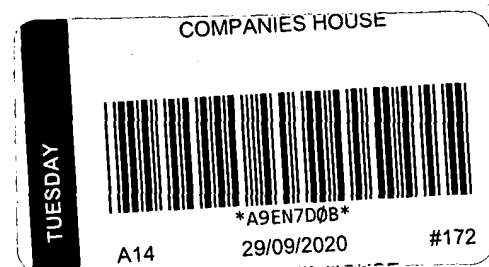


Golley Group Limited

Annual Report and Financial Statements

For the year ended 31 March 2020



Golley Group Limited

Company Information

Directors	A Golley J Golley T Jessen D Longden M Williams
Secretary	Acuity Secretaries Limited
Company number	04588738
Registered office	Wharton Place Wharton Street Cardiff CF10 1GS
Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
Business address	Wharton Place Wharton Street Cardiff CF10 1GS
Bankers	HSBC Bank Plc 56 Queen St Cardiff CF10 2PX

Golley Group Limited

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Golley Group Limited

Strategic Report

For the year ended 31 March 2020

The directors present the strategic report for the year ended 31 March 2020.

Business review

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
- Social
- Media
- Branding and Identity
- Direct, Digital, Telephony, Promotion and Relationship Marketing
- Data Management and Insights
- Marketing Automation
- Consumer, Retail and Shopper Marketing

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.

The directors have considered the potential impact of the coronavirus, and the various measures taken to contain it, on the operations of the group and company in the near future. The group does not have a high level of fixed costs and is engaged in a programme of cost deferral and reduction which will be proportionate to any anticipated drop off in revenues and cash inflows. The group has also taken advantage of Government assistance programmes where relevant.

Key performance indicators

As shown in the consolidated profit and loss account on page 8, the gross profit has decreased by 3% over the prior year (2019 - increase 5%). The Group has continued to consolidate and focus on its key disciplines. Turnover increased by £0.9m compared to 2019, with all disciplines showing improvement.

The company's key measurement of the effectiveness of its operations is the margin of operating profit (before amortisation of intangibles) against gross profit. As shown in the consolidated profit and loss account, operating profit margin has decreased from 11.6% in March 2019 to 11.4% in March 2020.

The consolidated balance sheet on page 10 shows an increase in net current assets of £0.5m at the year end to £2.1m. 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 £0.5m (2019 - £0.5m) 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.

Golley Group Limited

Strategic Report (Continued)

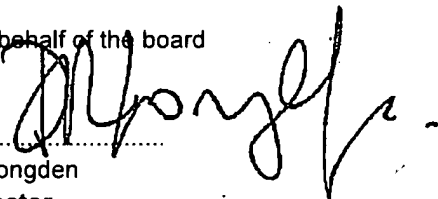
For the year ended 31 March 2020

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.

On behalf of the board



.....
D Longden

Director

23 September 2020

Golley Group Limited

Directors' Report

For the year ended 31 March 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company and group continued to be that of marketing services.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Golley
J Golley
T Jessen
D Longden
M Williams

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Golley Group Limited

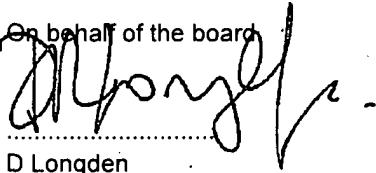
Directors' Report (Continued)

For the year ended 31 March 2020

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



D Longden

Director

Date: 23 September 2020

Golley Group Limited

Independent Auditor's Report

To the Members of Golley Group Limited

Opinion

We have audited the financial statements of Golley Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Golley Group Limited

Independent Auditor's Report (Continued)

To the Members of Golley Group Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Golley Group Limited

Independent Auditor's Report (Continued)

To the Members of Golley Group Limited

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 auditor's 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.

