

GOLLEY SLATER GROUP LIMITED

Report and Financial Statements

31 March 2015

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REPORT AND FINANCIAL STATEMENTS 2015

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A O Golley
T P Jessen
D Longden
M A Williams

SECRETARY

Acuity 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

STRATEGIC REPORT

The directors present their report and the audited financial statements for year ended 31 March 2015.

STRATEGIC REVIEW AND PRINCIPAL ACTIVITIES

The group and company provide a full range of solutions for marketing and sales related business challenges via a full mix of marketing services tailor-made for each client. These disciplines include:

- Advertising
- Public Relations and Public Affairs
- Media
- Branding and Identity
- Direct, Digital, Telephony, Promotion and Relationship Marketing
- Data Management
- Retail and Shopper Marketing

As shown in the consolidated profit and loss account on page 8, the gross profit has decreased by 4.2% over the prior year (2014 - decrease 3.6%). The Group has continued to consolidate and focus on its key disciplines. Turnover increased by £3.8m on 2014 primarily as a result of increased media activity.

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 increased from 7.9% in March 2014 to 8.9% in March 2015.

The consolidated balance sheet on page 10 shows an increase in net current assets of £0.4m at the year end to £12.4m. Within the Cash at bank on page 10 of £2.9m there is significant prompt payment of invoices from clients for activity ahead of payment to suppliers that is above normal expectations. 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 £1.2m 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.

The Group continues to transform in line with social, behavioural and technological changes, whilst maintaining strength in 'traditional' media and marketing disciplines.

The injection of capital and new term facilities in 2014 has provided additional investment for organic growth. The directors believe that the company and the group are now in a strong position to take advantage of any returning confidence in the economy.

STRATEGIC REPORT

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.

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



D Longden
Director

Date.....29/9/15.....

DIRECTORS' REPORT

The directors present their report and the audited financial statements for year ended 31 March 2015.

DIRECTORS

The directors of the company, who served throughout the financial period unless stated otherwise, are as follows:

A O Golley
T P Jessen
D Longden
M A Williams

RESULTS AND DIVIDENDS

The group profit for the financial period, after taxation and minority interest, was £717,431 (31 March 2014 - £686,510).

An interim dividend, to its parent company Golley Group Limited, of £100,000 was proposed and paid by the directors for the financial year (31 March 2014 - £600,000).

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



D Longden
Director

Date... 29/9/15

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the report and the financial statements in accordance with applicable United Kingdom 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; subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 2015 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 for no other purpose than to draw to the attention of the company's members those matters we are required to include in an auditors' report addressed to them. 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 Strategic Report and 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 2015 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 Strategic Report and 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.



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

30/9/15

Chartered Accountants
Statutory Auditor
141 Wardour Street
London
W1F 0UT

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2015

	Note	Year ended 31 March 2015 £	Year ended 31 March 2014 £
TURNOVER	2	27,010,044	23,231,352
Cost of sales		(16,004,480)	(11,745,611)
Gross profit		11,005,564	11,485,741
Administrative expenses		(10,142,010)	(10,640,136)
Other operating income		114,930	66,011
OPERATING PROFIT		978,484	911,616
Interest receivable and similar income		2,410	426
Interest payable and similar charges	4	(41,993)	(112,089)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	938,901	799,953
Tax on profit on ordinary activities	6	(221,470)	(113,443)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		717,431	686,510
PROFIT FOR THE FINANCIAL PERIOD	18	717,431	686,510

All activities derive from continuing operations.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 March 2015

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Profit for the financial period as previously reported	717,431	686,510
Actuarial gain recognised in the pension scheme (refer to note 7)	(642,270)	6,930
Total gains recognised since last report and financial statements	<u>75,161</u>	<u>693,440</u>

