

**GOLLEY SLATER GROUP LIMITED**

**Report and Financial Statements**

**30 November 2004**



**REPORT AND FINANCIAL STATEMENTS 2004**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Consolidated profit and loss account</b>	<b>7</b>
<b>Consolidated balance sheet</b>	<b>8</b>
<b>Company balance sheet</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10</b>

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

C C Lovell  
D G Thomas  
A O Golley  
S J Freethy  
A Tillard

**SECRETARY**

D G Thomas

**REGISTERED OFFICE**

Hill House  
1 Little New Street  
London  
EC4A 3TR

**BANKERS**

HSBC Bank Plc

**AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
Cardiff

**DIRECTORS' REPORT (continued)**

The directors present their annual report and the audited financial statements for the year ended 30 November 2004.

**ACTIVITIES**

The group's and the company's principal activity is that of advertising agents.

**REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The directors are satisfied with the results for the year and believe that the company and group will trade satisfactorily in the future.

**DIVIDENDS**

No final dividend has been proposed for the financial year (2003 - £650,000).

**DIRECTORS AND THEIR INTERESTS**

The current directors of the company, who served throughout the financial year, are as shown on page 1.

B J Brooker resigned as a director on 3 October 2004.

None of the directors held any interests in the shares of the company at the beginning or the end of the financial year.

The directors' interests in the shares of the parent company, Golley Group Limited, are shown in the financial statements of that company.

**DONATIONS**

During the year, the group made charitable donations of £5,092 (2003 - £7,065). No political donations were made (2003 - £nil).

**AUDITORS' QUALIFICATION**

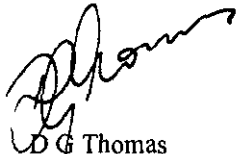
The financial statements have been qualified for failure to comply with Financial Reporting Standard No. 17 (FRS 17), which requires an actuarial statement regarding the financial position of the defined benefit pension scheme as at the balance sheet date.

**DIRECTORS' REPORT (continued)**

**AUDITORS**

A resolution to reappoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

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



D G Thomas  
Secretary

27/9/05

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those 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 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 which 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 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GOLLEY SLATER GROUP LIMITED**

We have audited the financial statements of Golley Slater Group Limited for the year ended 30 November 2004 which comprise the consolidated profit and loss account, the balance sheets and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

**Qualified opinion arising from failure to comply with FRS 17**

The group operates a contributory defined benefit pension scheme for certain executive employees.

Financial Reporting Standard No. 17 "Retirement benefits" requires disclosure in the notes to the group financial statements of the position at the balance sheet date in respect of the defined benefit pension scheme. These disclosures have not been made.

Except for the absence of the disclosures in the group financial statements of the position at the balance sheet date in respect of the defined benefit pension scheme, in our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 November 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP.*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Cardiff

Date 30 September 2005



**GOLLEY SLATER GROUP LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**Year ended 30 November 2004**

	Note	Continuing operations 2004 £	Acquisitions 2004 £	Total 2004 £	Total 2003 £
<b>TURNOVER: continuing operations</b>	2	38,466,322	1,839,151	40,305,473	38,308,210
Cost of sales		(26,708,539)	(240,270)	(26,948,809)	(27,052,736)
Gross profit		11,757,783	1,598,881	13,356,664	11,255,474
Administrative expenses		(9,798,124)	(1,556,717)	(11,354,841)	(9,249,192)
Other operating income		21,981	-	21,981	60,894
<b>OPERATING PROFIT: continuing operations</b>		1,981,640	42,164	2,023,804	2,067,176
Interest receivable and similar income		53,743	-	53,743	183,109
Interest payable and similar charges	5	(22,921)	-	(22,921)	(20,288)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,012,462	42,164	2,054,626	2,229,997
Tax on profit on ordinary activities	6	(640,635)	(4,724)	(645,359)	(462,723)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,371,827	37,440	1,409,267	1,767,274
Minority interests				(3,506)	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	18			1,405,761	1,767,274
Dividends	16			-	(650,000)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>				1,405,761	1,117,274

There have been no recognised gains and losses for the current financial year or the prior financial period other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented.

