account handling	120	117	93	89
Administration	37	43	35	41
	220	228	166	162

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Finance lease charges	33,285	13,615
Overdraft Interest	22,623	5,330
Other Interest	189	2,953
Bank charges	32,460	33,833
	88,557	55,731

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Profit on ordinary activities before taxation is after charging/(crediting)		
Depreciation – owned assets	151,257	126,682
Depreciation - leased assets	52,157	42,299
Auditors' remuneration		
- group audit fees	17,000	17,000
- company audit fees	18,000	18,000
Operating lease rentals		
- Machinery, equipment and vehicles	165,469	134,727
- Land and buildings	826,402	834,040
Rental income received under operating lease	(88,914)	(86,512)
Profit on disposal of fixed assets	(7,300)	(15,348)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Current taxation		
Umted Kmgdom corporation tax		
Current tax on mcome for the penod at 28 % (31 March 2011 – 28%)	147,059	304,151
Adjustment m respect of pnor years	19,274	(2,678)
Total current tax	(166,333)	(301,473)
Deferred taxation		
Ongmation and reversal of tımıng dıfferences	(665)	(70,794)
	166,998	372,267

The dıfference between the total current tax shown above and the amount calculated by applyıng the standard rate of UK corporation tax to the profit before tax ıs as follows

	£	£
Profit on ordmary actıvıties before tax	717,736	1,269,670
Tax on profit on ordmary actıvıties before tax at 26% (31 March 2011 – 28%)	186,611	355,507
Factors affecting charge for the period		
Expenses not deductıble for tax purposes	20,308	34,275
Depreciation for the penod m excess of capıtal allowances	(18,385)	(36,826)
Rate dıfferences on current tax	(8,475)	(9,706)
Adjustment m respect of pnor years	19,274	(2,678)
Utılısation of losses from holdıng company	(31,472)	(45,590)
Other	(1,528)	6,491
Current tax charge for the penod	166,332	301,473

7 PENSION SCHEME

The group operates a defined benefit pension scheme for qualifying employees

The assets of the scheme are held separately from those of the group, being held in a trustee-administered fund Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives within the group The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method

The most recent full actuarial valuation of the defined benefit scheme was at 2 December 2008 and this was updated to 31 March 2012

The pension costs are assessed in accordance with the advice of an independent qualified actuary using the projected unit method

The main assumptions which have the most significant effect on the results of the valuation are those relating to the rates of return on investments and the rates of increase in salaries and in pensions payment

The major assumptions used by the actuary were

	Valuation at 31 March 2012	Valuation at 31 March 2011	Valuation at 31 March 2010
Discount rate	4 60% pa	5 5% pa	5.5% pa
Inflation	2 50% pa	3 25% pa	3 45% pa
Salary increases	2 50% pa	3 75% pa	3 95% pa
Increases to pensions in payment in line with RPI up to a maximum of 5% pa	2 50% pa	2 90% pa	3 00% pa

The assets in the scheme and the expected rate of return were

	Long-term rate of return expected at 31 March 2012	Value of assets at 31 March 2012 £	Long-term rate of return expected at 31 March 2011	Value of assets at 31 March 2011 £	Long-term rate of return expected at 31 March 2010	Value of assets at 31 March 2010 £
Cash Accumulation Policy	6 50% pa	4,912,700	6 80% pa	4,809,000	6 80% pa	4,559,000
Secured annuities	4 60% pa	175,300	5 50% pa	180,000	5 50% pa	190,000
Total market value of assets		5,088,000		4,989,000		4,749,000
Present value of scheme liabilities		(6,152,000)		(5,447,000)		(5,338,000)
Surplus/(deficit) in the scheme		(1,064,000)		(458,000)		(589,000)
Deferred tax asset		255,360		119,080		164,920
Net surplus/(deficit) in the scheme		(808,640)		(338,920)		(424,080)

7. PENSION SCHEME (continued)

Analysis of the amount charged to operating profit

	Year Ended 31 March 2012 £	Year Ended 31 March 2011 £
Current service cost and operating charge	89,000	91,000