CONSOLIDATED BALANCE SHEET
31 March 2015

			31 March 2015 £	31 March 2014 £
	Note	£	£	£
FIXED ASSETS				
Intangible assets – Positive Goodwill	9	4,137,143	4,137,143	
Intangible assets – Negative Goodwill	9	(17,969)	(17,969)	
Tangible assets	10	255,050	247,764	
Investments	11	14,923	14,923	
			<u>4,389,147</u>	<u>4,381,861</u>
CURRENT ASSETS				
Debtors	12	16,873,131	17,495,605	
Cash at bank and in hand		2,878,779	401,229	
		<u>19,751,910</u>	<u>17,896,834</u>	
CREDITORS: amounts falling due within one year	14	(7,333,983)	(5,918,290)	
NET CURRENT ASSETS			<u>12,417,927</u>	<u>11,978,544</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,807,074</u>	<u>16,360,405</u>
CREDITORS: amounts falling due after more than one year	15	(22,714)	(59,266)	
PROVISIONS FOR LIABILITIES	16	(1,107,500)	(599,440)	
NET ASSETS			<u>15,676,860</u>	<u>15,701,699</u>
CAPITAL AND RESERVES				
Called up share capital	17	2,052,942	2,052,942	
Share premium account	18	374,260	374,260	
Capital redemption reserve	18	9,239	9,239	
Merger reserve	18	72,000	72,000	
Profit and loss account	18	13,168,419	13,193,258	
SHAREHOLDERS' FUNDS	18	15,676,860	15,701,699	

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

29/9/15

T P Jessen
Director

D Longden
Director

Company Registration No. 00584047


COMPANY BALANCE SHEET
31 March 2015

		31 March 2015	31 March 2014
	Note	£	£
FIXED ASSETS			
Intangible assets	9	644,321	644,321
Tangible assets	10	255,050	247,764
Investments	11	<u>3,275,279</u>	<u>3,402,579</u>
		4,174,650	4,294,664
CURRENT ASSETS			
Debtors	12	16,174,981	16,634,946
Cash at bank and in hand		<u>2,878,779</u>	<u>401,229</u>
		19,053,760	17,036,175
CREDITORS: amounts falling due within one year	14	<u>(7,281,198)</u>	<u>(5,915,243)</u>
NET CURRENT ASSETS		<u>11,772,562</u>	<u>11,120,932</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,947,212	15,415,596
CREDITORS: amounts falling due after more than one year	15	(22,714)	(59,266)
PROVISIONS FOR LIABILITIES	16	<u>(1,107,500)</u>	<u>(599,440)</u>
NET ASSETS		<u>14,816,998</u>	<u>14,756,890</u>
CAPITAL AND RESERVES			
Called up share capital	17	2,052,942	2,052,942
Share premium account	18	374,260	374,260
Capital redemption reserve	18	9,239	9,239
Profit and loss account	18	<u>12,380,557</u>	<u>12,320,449</u>
SHAREHOLDERS' FUNDS	18	<u>14,816,998</u>	<u>14,756,890</u>

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

29/9/15

T P Jessen
Director


D Longden
Director

Company Registration No. 00584047

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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 2015.

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 2014 - £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 Golley 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 of 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 2015 £	Year ended 31 March 2014 £
Directors – Group and company		
Emoluments (excluding pension contributions)	420,475	522,375
Loss of office	-	10,500
	<u>22,040</u>	<u>20,480</u>
Pension contributions		
	<u>No.</u>	<u>No.</u>
Number of directors who are members of a defined benefit pension scheme	1	1
	<u>£</u>	<u>£</u>
Highest paid director's remuneration		
Aggregate of emoluments (excluding pension contributions)	194,328	212,889

	Group		Company	
	Year ended 31 March 2015 £	Year ended 31 March 2014 £	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Employee costs during the year				
Wages and salaries	6,855,720	6,964,988	4,659,737	4,940,781
Social security costs	589,987	620,203	395,884	438,064
Other pension costs	154,281	116,478	129,232	106,201
	<u>7,599,988</u>	<u>7,701,669</u>	<u>5,184,854</u>	<u>5,485,046</u>
Average number of persons employed				
Production	44	44	29	28
Sales and account handling	93	95	63	70
Administration	24	24	23	23
	<u>161</u>	<u>163</u>	<u>115</u>	<u>121</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Finance lease charges	14,792	16,290
Overdraft Interest	-	50,307
Other Interest	372	687
Bank charges	26,829	44,805
	<u>41,993</u>	<u>112,089</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Profit on ordinary activities before taxation is after charging/(crediting)		
Depreciation – owned assets	95,678	99,453
Depreciation - leased assets	52,291	64,271
Auditors' remuneration:		
- group audit fees	17,500	17,500
- company audit fees	16,000	16,000
- other tax fees	4,500	4,500
Operating lease rentals		
- Machinery, equipment and vehicles	92,875	150,678
- Land and buildings	465,484	426,510
Rental income received under operating lease	(30,000)	(41,000)
Profit on disposal of fixed assets	(1,500)	(2,086)
	<u></u>	<u></u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the period at 21 % (31 March 2014 – 23%)	169,210	74,630
Adjustment in respect of prior years	29,978	19,067
Total current tax	<u>199,188</u>	<u>93,697</u>
Deferred taxation		
Origination and reversal of timing differences	22,282	19,746
	<u>221,470</u>	<u>113,443</u>
The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:		
	£	£
Profit on ordinary activities before tax	938,901	799,953
Tax on profit on ordinary activities before tax at 21% (31 March 2014 – 23%)	<u>197,169</u>	<u>183,989</u>
Factors affecting charge for the period		
Expenses not deductible for tax purposes	11,603	28,418
Depreciation for the period in excess of capital allowances	(19,848)	(11,017)
Rate differences on current tax	(902)	(3,175)
Adjustment in respect of prior years	29,978	19,067
Utilisation of losses from holding company	(18,811)	(129,336)
Other	(1)	5,751
Current tax charge for the period	<u>199,188</u>	<u>93,697</u>