Moore Kingston Smith LLP

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

25/09/2020

Chartered Accountants
Statutory Auditor

Charlotte Building
17 Gresse Street
London
W1T 1QL

Golley Group Limited

Group Profit and Loss Account

For the year ended 31 March 2020

		2020 £	2019 £
	Notes		
Turnover	3	22,340,954	21,441,028
Cost of sales		(12,819,172)	(11,609,485)
Gross profit		9,521,782	9,831,543
Administrative expenses		(8,438,287)	(8,694,750)
Other operating income		-	200
Operating profit before amortisation of goodwill		1,083,495	1,136,993
Amortisation of goodwill		(194,093)	(194,093)
Operating profit	4	889,402	942,900
Interest receivable and similar income	7	14,886	10,804
Interest payable and similar expenses	8	(64,415)	(58,290)
Amounts written off investments		-	13,523
Profit before taxation		839,873	908,937
Tax on profit	10	(189,838)	(236,803)
Profit for the financial year		650,035	672,134

Profit for the financial year is all attributable to the owners of the parent company.

Golley Group Limited

Group Statement of Comprehensive Income For the year ended 31 March 2020

	2020 £	2019 £
Profit for the year	650,035	672,134
Other comprehensive income		
Actuarial loss on defined benefit pension schemes	(224,000)	(10,530)
Tax relating to other comprehensive income	42,560	-
Other comprehensive income for the year	(181,440)	(10,530)
Total comprehensive income for the year	468,595	661,604

Total comprehensive income for the year is all attributable to the owners of the parent company.

Golley Group Limited

Group Balance Sheet

As at 31 March 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	11	2,911,401		3,105,495	
Other intangible assets	11	-		118	
Total intangible assets		2,911,401		3,105,613	
Tangible assets	14	476,650		184,994	
Investments	12	14,923		14,923	
		3,402,974		3,305,530	
Current assets					
Debtors falling due after more than one year	15	272,840		224,230	
Debtors falling due within one year	15	3,456,833		3,545,514	
Cash at bank and in hand		4,666,326		4,006,784	
		8,395,999		7,776,528	
Creditors: amounts falling due within one year	17	(6,319,818)		(6,236,898)	
Net current assets		2,076,181		1,539,630	
Total assets less current liabilities		5,479,155		4,845,160	
Creditors: amounts falling due after more than one year	18	(1,946,500)		(1,946,500)	
Provisions for liabilities	20	(336,400)		(288,000)	
Net assets excluding pension liability		3,196,255		2,610,660	
Defined benefit pension liability	23	(1,436,000)		(1,319,000)	
Net assets		1,760,255		1,291,660	
Capital and reserves					
Called up share capital	22	42,030		42,030	
Share premium account		391,264		391,264	
Capital redemption reserve		3,939,497		3,939,497	
Profit and loss reserves		(2,612,536)		(3,081,131)	
Total equity		1,760,255		1,291,660	

Golley Group Limited

Group Balance Sheet (Continued)

As at 31 March 2020

The financial statements were approved by the board of directors and authorised for issue on 23 September 2020 and are signed on its behalf by:



.....
T Jessen
Director



.....
D Longden
Director

Golley Group Limited

Company Balance Sheet

As at 31 March 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	12		15,643,811		15,643,811
Current assets			-		-
Creditors: amounts falling due within one year	17	(12,923,573)		(12,987,546)	
Net current liabilities			(12,923,573)		(12,987,546)
Total assets less current liabilities			2,720,238		2,656,265
Creditors: amounts falling due after more than one year	18		(1,946,500)		(1,946,500)
Net assets			773,738		709,765
Capital and reserves					
Called up share capital	22		42,030		42,030
Share premium account			391,264		391,264
Capital redemption reserve			3,939,497		3,939,497
Profit and loss reserves			(3,599,053)		(3,663,026)
Total equity			773,738		709,765

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £63,973 (2019 - £54,725 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 23 September 2020 and are signed on its behalf by:


T. Jessen
Director


D. Longden
Director

Company Registration No. 04588738

Golley Group Limited

Group Statement of Changes in Equity

For the year ended 31 March 2020

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2018	42,030	391,264	3,939,497	(3,742,735)	630,056
Year ended 31 March 2019:					
Profit for the year	-	-	-	672,134	672,134
Other comprehensive income:					
Actuarial gains on defined benefit plans	-	-	-	(10,530)	(10,530)
Total comprehensive income for the year	-	-	-	661,604	661,604
Balance at 31 March 2019	42,030	391,264	3,939,497	(3,081,131)	1,291,660
Year ended 31 March 2020:					
Profit for the year	-	-	-	650,035	650,035
Other comprehensive income:					
Actuarial gains on defined benefit plans	-	-	-	(224,000)	(224,000)
Tax relating to other comprehensive income	-	-	-	42,560	42,560
Total comprehensive income for the year	-	-	-	468,595	468,595
Balance at 31 March 2020	42,030	391,264	3,939,497	(2,612,536)	1,760,255

Golley Group Limited

Company Statement of Changes in Equity

For the year ended 31 March 2020

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2018	42,030	391,264	3,939,497	(3,717,751)	655,040
Year ended 31 March 2019: Profit and total comprehensive income for the year	-	-	-	54,725	54,725
Balance at 31 March 2019	42,030	391,264	3,939,497	(3,663,026)	709,765
Year ended 31 March 2020: Profit and total comprehensive income for the year	-	-	-	63,973	63,973
Balance at 31 March 2020	42,030	391,264	3,939,497	(3,599,053)	773,738

Golley Group Limited

Group Statement of Cash Flows

For the year ended 31 March 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	28	1,364,207		1,469,329	
Interest paid		(34,415)		(58,290)	
Income taxes paid		(197,381)		(163,915)	
Net cash inflow from operating activities		1,132,411		1,247,124	
Investing activities					
Purchase of tangible fixed assets		(434,255)		(141,700)	
Proceeds on disposal of fixed asset investments		-		13,523	
Interest received		14,886		10,804	
Net cash used in investing activities		(419,369)		(117,373)	
Financing activities					
Repayment of preference shares		(53,500)		-	
Net cash used in financing activities		(53,500)		-	
Net increase in cash and cash equivalents		659,542		1,129,751	
Cash and cash equivalents at beginning of year		4,006,784		2,877,033	
Cash and cash equivalents at end of year		4,666,326		4,006,784	

Golley Group Limited

Notes to the Financial Statements

For the year ended 31 March 2020

1 Accounting policies

Company information

Golley Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Wharton Place, Wharton Street, Cardiff, CF10 1GS.

The group consists of Golley Group Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Golley Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The group made a profit for the year of £650,035 and as at the balance sheet date had net assets of £1,760,255. Due to the global impact of the Coronavirus (COVID-19) pandemic, the group has assessed the risks and the potential impact on the business as a result of the pandemic and measures have been taken to mitigate such risks and their impact. The group remains profitable since the year end and has sufficient cash reserves. The group does not have a high level of fixed costs and is engaged in a programme of cost deferral and reduction which will be proportionate to any anticipated drop off in revenues and cash inflows. The group has also taken advantage of Government assistance programmes where relevant. As a result the directors are confident that they have the ability to respond effectively to continued uncertainty and as a result, the directors believe that the company will be able to continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

1.4 Turnover

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 FRS102.

Media commissions are recognised in the month to which they relate, and media 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 in the period that the service is performed in accordance with the terms of the contractual arrangement.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer software	33.33% straight line
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1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property, fixtures and fittings	3 - 10 years straight line
Office equipment	10% - 33.33% years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The group operates a defined benefit pension scheme for its employees, providing benefits based on final pensionable pay. Membership to the scheme is closed to new members and in 2016 the scheme was closed to future accrual of benefits. The defined benefit scheme is contributory and contributions are assessed in accordance with the advice of a qualified actuary. The groups 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.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

Prior to the scheme closing to future accrual in 2016, the change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.17. Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. See note 21 for the carrying amount and further details.