**CONSOLIDATED BALANCE SHEET**  
**30 November 2004**

	Note	£	2004 £	£	2003 £
<b>FIXED ASSETS</b>					
Intangible assets	9	797,718		120,515	
Tangible assets	10	845,298		547,184	
Investments	11	14,923		13,906	
			1,657,939		681,605
<b>CURRENT ASSETS</b>					
Stocks : work in progress		814,580		209,059	
Debtors	13	18,464,279		14,960,816	
Cash at bank and in hand		1,459,150		2,376,030	
			20,738,009	17,545,905	
<b>CREDITORS: amounts falling due within one year</b>	15	(10,591,158)		(7,832,187)	
<b>NET CURRENT ASSETS</b>			10,146,851		9,713,718
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			11,804,790		10,395,323
<b>MINORITY INTERESTS</b>			(3,706)		-
			11,801,084		10,395,323
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		52,942		52,942
Capital redemption reserve	18		9,239		9,239
Share premium account	18		374,260		374,260
Merger reserve	18		72,000		72,000
Profit and loss account	18		11,292,643		9,886,882
<b>TOTAL SHAREHOLDERS' FUNDS</b>			11,801,084		10,395,323

These financial statements were approved by the Board of Directors on 27/9/05  
Signed on behalf of the Board of Directors

C C Lovell )

) Directors

D G Thomas )

**COMPANY BALANCE SHEET**  
**30 November 2004**

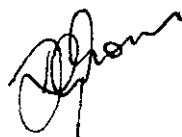
	Note	£	2004 £	£	2003 £
<b>FIXED ASSETS</b>					
Tangible assets	10	845,298		547,184	
Investments	11	<u>2,170,252</u>		<u>1,160,935</u>	
			3,015,550		1,708,119
<b>CURRENT ASSETS</b>					
Stocks : work in progress		814,580		209,059	
Debtors	13	17,990,634		14,178,008	
Cash at bank and in hand		<u>1,458,150</u>		<u>2,375,030</u>	
			20,263,364		16,762,097
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(10,520,581)</u>		<u>(7,137,347)</u>	
<b>NET CURRENT ASSETS</b>			<u>9,742,783</u>		<u>9,624,750</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,758,333</u>		<u>11,332,869</u>
<b>CAPITAL AND RESERVES</b>					
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
Profit and loss account	18		<u>12,321,892</u>		<u>10,896,428</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>			<u>12,758,333</u>		<u>11,332,869</u>

These financial statements were approved by the Board of Directors on 27/9/05  
Signed on behalf of the Board of Directors

C C Lovell )

) Directors

D G Thomas

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 November 2004**

**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 financial year and the prior financial period, are described below.

**(a) Accounting convention**

The financial statements are prepared under the historical cost convention.

**(b) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of Golley Slater Group Limited and its subsidiaries for the year ended 30 November 2004.

**(c) 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, was written off directly to reserves. This goodwill amounts to £460,544 (2003 - £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 and intangible assets", goodwill is capitalised as an intangible asset and written off in equal annual instalments over a useful life of twenty years.

**(d) 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	- 2%-33 1/3% per annum
Motor vehicles	- 25% per annum

**(e) Investments**

Fixed asset investments are stated at cost less provision for impairment.

**(f) Work in progress**

Work-in-progress is valued at the lower of cost (being actual cost of direct materials) and estimated net realisable value. Progress payments received or receivable at the balance sheet date are deducted from work-in-progress.

**(g) 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 November 2004**

**1. ACCOUNTING POLICIES (continued)**

**(h) Leases**

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the periods of the leases.