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 2011 and this was updated to 31 March 2015.

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 2015	Valuation at 31 March 2014	Valuation at 31 March 2013
Discount rate	3.20% pa	4.40% pa	4.10% pa
Inflation	2.90% pa	3.20% pa	2.90% pa
Salary increases	0.00% pa	0.00% pa	0.00% pa
Increases to pensions in payment in line with RPI up to a maximum of 5% pa	2.80% pa	3.10% pa	2.80% pa
	Valuation at 31 March 2012	Valuation at 31 March 2011	
Discount rate	4.60% pa	5.50% pa	
Inflation	2.50% pa	3.25% pa	
Salary increases	2.50% pa	3.75% pa	
Increases to pensions in payment in line with RPI up to a maximum of 5% pa	2.50% pa	2.90% pa	

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

	Long-term rate of return expected at 31 March 2015	Value of assets at 31 March 2015 £	Long-term rate of return expected at 31 March 2014	Value of assets at 31 March 2014 £	Long-term rate of return expected at 31 March 2013	Value of assets at 31 March 2013 £
Cash Accumulation Policy	3.20% pa	5,980,000	5.50% pa	5,550,000	5.70% pa	5,218,000
Secured annuities	3.20% pa	165,000	3.20% pa	165,000	4.40% pa	178,000
		<u>6,145,000</u>		<u>5,715,000</u>		<u>5,396,000</u>
Total market value of assets		6,145,000		5,715,000		5,396,000
Present value of scheme liabilities		<u>(7,195,000)</u>		<u>(6,051,000)</u>		<u>(5,819,000)</u>
Surplus/(deficit) in the scheme		(1,050,000)		(336,000)		(423,000)
Deferred tax asset		<u>220,500</u>		<u>70,560</u>		<u>97,290</u>
Net surplus/(deficit) in the scheme		<u>(829,500)</u>		<u>(265,440)</u>		<u>(325,710)</u>

	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 £
Cash Accumulation Policy	6.50% pa	4,912,700	6.80% pa	4,809,000
Secured annuities	4.60% pa	175,300	5.50% pa	180,000
		<u>5,088,000</u>		<u>4,989,000</u>
Total market value of assets		5,088,000		4,989,000
Present value of scheme liabilities		<u>(6,152,000)</u>		<u>(5,447,000)</u>
Surplus/(deficit) in the scheme		(1,064,000)		(458,000)
Deferred tax asset		<u>255,360</u>		<u>119,080</u>
Net surplus/(deficit) in the scheme		<u>(808,640)</u>		<u>(338,920)</u>

7. PENSION SCHEME (continued)

Analysis of the amount charged to operating profit

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Current service cost and operating charge	33,000	31,000

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 2015 £	Year Ended 31 March 2014 £
Expected return on assets	308,000	277,000
Interest cost	(264,000)	(254,000)
Net return	44,000	23,000

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

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Actual return less expected return on assets	161,000	152,000
Experience (losses) / gains arising on the scheme liabilities	(974,000)	(143,000)
Deferred tax adjustment	170,730	(2,070)
Actuarial gain/(loss) recognised in STRGL	(642,270)	6,930

7. PENSION SCHEME (continued)

Movement in deficit during the period

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Deficit in scheme at beginning of the period	(336,000)	(423,000)
Movement in the period		
Current service cost	(33,000)	(31,000)
Employer contributions	88,000	86,000
Other finance income	44,000	23,000
Actuarial gain	(813,000)	9,000
Deficit in scheme at end of the period	<u>(1,050,000)</u>	<u>(336,000)</u>

