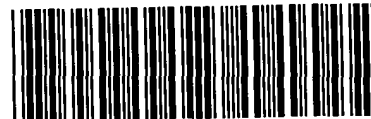


**PARTNERSHIP MEDIA GROUP
LIMITED**

**Annual Report and Financial
Statements**

For the year ended 31 December 2014

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REPORT AND FINANCIAL STATEMENTS 2014

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

J Walsh

COMPANY SECRETARY

TPDS Limited

REGISTERED OFFICE

Hollins Chambers
64a Bridge Street
Manchester
M3 3BA

BANKERS

HSBC Bank plc
Bank Square
Wilmslow
Cheshire
SK9 1AR

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

STRATEGIC REPORT

BUSINESS REVIEW

Principal activities

The company's principal activity is as a public sector events supplier.

Business performance

The director is pleased with the strong performance for the year. The company increased sales levels to £14,442,074 (2013: £11,823,070) with a profit after taxation of £2,139,487 (2013: £1,441,971).

Sales levels and profit improved significantly over the year.

The company has established a clear strategy to take advantage of opportunities across a range of events and believes that executing the strategy will enable the business to continue to grow.

New office premises were acquired in London during the year and this now provides a strong base to attract talent to develop, market and operate new programmes and events.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are the challenging economic climate which has hit marketing and training expenditure together with the risk of ongoing public sector spending cuts. The company is profitable and continues to generate positive cash flow from operations and therefore the director believes that the company is well positioned in its market place.

FINANCIAL KEY PERFORMANCE INDICATORS

The company's key financial performance indicators are operating profit, turnover and the levels of future sales orders per the company's order book.

FINANCIAL RISK MANAGEMENT

Risks and uncertainties

Credit risk

The company's credit risk is primarily attributable to its trade receivable. Careful checks are in place to ensure the financial viability of our customers and suppliers. Equally, enhanced commercial discussion with our clients continues at pre-event stage to secure satisfactory payment terms and cash is mainly received in advance of the event to contribute to strong cash flow.

STRATEGIC REPORT (continued)

Risks and uncertainties (continued)

Operational risk

The company has taken positive steps with regards to succession planning and has an experienced management team in place well able to combine their knowledge and expertise to react swiftly and effectively to any risk situation.

The Director regularly reviews overall policies regarding the control and management of risk.

Cashflow Risk

The company's credit risk is primarily attributable to its trade receivables. The company operates a bank account and has a long-term loan secured on the new London office premises. The company holds its money with a recognised bank which has a high credit rating. Trade debtors are well controlled and the level of bad debts low. Creditors are paid on normal payment terms.

Approved by the Director on 31st July 2015

Joanne Walsh

J Walsh

Director

DIRECTOR'S REPORT

The director presents her report and the financial statements for the year ended 31 December 2014.

DIRECTOR

The director who served during the year was J Walsh.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,139,487 (2013: £1,441,971).

A final ordinary dividend of £800,000 was proposed during the year (2013: £720,000).

FUTURE OUTLOOK

The director remains confident about future prospects believing the company's management and its business model position it well in a competitive market.

GOING CONCERN

After making enquiries, and based on the assumptions outlined in the Accounting Policies in Note 1, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

DIRECTOR

The director who served during the year and to the date of this report is stated on page 1.

AUDITOR

The person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Director on 31st July 2015
and signed on behalf of the Board

Joanne Walsh

J Walsh

Director

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable the Director to ensure that the financial statements comply with the Companies Act 2006. The Director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTNERSHIP MEDIA GROUP LIMITED

We have audited the financial statements of Partnership Media Group Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the Reconciliation of Net Cash Flow to Movement in Net debt and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

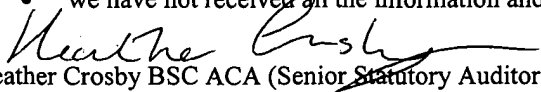
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Heather Crosby BSC ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
06 / 08 / 2015

PARTNERSHIP MEDIA GROUP LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2014

	Note	2014 £	2013 £
TURNOVER	2	14,442,074	11,823,070
Cost of sales		(6,912,068)	(6,435,934)
GROSS PROFIT		7,530,006	5,387,136
Administrative expenses		(4,638,609)	(3,518,390)
OPERATING PROFIT	3	2,891,397	1,868,746
Interest receivable and similar income		13,663	11,216
Interest Payable		(76,447)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,828,613	1,879,962
Tax on profit on ordinary activities	6	(689,126)	(437,991)
PROFIT FOR THE FINANCIAL YEAR	14,15	2,139,487	1,441,971

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account. Accordingly, no separate statement of total recognised gains or losses has been presented.