**(i) Pensions**

The group operates money purchase pension schemes for certain directors. It also operates a funded benefit scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company in trustee-administered funds. The defined benefit scheme is contributory and contributions are assessed in accordance with the advice of a qualified actuary. Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

*Contributions under money purchase schemes are charged to the profit and loss account as incurred.*

**(j) 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.

**(k) 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.

**2. TURNOVER**

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

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2004 £	2003 £
<b>Directors</b>		
Emoluments (excluding pension contributions)	552,122	402,751
Pension contributions	13,050	-
	No.	No.
Number of directors who are members of a defined benefit pension scheme	1	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 November 2004**

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

	2004 £	2003 £
<b>Highest paid director's remuneration</b>		
Aggregate of emoluments (excluding pension contributions)	154,363	118,497
	£	£
<b>Employee costs during the year</b>		
Wages and salaries	6,495,709	5,222,367
Social security costs	616,232	501,785
Other pension costs	950,266	782,825
	8,062,207	6,506,977
	No.	No.
<b>Average number of persons employed</b>	47	45
Production	124	84
Sales and account handling	62	56
Administration	233	185

**4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2004 £	2003 £
<b>Profit on ordinary activities before taxation is after charging/(crediting)</b>		
Depreciation – owned assets	402,609	363,643
Amortisation of goodwill	69,306	108,352
Auditors' remuneration:		
- Group audit fees	29,500	20,000
- Company audit fees	5,000	5,000
- Other services	34,400	63,250
Operating lease rentals		
- Machinery, equipment and vehicles	70,743	-
- Land and buildings	465,510	349,250
Rental income received under operating lease	(30,746)	(20,664)
Loss/(profit) on disposal of fixed assets	8,060	(40,824)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 November 2004**

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2004 £	2003 £
Bank charges	17,549	16,565
Other	5,372	3,723
	<u>22,921</u>	<u>20,288</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2004 £	2003 £
<b>Current taxation</b>		
United Kingdom corporation tax:		
Current tax on income for the year at 30%	668,719	558,856
Adjustment in respect of prior years	(21,815)	(105,148)
<b>Total current tax</b>	<u>646,904</u>	<u>453,708</u>
<b>Deferred taxation</b>		
Origination and reversal of timing differences	(1,545)	9,015
	<u>645,359</u>	<u>462,723</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	<u>2,054,626</u>	<u>2,229,997</u>
Tax on profit on ordinary activities before tax at 30%	616,388	668,999
<b>Factors affecting charge for the year</b>		
Expenses not deductible for tax purposes	33,163	21,085
Goodwill amortised	20,792	32,506
Depreciation for the year in excess of capital allowances	6,418	(13,034)
Rate differences on current tax	(26,477)	(25,922)
Loss/(profit) on disposal of non-qualifying assets	2,418	(12,247)
Adjustment in respect of prior years	(21,815)	(105,148)
Utilisation of losses from holding company	(1,622)	(130,455)
Other	17,639	17,924
<b>Current tax charge for year</b>	<u>646,904</u>	<u>453,708</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 30 November 2004

#### 7. PENSIONS

The group operates a defined benefit pension scheme for qualifying employees.

The assets of the scheme are held separately from those of the company, being held in a separate 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 with the company. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method, which is in accordance with SSAP 24 "Accounting for pension costs".

The most recent actuarial valuation of the defined benefit scheme was at 2 December 2002

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of interest and the rate of increase in salaries. It was assumed that the rate of interest would be 6.0% per annum and that the salary increase, including assumed promotional increases, would average 5.0% per annum as summarised below :

Element	Rate in excess of inflation (%)	Assumed rate (%)
Yield on assets	4.25	7.5
Rate of salary growth	1.75	5.0
Interest rate for purchase of pensions	2.75	6.0

The total pension cost for the year to 30 November 2004 was £188,640 (2003 - £255,228).