History of experience gains and losses

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Difference between the actual and expected return on scheme assets		
Amount	161,000	152,000
Percentage of scheme assets	2.6 %	2.6 %
Experience gains and losses on scheme liabilities		
Amount	(974,000)	(143,000)
Percentage of scheme liabilities	13.5%	2.4%
Total amount recognised in STRGL (before deferred tax adjustment)		
Amount	(642,270)	6,930
Percentage of scheme liabilities	8.9%	0.1%

Defined Contribution Pension Scheme

Contributions payable by the Group for the year were £46,231 (2014: £7,836)

Expected employer contributions for 31 March 2016 - £57,000

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 £702,377 (31 March 2014 (£849,156)).

9. INTANGIBLE FIXED ASSETS

Group – Positive Goodwill

Goodwill
£

Cost

At 1 April 2014 and at 31 March 2015

5,439,920

Accumulated amortisation

At 1 April 2014 and at 31 March 2015

1,302,777

Net book value

At 31 March 2014 and at 31 March 2015

4,137,143

Group – Negative Goodwill

Goodwill
£

Cost

At 1 April 2014

(17,969)

Additions

-

At 31 March 2015

(17,969)

Accumulated amortisation

At 1 April 2014 and at 31 March 2015

-

Net book value

At 1 April 2014 and at 31 March 2015

(17,969)

Company – Positive Goodwill

Goodwill
£

Cost

At 1 April 2014 and at 31 March 2015

710,364

Accumulated amortisation

At 1 April 2014 and at 31 March 2015

66,043

Net book value

At 1 April 2014 and at 31 March 2015

644,321

10. TANGIBLE FIXED ASSETS

Group and Company	Leasehold property, fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2014	452,240	2,111,497	49,014	2,612,751
Additions	3,260	151,995	-	155,255
Disposals	-	(11,300)	(34,514)	(45,814)
At 31 March 2015	455,500	2,252,192	14,500	2,722,192
Depreciation				
At 1 April 2014	392,033	1,928,024	44,930	2,364,987
Charge for the period	24,606	119,279	4,084	147,969
Disposals	-	(11,300)	(34,514)	(45,814)
At 31 March 2015	416,639	2,036,003	14,500	2,467,142
Net book value				
At 31 March 2015	38,861	216,189	-	255,050
At 31 March 2014	60,207	183,473	4,084	247,764

Net amount of assets held under finance lease at 31 March 2015 is £71,160 (31 March 2014 - £127,271). The depreciation charge in respect of such assets amounted to £52,291 (2014: £64,271) 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 1 April 2014 and 31 March 2015	14,923	-	14,923
Company			
Cost			
At 1 April 2014 and 31 March 2015	14,923	3,387,656	3,402,579
Disposal		(127,300)	(127,300)
Cost at 31 March 2015	14,923	3,260,356	3,275,279

Details of the investments in shares of group companies are provided in note 21.

12. DEBTORS

	Group		Company	
	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2015	Year ended 31 March 2014
	£	£	£	£
Trade debtors	4,026,292	4,581,746	4,026,292	4,581,746
Amounts owed by group undertakings	12,752,383	12,482,805	12,054,233	11,622,146
Deferred tax asset (note 13)	28,262	50,544	28,262	50,544
	<u>16,806,937</u>	<u>17,495,605</u>	<u>16,108,787</u>	<u>16,634,946</u>

13. DEFERRED TAX ASSET

Group and company	2015 £	2014 £
Balance at 1 April 2014	50,544	70,287
Movement in the year	(22,282)	(19,743)
Balance at 31 March 2015	<u>28,262</u>	<u>50,544</u>

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

	Group 31 March 2015 £	Group 31 March 2014 £	Company 31 March 2015 £	Company 31 March 2014 £
Depreciation in excess of capital allowances	<u>28,262</u>	<u>50,544</u>	<u>28,262</u>	<u>50,544</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31	31	31	31
	March	March	March	March
	2015	2014	2015	2014
	£	£	£	£
Obligations under finance leases	48,446	68,005	48,446	68,005
Trade creditors	3,301,334	2,310,187	3,301,334	2,310,187
Taxation and social security	846,627	887,991	846,627	887,991
Corporation tax	187,021	32,263	134,236	29,216
Other creditors	1,239,381	1,302,789	1,239,381	1,302,789
Accruals and deferred income	1,711,174	1,317,055	1,711,174	1,317,055
	<u>7,333,983</u>	<u>5,918,290</u>	<u>7,281,198</u>	<u>5,915,243</u>