The total current service cost represents the cost of the pension rights accrued in the period (net of employee contributions) and the death-in-service insurance premiums paid

Analysis of the amount credited to other income

	Year Ended 31 March 2012 £	Year Ended 31 March 2011 £
Expected return on assets	294,000	280,000
Interest cost	(296,000)	(292,000)
Net return	(2,000)	(12,000)

Analysis of the amount recognised in the statement of total recognised gains and losses (STRGL)

	Year Ended 31 March 2012 £	Year Ended 31 March 2011 £
Actual return less expected return on assets	(110,000)	52,000
Experience gains/(losses) arising on the scheme liabilities	(505,000)	69,000
Deferred tax adjustment	159,900	(33,880)
Actuarial gain recognised in STRGL	(455,100)	87,120

7. PENSION SCHEME (continued)

Movement in deficit during the period

	Year Ended 31 March 2012 £	Year Ended 31 March 2011 £
Deficit in scheme at beginning of the period	(458,000)	(589,000)
Movement in the period		
Current service cost	(89,000)	(91,000)
Employer contributions	100,000	113,000
Other finance income	(2,000)	(12,000)
Actuarial gain	(615,000)	121,000
Deficit in scheme at end of the period	(1,064,000)	(458,000)

History of experience gains and losses	Year Ended 31 March 2012 £	Year Ended 31 March 2011 £
Difference between the actual and expected return on scheme assets		
Amount	(110,000)	52,000
Percentage of scheme assets	(2 2%)	1 0%
Experience gains and losses on scheme liabilities		
Amount	(505,000)	69,000
Percentage of scheme liabilities	(8 2)%	1 3%
Total amount recognised in STRGL (before deferred tax adjustment)		
Amount	(615,000)	121,000
Percentage of scheme liabilities	(10)%	2 2%

Defined Contribution Pension Scheme

Contributions payable by the Group for the year were £104,992 (2011 £65,939)

Expected employer contributions for 31 March 2013 - £105,325

8. PROFIT OF PARENT COMPANY

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements The parent company's profit for the financial year amounted to £349,093 (31 March 2011 profit - £733,801)

9. INTANGIBLE FIXED ASSETS

Group – Positive Goodwill

	Goodwill £
Cost	
At 1 April 2011	5,391,934
At 31 March 2012	5,391,934
Accumulated amortisation	
At 1 April 2011 and at 31 March 2012	1,302,777
Net book value	
At 31 March 2012	4,089,157
At 31 March 2011	4,089,157

Group – Negative Goodwill

	Goodwill £
Cost	
At 1 April 2011	-
Additions	(12,410)
At 31 March 2012	(12,410)
Accumulated amortisation	
At 1 April 2011 and at 31 March 2012	-
Net book value	
At 31 March 2012	(12,410)
At 31 March 2011	-

160 shares were acquired in Golley Slater North Ltd for £160 in November 2011 The net assets of the business on acquisition were £78,560, resulting in negative goodwill of £12,410

Company – Positive Goodwill

	Goodwill £
Cost	
At 1 April 2011 and at 31 March 2012	710,364
Accumulated amortisation	
At 1 April 2011 and at 31 March 2012	66,043
Net book value	
At 1 April 2011 and at 31 March 2012	644,321

10. TANGIBLE FIXED ASSETS

Group and Company	Leasehold property, fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2011	710,759	2,123,028	151,888	2,985,675
Additions	71,184	154,731	18,000	243,915
Disposals	(290,259)	(239,859)	(50,972)	(581,090)
At 31 March 2012	491,684	2,037,900	118,916	2,648,500
Depreciation				
At 1 April 2011	670,405	1,821,349	131,148	2,622,902
Charge for the period	31,521	163,436	8,458	203,415
Disposals	(290,259)	(237,597)	(34,899)	(562,755)
At 31 March 2012	411,667	1,747,188	104,707	2,263,562
Net book value				
At 31 March 2012	80,017	290,713	14,208	384,938
At 31 March 2011	40,354	301,679	20,740	362,773