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 23 for the disclosures relating to the defined benefit pension scheme.

Revenue recognition

Turnover is in respect of the provision for services including fees, rechargeable expenses and sales of materials performed subject to specific contract. Where recorded turnover exceeds amounts invoiced to clients, the excess is classified as accrued income. Where amounts invoiced to clients exceeds turnover, the excess is classified as deferred income.

Income is taken on fee income in the period to which it relates. Income is recognised in the period in which each project is worked on. For projects which fall over the accounting year end, income is recognised to reflect the partial performance of the contract obligations.

Income is recognised by apportioning the fees billed or billable to the time period for which those fees were earned by relationship to the percentage of completeness of the project to which they relate.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Dilapidations provisions

Provisions have been made for property dilapidations. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

3 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
Marketing services	22,340,954	21,441,028
	<u> </u>	<u> </u>
	2020 £	2019 £
Other significant revenue		
Interest income	14,886	10,804
	<u> </u>	<u> </u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	22,340,954	21,441,028
	<u> </u>	<u> </u>
4 Operating profit	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	4,132	(1,767)
Depreciation of owned tangible fixed assets	142,599	86,805
Amortisation of intangible assets	194,094	194,093
Amortisation of computer software	118	1,433
Operating lease charges	179,748	187,818
	<u> </u>	<u> </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a loss of £4,132 (2019 - gain of £1,767).

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,900	6,000
Audit of the financial statements of the company's subsidiaries	28,900	29,000
	<u>34,800</u>	<u>35,000</u>
For other services		
Taxation compliance services	<u>4,750</u>	<u>4,450</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Production	48	60	-	-
Sales and account handling	84	70	-	-
Administration	24	22	1	1
	<u>156</u>	<u>152</u>	<u>1</u>	<u>1</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	5,925,377	5,948,604	39,777	36,000
Social security costs	567,158	574,061	-	4,275
Pension costs	174,334	125,302	-	-
	<u>6,666,869</u>	<u>6,647,967</u>	<u>39,777</u>	<u>40,275</u>

7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	<u>14,886</u>	<u>10,804</u>

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

7	Interest receivable and similar income	(Continued)	
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	14,886	10,804
		<u> </u>	<u> </u>
8	Interest payable and similar expenses		
		2020	2019
		£	£
	Other finance costs:		
	Interest on the net defined benefit liability	30,000	34,000
	Bank charges	34,415	24,290
		<u> </u>	<u> </u>
	Total finance costs	64,415	58,290
		<u> </u>	<u> </u>
9	Directors' remuneration		
		2020	2019
		£	£
	Remuneration for qualifying services	639,434	616,320
	Company pension contributions to defined contribution schemes	25,817	37,200
		<u> </u>	<u> </u>
		665,251	653,520
		<u> </u>	<u> </u>
	Remuneration disclosed above includes the following amounts paid to the highest paid director:		
		2020	2019
		£	£
	Remuneration for qualifying services	262,629	264,124
	Company pension contributions to defined contribution schemes	5,400	3,200
		<u> </u>	<u> </u>
10	Taxation		
		2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	141,738	189,654
	Adjustments in respect of prior periods	1,677	3,245
		<u> </u>	<u> </u>
	Total current tax	143,415	192,899
		<u> </u>	<u> </u>

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

10 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences	46,423	17,524
Other adjustments	-	26,380
	<u>46,423</u>	<u>43,904</u>
Total deferred tax		
	<u>46,423</u>	<u>43,904</u>
Total tax charge for the year	189,838	236,803
	<u>189,838</u>	<u>236,803</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	839,873	908,937
	<u>839,873</u>	<u>908,937</u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)</i>	159,576	172,698
Tax effect of expenses that are not deductible in determining taxable profit	10,139	12,853
Adjustments in respect of prior years	-	3,245
Group relief	-	950
Permanent capital allowances in excess of depreciation	(44,525)	(18,752)
Amortisation on assets not qualifying for tax allowances	36,878	36,878
Other permanent differences	46,423	17,524
Under/(over) provided in prior years	1,677	-
Adjustments in relation to provisions	(20,330)	(14,973)
Deferred tax movement on pension scheme	-	26,380
	<u>189,838</u>	<u>236,803</u>
Taxation charge for the year		
	<u>189,838</u>	<u>236,803</u>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2020 £	2019 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(42,560)	-
	<u>(42,560)</u>	<u>-</u>