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

	Group		Company	
	31	31	31	31
	March	March	March	March
	2015	2015	2014	2014
	£	£	£	£
Obligations under finance leases between one and five years	22,714	22,714	59,266	59,266
	<u>22,714</u>	<u>22,714</u>	<u>59,266</u>	<u>59,266</u>

16. PROVISIONS FOR LIABILITIES

	31	31
	March	March
	2015	2014
	£	£
Group and company		
Pensions deficit (see note 7)	829,500	265,440
Provisions relating to leases	278,000	334,000
	<u>1,107,500</u>	<u>599,440</u>

The provisions relating to leases include amounts relating to dilapidations on leases of £278,000 (2014: £334,000).

17. CALLED UP SHARE CAPITAL

	31 March 2015 £	31 March 2014 £
Authorised		
Ordinary shares of £1 each	2,100,000	2,100,000
Allotted and fully paid		
Ordinary shares of £1 each	2,052,942	2,052,942

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

	Share capital £	Share premium account £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Total 31 March 2015 £	Total 31 March 2014 £
Group							
At beginning of financial period	2,052,942	374,260	9,239	72,000	13,193,258	15,701,699	13,668,778
Share Capital issued	-	-	-	-	-	-	2,000,000
Share based payment expense	-	-	-	-	-	-	(23,594)
Profit for the period	-	-	-	-	717,431	717,431	686,510
Dividends	-	-	-	-	(100,000)	(100,000)	(636,925)
Actuarial (loss)/gain	-	-	-	-	(642,270)	(642,270)	6,930
At end of financial period	2,052,942	374,260	9,239	72,000	13,168,419	15,676,860	15,701,699
Company							
At beginning of financial period	2,052,942	374,260	9,239	-	12,320,449	14,756,890	12,524,398
Share Capital issued	-	-	-	-	-	-	2,000,000
Share based payment expense	-	-	-	-	-	-	(23,594)
Profit for the period	-	-	-	-	802,378	802,378	849,156
Dividends	-	-	-	-	(100,000)	(100,000)	(600,000)
Actuarial (loss)/gain	-	-	-	-	(642,270)	(642,270)	6,930
At end of financial period	2,052,942	374,260	9,239	-	12,380,557	14,816,998	14,756,890

19. DIVIDENDS

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Ordinary shares		
Final dividend paid - £0.049 (31 March 2014 £0.292) per ordinary share	100,000	600,000

20. OPERATING LEASE COMMITMENTS

At 31 March 2015 and 31 March 2014, the group was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 31 March 2015 £	Other 31 March 2015 £	Land and buildings 31 March 2014 £	Other 31 March 2014 £
Group and Company				
Leases which expire:				
Within one year	71,561	5,220	97,409	36,654
Between two and five years	250,867	42,023	290,524	-
After five years	-	-	-	-
	<u>322,428</u>	<u>47,243</u>	<u>387,933</u>	<u>36,654</u>

21. ADDITIONAL INFORMATION ON SUBSIDIARIES

At 31 March 2015, the company had the following subsidiaries:

Subsidiary	Principal activity	Portion of ordinary shares held	Country of registration and operation
Golley Slater Scotland Limited	Advertising & Public Relations	100%	UK
Golley Slater London Limited	Integrated Marketing	100%	UK
Golley Slater Recruitment Advertising Limited	Media & Recruitment	100%	UK
Dormant companies			
Voices For Change Limited	Telephone Marketing	100%	UK
Margaret Street Communications Limited	Public Relations consultants	100%	UK
Tomorrow Relationship Marketing Limited	Relationship Marketing	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.

23. CONTINGENT LIABILITY

There is a cross guarantee between the group companies in respect of HSBC. In addition there is a fixed and floating charge over all assets of the Group in favour of HSBC. A second fixed and floating charge over all assets of the Group is granted in favour of A O Golley. The amount dealt with in these financial statements is £nil (31st March 2014: £nil).

At 31st March 2015, net assets of the Group were £6,353,854 (31st March 2014: £6,368,271), and net borrowings under this Group arrangement amounted to £nil (31st March 2014: £2,426,042).

24. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling party is Golley Group Limited a company registered in England and Wales.

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

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