The most recent actuarial valuation showed that the market value of the scheme's assets was £7,138,000. The actuarial value of those assets represented 101% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees will remain at 23.4% and 5% of earnings respectively until the next actuarial valuation.

#### 8. PROFIT OF PARENT COMPANY

As permitted by section 230 of the Companies Act 1985, 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 £1,425,464 (2003 - £1,884,365).



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 November 2004**

**9. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Goodwill £</b>
<b>Cost</b>	
At 1 December 2003	999,334
Additions in year	746,509
	<hr/>
At 30 November 2004	1,745,843
	<hr/>
<b>Accumulated amortisation</b>	
At 1 December 2003	878,819
Charge for the year	69,306
	<hr/>
At 30 November 2004	948,125
	<hr/>
<b>Net book value</b>	
At 30 November 2004	797,718
	<hr/>
At 30 November 2003	120,515
	<hr/>

The additional goodwill in the year relates to the acquisition of Northern Profile Limited on 1 February 2004.

**10. TANGIBLE FIXED ASSETS**

<b>Group and Company</b>	<b>Leasehold property, fixtures and fittings £</b>	<b>Office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 December 2003	296,631	1,178,314	923,266	2,398,211
Additions	40,758	224,227	119,127	384,112
Acquired with new subsidiary	386,518	28,629	-	415,147
Disposals	-	(10,367)	(246,857)	(257,224)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2004	723,907	1,420,803	795,536	2,940,246
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 December 2003	256,092	974,933	620,002	1,851,027
Charge for the year	39,688	195,936	166,985	402,609
Acquired with new subsidiary	39,763	21,744	-	61,507
Disposals	-	(7,365)	(212,830)	(220,195)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2004	335,543	1,185,248	574,157	2,094,948
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 30 November 2004	388,364	235,555	221,379	845,298
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2003	40,539	203,381	303,264	547,184
	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 November 2004**

**11. INVESTMENTS HELD AS FIXED ASSETS**

Group	Unlisted investments £	Investment in shares of group companies £	Total £
<b>Cost and net book value</b>			
At 30 November 2003	13,906	-	13,906
Additions	1,017		1,017
	<hr/>	<hr/>	<hr/>
At 30 November 2004	14,923	-	14,923
	<hr/>	<hr/>	<hr/>
<b>Company</b>			
<b>Cost and net book value</b>			
At 30 November 2003	13,906	1,147,029	1,160,935
Additions	1,017	1,008,300	1,009,317
	<hr/>	<hr/>	<hr/>
At 30 November 2004	14,923	2,155,329	2,170,252
	<hr/>	<hr/>	<hr/>

*Investments in shares of group companies comprise subsidiary undertakings listed in note 20.*

**12. ACQUISITION OF SUBSIDIARY UNDERTAKING**

Northern Profile Public Relations Limited was acquired on 1 February 2004 and has been accounted for under the acquisition method. The book values of the net assets acquired are summarised below:

	£
Tangible fixed assets	353,640
Investments	1,017
Debtors	376,221
Overdraft	(61,582)
Creditors	(408,305)
	<hr/>
	260,991
Goodwill	746,509
	<hr/>
	1,007,500
	<hr/>
<b>Purchase consideration</b>	
Cash	507,500
Contingent consideration	500,000
	<hr/>
	1,007,500
	<hr/>

The directors consider the fair value of the assets at the date of acquisition to be their book values.

There was £746,509 purchased goodwill arising on the acquisition of the subsidiary undertaking.