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

11 Intangible fixed assets

Group	Goodwill £	Negative goodwill £	Computer software £	Total £
Cost				
At 1 April 2019 and 31 March 2020	12,565,837	(17,969)	352,989	12,900,857
Amortisation and impairment				
At 1 April 2019	9,460,342	(17,969)	352,871	9,795,244
Amortisation charged for the year	194,094	-	118	194,212
At 31 March 2020	9,654,436	(17,969)	352,989	9,989,456
Carrying amount				
At 31 March 2020	2,911,401	-	-	2,911,401
At 31 March 2019	3,105,495	-	118	3,105,613

The company had no intangible fixed assets at 31 March 2020 or 31 March 2019.

12 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	13	-	-	15,643,811	15,643,811
Unlisted investments		14,923	14,923	-	-
		14,923	14,923	15,643,811	15,643,811

Movements in fixed asset investments

Group	Investments other than loans £
Cost or valuation	
At 1 April 2019 and 31 March 2020	14,923
Carrying amount	
At 31 March 2020	14,923
At 31 March 2019	14,923

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

12 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 April 2019 and 31 March 2020

15,643,811

Carrying amount

At 31 March 2020

15,643,811

At 31 March 2019

15,643,811

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Golley Slater Group Limited	Wharton Place, Wharton Street, Cardiff, CF10 1GS, UK	Marketing services	Ordinary	100.00	-
Golley Slater Media Limited	Wharton Place, Wharton Street, Cardiff, CF10 1GS, UK	Media & Recruitment Advertising	Ordinary	-	100.00
Golley Slater London Limited	Wharton Place, Wharton Street, Cardiff, CF10 1GS, UK	Non trading	Ordinary	-	100.00
Margaret Street Communications Limited	Wharton Place, Wharton Street, Cardiff, CF10 1GS, UK	Dormant	Ordinary	-	100.00
Voices For Change Limited	Wharton Place, Wharton Street, Cardiff, CF10 1GS, UK	Dormant	Ordinary	-	100.00

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

14 Tangible fixed assets

Group	Leasehold property, fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2019	359,066	1,263,412	1,622,478
Additions	315,517	118,738	434,255
Disposals	-	(34,794)	(34,794)
At 31 March 2020	674,583	1,347,356	2,021,939
Depreciation and impairment			
At 1 April 2019	350,902	1,086,582	1,437,484
Depreciation charged in the year	38,050	104,549	142,599
Eliminated in respect of disposals	-	(34,794)	(34,794)
At 31 March 2020	388,952	1,156,337	1,545,289
Carrying amount			
At 31 March 2020	285,631	191,019	476,650
At 31 March 2019	8,164	176,830	184,994

The company had no tangible fixed assets at 31 March 2020 or 31 March 2019.

The net carrying value of tangible fixed assets held under finance leases or hire purchase contracts amounted to £nil (2019 - £nil). The depreciation charge in respect of such assets amounted to £nil (2019 - £nil) for the year.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

15 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	3,057,467	3,322,516	-	-
Other debtors	399,366	224,975	-	-
	<u>3,456,833</u>	<u>3,547,491</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 21)	-	(1,977)	-	-
	<u>3,456,833</u>	<u>3,545,514</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 21)	272,840	224,230	-	-
	<u>272,840</u>	<u>224,230</u>	<u>-</u>	<u>-</u>
Total debtors	<u>3,729,673</u>	<u>3,769,744</u>	<u>-</u>	<u>-</u>