Net amount of assets held under finance lease at 31 March 2012 is £134,834 (31 March 2011 - £147,000) The depreciation charge in respect of such assets amounted to £52,157 (2011 £42,299) for the year

11. INVESTMENTS HELD AS FIXED ASSETS

Group	Unlisted investments	Investment in shares of group companies	Total
	£	£	£
Cost and net book value			
At 31 March 2012 and 31 March 2011	14,923	-	14,923

Company			
Cost			
At 31 March 2012 and 31 March 2011	14,923	3,650,467	3,665,390

12. DEBTORS

	Group		Company	
	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2011
	£	£	£	£
Trade debtors	5,994,803	6,705,306	5,994,803	6,705,306
Amounts owed by group undertakings	11,046,722	10,527,425	9,865,619	9,175,458
Other debtors	611,449	655,097	611,449	655,097
Deferred tax asset (note 13)	70,432	71,097	70,432	71,097
	17,723,406	17,958,925	16,542,303	16,606,958

13. DEFERRED TAX ASSET

Group and company	2012	2011
	£	£
Balance at 1 April 2011	71,097	129,931
Movement in the year	(665)	(58,834)
Balance at 31 March 2012	70,432	71,097

The amount of deferred tax asset recognised in the financial statements is in respect of

	Group 31 March 2012	Group 31 March 2011	Company 31 March 2012	Company 31 March 2011
	£	£	£	£
Depreciation in excess of capital allowances	70,432	71,097	70,432	71,097

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	£	£	£	£
Obligations under finance leases	68,188	26,805	68,188	26,805
Trade creditors	5,046,453	5,186,154	5,046,453	5,186,154
Taxation and social security	1,639,688	1,051,734	1,639,688	1,051,734
Corporation tax	49,864	157,482	49,864	72,112
Other creditors	975,184	1,177,376	975,184	1,177,378
Accruals and deferred income	836,073	618,050	836,073	618,050
	8,615,450	8,217,601	8,615,450	8,123,233

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

	Group	Company	Group	Company
	31 March 2012	31 March 2012	31 March 2011	31 March 2011
	£	£	£	£
Obligations under finance leases				
between one and five years	87,891	65,605	87,891	65,605
after five years	-	-	-	-
	87,891	65,605	87,891	65,605

16. PROVISIONS FOR LIABILITIES

	31 March 2012	31 March 2011
	£	£
Group and company		
Pensions deficit (see note 7)	808,640	338,920
Provisions relating to leases	378,127	461,345
	1,186,767	800,265

The provisions relating to leases include an amount in respect of onerous leases of £76,572 (2011 £124,935) and amounts relating to a rent free period and dilapidations on leases of £301,555 (2011 £336,410)

17. CALLED UP SHARE CAPITAL

	31 March 2012 £	31 March 2011 £
Authorised		
Ordinary shares of £1 each	100,000	100,000
Allotted and fully paid		
Ordinary shares of £1 each	52,942	52,942

18. COMBINED STATEMENT OF MOVEMENT IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £	Share premium account £	Capital redemption reserve £	Merger reserve £	Capital Contribution Reserve £	Profit and loss account £	Total 31 March 2012 £	Total 31 March 2011 £
Group								
At beginning of financial period	52,942	374,260	9,239	72,000	32,393	12,969,166	13,510,000	12,822,058
Share based payment expense	-	-	-	-	3,124	-	3,124	(2,155)
Minority Interest						8,901	8,901	-
Profit for the period	-	-	-	-	-	778,902	778,902	878,757
Dividends	-	-	-	-	-	(515,302)	(515,302)	(275,780)
Actuarial (loss)/gain	-	-	-	-	-	(455,100)	(455,100)	87,120
At end of financial period	52,942	374,260	9,239	72,000	35,517	12,786,567	13,330,525	13,510,000
Company								
At beginning of financial period	52,942	374,260	9,239	-	32,393	12,052,282	12,521,116	12,125,657
Share based payment expense	-	-	-	-	3,124	-	3,124	(2,155)
Profit for the period	-	-	-	-	-	599,093	599,093	585,494
Dividends	-	-	-	-	-	(250,000)	(250,000)	(275,000)
Actuarial (loss)/gain	-	-	-	-	-	(455,100)	(455,100)	87,120
At end of financial period	52,942	374,260	9,239	-	35,517	11,946,275	12,418,233	12,521,116