The contingent consideration is dependent on the subsidiary undertaking meeting target profit levels. The range of possible outcomes is the payment of £nil up to a maximum of £500,000. The current best estimate of the contingent consideration payable is £500,000, which is included within other creditors in note 15.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 November 2004**

**13. DEBTORS**

	2004	Group 2003	Company 2004	2003
	£	£	£	£
Trade debtors	7,612,517	5,053,248	7,612,517	5,053,248
Amounts owed by group undertakings	10,457,526	9,579,117	9,993,878	8,796,309
Other debtors	206,831	142,591	206,830	142,591
Deferred tax asset (note 14)	187,405	185,860	177,409	185,860
	<u>18,464,279</u>	<u>14,960,816</u>	<u>17,990,634</u>	<u>14,178,008</u>

**14. DEFERRED TAX ASSET**

	Group £	Company £
Balance at 1 December 2003	185,860	185,860
Current year movement	<u>1,545</u>	<u>(8,451)</u>
Balance at 30 November 2004	<u>187,405</u>	<u>177,409</u>

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

	2004 £	2003 £
Depreciation in excess of capital allowances	<u>177,409</u>	<u>185,860</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2004 £	Group 2003 £	Company 2004 £	2003 £
Trade creditors	6,739,272	5,627,371	6,739,272	5,627,371
Taxation and social security	1,001,361	604,487	1,001,361	604,487
Corporation tax	389,473	251,169	318,896	206,329
Other creditors	652,495	184,847	652,495	184,847
Accruals and deferred income	1,808,557	514,313	1,808,557	514,313
Proposed dividend	-	650,000	-	-
	<u>10,591,158</u>	<u>7,832,187</u>	<u>10,520,581</u>	<u>7,137,347</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 November 2004**

**16. DIVIDENDS**

	2004 £	2003 £
Final dividend proposed £nil (2003 – £12.28) per share	-	650,000

**17. CALLED UP SHARE CAPITAL**

	2004 £	2003 £
<b>Authorised</b>		
Ordinary shares of £1 each	100,000	100,000
<b>Allotted and fully paid</b>		
Ordinary shares of £1 each	52,942	52,942

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

	Issued share capital £	Share premium account £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Total 2004 £	Total 2003 £
<b>Group</b>							
At 1 December	52,942	374,260	9,239	72,000	9,886,882	10,395,323	9,250,549
Share issue	-	-	-	-	-	-	27,500
Profit for the year	-	-	-	-	1,405,761	1,405,761	1,767,274
Dividends	-	-	-	-	-	-	(650,000)
At 30 November	52,942	374,260	9,239	72,000	11,292,643	11,801,084	10,395,323
<b>Company</b>							
At 1 December	52,942	374,260	9,239	-	10,896,428	11,332,869	10,071,004
Share issue	-	-	-	-	-	-	27,500
Profit for the year	-	-	-	-	1,425,464	1,425,464	1,884,365
Dividends	-	-	-	-	-	-	(650,000)
At 30 November	52,942	374,260	9,239	-	12,321,892	12,758,333	11,332,869

**19. OPERATING LEASE COMMITMENTS**

At 30 November 2004, the group was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £	Other £
Leases which expire:		
Within one year	22,560	11,063
Between two and five years	64,950	55,499
After five years	378,000	-
	465,510	66,562

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 November 2004**

**20. ADDITIONAL INFORMATION ON SUBSIDIARIES**

At 30 November 2004, the company had the following subsidiaries:

Subsidiary	Principal activity	Portion of ordinary shares held	Country of registration and operation
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 Telephone Marketing Limited	Telephone marketing	100%	UK
Golley Slater & Partners (London) Limited	Advertising agents	100%	UK
Golley Slater Recruitment Advertising Limited	Recruitment agents	100%	UK
Golley Slater Direct Limited	Direct marketing	80%	UK
Golley Slater Public Relations (North) Limited	Public relations consultants	100%	UK
<b>Dormant companies</b>			
Golley Slater Public Relations (London) Limited	Dormant	100%	UK
Golley Slater Public Relations (Midlands) Limited	Dormant	100%	UK
Allied Media Services Limited	Dormant	100%	UK
Golley Slater Trustee Limited	Dormant	100%	UK

**21. ULTIMATE PARENT COMPANY**

The ultimate parent company 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 is consolidated.

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