16 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,346,127	3,329,083	-	-
Equity instruments measured at cost less impairment	14,923	14,923	15,643,811	15,643,811
	<u>3,361,050</u>	<u>3,344,006</u>	<u>15,643,811</u>	<u>15,643,811</u>
Carrying amount of financial liabilities				
Measured at amortised cost	6,250,385	6,553,730	14,870,073	14,934,046
	<u>6,250,385</u>	<u>6,553,730</u>	<u>14,870,073</u>	<u>14,934,046</u>

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

17 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Other borrowings	19	-	53,500	-	53,500
Trade creditors		2,777,444	2,965,988	-	-
Amounts due to group undertakings		-	-	12,923,573	12,934,046
Corporation tax payable		141,738	189,654	-	-
Other taxation and social security		845,962	840,132	-	-
Other creditors		47,598	52,469	-	-
Accruals and deferred income		2,507,076	2,135,155	-	-
		<u>6,319,818</u>	<u>6,236,898</u>	<u>12,923,573</u>	<u>12,987,546</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Other borrowings	19	<u>1,946,500</u>	<u>1,946,500</u>	<u>1,946,500</u>	<u>1,946,500</u>

19 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Preference shares	<u>1,946,500</u>	<u>2,000,000</u>	<u>1,946,500</u>	<u>2,000,000</u>
Payable within one year	-	53,500	-	53,500
Payable after one year	<u>1,946,500</u>	<u>1,946,500</u>	<u>1,946,500</u>	<u>1,946,500</u>

On 18 December 2015 the company issued 2,000,000 £1 redeemable preference shares. The preference shares are redeemable quarterly starting from March 2018 and ending March 2026. The preference shares have been treated as a liability due to the redeemable nature of the shares.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

20 Provisions for liabilities

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Dilapidation provisions		288,000	288,000	-	-
Deferred tax liabilities	21	48,400	-	-	-
		<u>336,400</u>	<u>288,000</u>	<u>-</u>	<u>-</u>

Movements on provisions apart from deferred tax liabilities:

Group	£
At 1 April 2019 and 31 March 2020	<u>288,000</u>

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Group				
Accelerated capital allowances	48,400	-	-	(1,977)
Retirement benefit obligations	-	-	272,840	224,230
	<u>48,400</u>	<u>-</u>	<u>272,840</u>	<u>222,253</u>

The company has no deferred tax assets or liabilities.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

22 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
356,250 'A' ordinary shares of 10p each	35,625	35,625
39,000 'C' ordinary shares of 10p each	3,900	3,900
33,400 'D' ordinary shares of 7.5p each	2,505	2,505
	<u>42,030</u>	<u>42,030</u>

The 'A' ordinary shares, and 'D' ordinary shares shall be separate classes of shares but shall rank pari passu in all respects. The 'A' and 'D' shares have one vote per share. The 'C' shares have no voting rights. On a return of capital, the assets of the company available for distribution to holders remaining after payment of all other debts and liabilities of the company shall be applied as follows:

- first paying to the holders of the preference shares
- secondly distributing the balance amongst the holders of the ordinary shares in proportion to the amount paid up or credited as paid up on each such share as if they constituted one class

23 Retirement benefit schemes

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The charge to the profit and loss in respect of defined contribution schemes £174,334 (2019 - £125,302)

Defined benefit schemes

The group operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. The group has agreed a funding plan with the trustee, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions are agreed with the trustee to reduce the funding deficit where necessary.

The scheme closed to the future accrual of benefits on 2 December 2016, and from this date active member benefits lost the link to final pensionable salary and became linked to deferred revaluation instead.