19. DIVIDENDS

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Ordinary shares		
Final paid - £5 194 (31 March 2011 £3 3055) per ordinary share	250,000	275,000

20. OPERATING LEASE COMMITMENTS

At 31 March 2012 and 31 March 2011, the group was committed to making the following payments during the next year in respect of operating leases

Group and Company	Land and buildings 31 March 2012 £	Other 31 March 2012 £	Land and buildings 31 March 2011 £	Other 31 March 2011 £
Leases which expire				
Within one year	380,075	7,282	61,016	11,549
Between two and five years	105,718	115,767	555,760	128,210
After five years	148,027	-	188,855	-
	633,820	123,049	805,631	139,759

21. ADDITIONAL INFORMATION ON SUBSIDIARIES

At 31 March 2012, the company had the following subsidiaries

Subsidiary	Principal activity	Portion of ordinary shares held	Country of registration and operation
Advertising agencies			
Tomorrow Relationship Marketing Limited (previously Golley Slater Direct Limited)	Relationship marketing	80%	UK
Golley Slater North Limited	Advertising agents	96%	UK
Golley Slater Digital Limited	Digital marketing	100%	UK
Golley Slater Recruitment Advertising Limited	Recruitment agents	100%	UK
Dormant companies			
Golley Slater & Partners Limited	Advertising agents	100%	UK
Golley Slater Public Relations Limited	Public relations consultants	100%	UK
Golley Slater Recruitment Limited	Recruitment agents	100%	UK
Golley Slater Public Relations (Western) Limited	Public relations consultants	100%	UK
Golley Slater & Partners (Midlands) Limited	Advertising agents	100%	UK
Golley Slater Contact Management Limited	Telephone marketing	100%	UK
Golley Slater & Partners (London) Limited	Advertising agents	100%	UK
Golley Slater Public Relations (North) Limited	Public relations consultants	100%	UK
Golley Slater Public Relations (London) Limited	Public relations consultants	100%	UK
Golley Slater MojoFuel Ltd	Public relations consultants	100%	UK
Golley Slater Results Marketing Limited	Results marketing	100%	UK
Golley Slater New Media Limited	Digital marketing	100%	UK
Golley Slater Promotional Marketing Limited	Promotional marketing	81 5%	UK
Margaret Street Communications Limited	Public relations consultants	100%	UK
Allied Media Services Limited	Advertising agents	100%	UK
Golley Slater Trustee Limited	Dormant	100%	UK

22. RELATED PARTY TRANSACTIONS

The company has applied the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with group companies, where 100% of the voting rights of the subsidiary company are controlled within the group

During the year Golley Slater Group Limited made sales of £2,307 and purchases of £12,799 from Tomorrow Relationship Marketing Limited No amounts were written off or outstanding at the year end (2011 £nil)

At the year end Golley Slater Group Limited owed £221,255 (2011 £276,700) to Tomorrow Relationship Marketing Limited No amounts were written off during the year (2011 £nil)

23 CONTINGENT LIABILITY

The company is party to a cross guarantee structure with the Group's bankers by means of a fixed and floating charge over all of the assets of the Group companies in favour of HSBC Plc The amount dealt with in these financial statements is £nil (31st March 2011 £nil)

At 31st March 2012, net assets of the Group were £5,883,195 (31st March 2011 £5,933,717), and net borrowings under this Group arrangement amounted to £2,350,000 (31st March 2011 £3,000,000)

24. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling party is Tgthr Group Limited, (formerly Golley Group Ltd), a company registered in England and Wales

Tgthr Group Limited is both the largest and smallest group into which Golley Slater Group is consolidated

Copies of the financial statements of Tgthr Group Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