The most recent full actuarial valuation of the defined benefit scheme was at 1 December 2017 and this was updated to March 2020. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

23 Retirement benefit schemes

(Continued)

	2020	2019
	%	%
Key assumptions		
Discount rate	2.30	2.40
Expected rate of salary increases	0.00	0.00
Expected rate of increase of pensions in payment:		
LPI maximum 5%	2.40	3.00
LPI maximum 5%	1.90	2.20
Inflation assumption	2.40	3.10
	<u> </u>	<u> </u>
Mortality assumptions	2020	2019
	Years	Years
Assumed life expectations on retirement at age 60:		
Retiring today		
- Males	25.9	26.3
- Females	28.0	28.4
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	27.1	27.5
- Females	29.2	29.5
	<u> </u>	<u> </u>

Significant demographic assumptions

The mortality assumption at 31 March 2020 is based on an experience investigation prior to the previous funding valuation. The current assumption uses 95% of mortality rates included in the standard tables known as S2PxA. Allowance for future longevity improvements is made in line with the CMI 2018 (2019 - CMI2017) projections with a long term improvement rate of 1%.

	2020	2019
	£	£
Amounts recognised in the profit and loss account		
Net interest on defined benefit liability/(asset)	30,000	34,000
	<u> </u>	<u> </u>

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

23 Retirement benefit schemes

(Continued)

	2020 £	2019 £
Amounts taken to other comprehensive income		
Actual return on scheme assets	(516,000)	220,000
Less: calculated interest element	(114,000)	(134,000)
Return on scheme assets excluding interest income	(630,000)	86,000
Actuarial changes related to obligations	406,000	(96,530)
of which due to experience	-	25,000
of which due to demographic assumptions	178,000	53,000
of which due to financial assumptions	228,000	(174,530)
Total costs/(income)	(224,000)	(10,530)

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

Group	2020 £	2019 £
Present value of defined benefit obligations	5,653,000	6,116,000
Fair value of plan assets	(4,217,000)	(4,797,000)
Deficit in scheme	1,436,000	1,319,000

The company had no post employment benefits at 31 March 2020 or 1 April 2019.

	Group 2020 £
Movements in the present value of defined benefit obligations	
Liabilities at 1 April 2019	6,116,000
Benefits paid	(201,000)
Actuarial gains and losses	(406,000)
Interest cost	144,000
At 31 March 2020	5,653,000

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

23 Retirement benefit schemes

(Continued)

		Group 2020 £
Movements in the fair value of plan assets		
Fair value of assets at 1 April 2019		4,797,000
Interest income		114,000
Return on plan assets (excluding amounts included in net interest)		(630,000)
Benefits paid		(201,000)
Contributions by the employer		137,000
		<u>4,217,000</u>
At 31 March 2020		<u>4,217,000</u>
Fair value of plan assets at the reporting period end		
	Group 2020 £	Group 2019 £
Invested assets	4,158,000	4,726,000
Annuity policies	59,000	71,000
	<u>4,217,000</u>	<u>4,797,000</u>

24 Financial commitments, guarantees and contingent liabilities

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 net borrowings related to this guarantee amount to £nil (2019 - £nil).

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	212,907	213,752	-	-
Between two and five years	436,029	646,024	-	-
	<u>648,936</u>	<u>859,776</u>	<u>-</u>	<u>-</u>

26 Related party transactions

Golley Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

26 Related party transactions

(Continued)

The company and group has taken advantage of the exemption from disclosing relates party transactions with companies under the same control in accordance with FRS102, Section 33 'Related Parties'.

27 Controlling party

The ultimate controlling party is A Golley, by virtue of his majority shareholding in the company.

28 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	650,035	672,134
Adjustments for:		
Taxation charged	189,838	236,803
Finance costs	64,415	58,290
Investment income	(14,886)	(10,804)
Amortisation and impairment of intangible assets	194,212	195,526
Depreciation and impairment of tangible fixed assets	142,599	86,805
Gain on sale of investments	-	(13,523)
Pension scheme non-cash movement	(137,000)	(36,800)
(Decrease)/increase in provisions	-	65,000
Movements in working capital:		
Decrease in debtors	90,658	41,445
Increase in creditors	184,336	174,453
Cash generated from operations	1,364,207	1,469,329