The notes on pages 10 to 18 form part of these financial statements.

PARTNERSHIP MEDIA GROUP LIMITED

BALANCE SHEET As at 31 December 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	7		9,877,366		98,493
Investments	8		100		100
			<u>9,877,466</u>		<u>98,593</u>
CURRENT ASSETS					
Debtors	9	3,517,070		3,324,840	
Cash at bank and in hand		<u>2,125,619</u>		<u>4,512,606</u>	
		5,642,689		7,837,446	
CREDITORS: amounts falling due within one year	10	<u>(5,595,664)</u>		<u>(5,281,353)</u>	
NET CURRENT ASSETS			<u>47,025</u>		<u>2,556,093</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,924,491</u>		<u>2,654,686</u>
CREDITORS: Amounts falling due after more than one year	11		(5,793,120)		-
PROVISIONS FOR LIABILITIES					
Deferred tax	12		<u>(140,374)</u>		<u>(3,176)</u>
NET ASSETS			<u><u>3,990,997</u></u>		<u><u>2,651,510</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		66		66
Capital redemption reserve	14		33		33
Profit and loss account	14		<u>3,990,898</u>		<u>2,651,411</u>
SHAREHOLDER'S FUNDS	15		<u><u>3,990,997</u></u>		<u><u>2,651,510</u></u>

The financial statements of Partnership Media Group Limited, company registration number 03307092, were approved by the Board and authorised for issue on 31st 2015.

Signed on behalf of the Board by.

Joanne Walsh

J Walsh
Director

CASH FLOW STATEMENT
Year ended 31 December 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	17	2,872,078	3,196,144
Returns on investments and servicing of finance	18	(62,784)	11,216
Taxation	18	(767,234)	(567,576)
Capital expenditure and financial investment	18	(9,904,711)	(86,565)
Equity dividends paid		(555,200)	(720,000)
Cash (outflow)/inflow before financing		(8,417,851)	1,833,219
Financing		6,030,864	-
(Decrease) / Increase in cash in the year		(2,386,987)	1,833,219

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
Year ended 31 December 2014

	2014 £	2013 £
(Decrease)/increase in cash in the year	(2,386,987)	1,833,219
Cash inflow from increase in debt	(6,030,864)	-
Movement in net (debt)/funds in the year	(8,417,851)	1,833,219
Net funds at 1 January 2014	4,512,606	2,679,387
Net debt at 31 December 2014	(3,905,245)	4,512,606

The notes on pages 10 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, except for freehold property which is held at valuation, in accordance with applicable accounting standards.

Group accounts have not been prepared as the company's subsidiary is permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Basis of preparation – going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 3. As a consequence, the director believes that the company is well placed to manage its business risks successfully.

The company meets its day-to-day working capital requirements through cash generation and strong working capital management. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the current level of agreed facilities, including compliance with all applicable covenants.

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Events revenue is recognised in the period in which the event occurs.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation, except for freehold property which is held a valuation. Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives on the following bases:

Freehold property held at valuation and revalued every 5 years. The property was acquired in June 2014 and is held at that valuation.

Freehold improvements	10% straight line
Fixtures, fittings and equipment	15% straight line
Computer equipment	33% straight line
Leasehold property improvements	over the period of the lease

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Taxation

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2014

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Revaluation of properties

Individual freehold and leasehold properties are revalued every 5 years. The property is held at valuation and not depreciated. The property was acquired and therefore valued at 11 June 2014.

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2014 £	2013 £
Conferences, seminar and publication income	14,401,953	11,760,864
Other income	40,121	62,206
	<u>14,442,074</u>	<u>11,823,070</u>

All turnover arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2014

3. OPERATING PROFIT

	2014 £	2013 £
Operating profit is stated after charging/(crediting):		
Depreciation of tangible assets		
- owned fixed assets	123,666	35,361
Loss on disposal of fixed assets	2,172	-
Auditor's remuneration	15,000	-
Auditor's remuneration – non audit	8,000	-
Previous Auditor's remuneration (audit and non audit)	10,976	10,950
Operating lease rentals:		
- plant and machinery	72,617	49,955
- other operating leases	612,217	505,869
Difference on foreign exchange	2,651	(2,711)
	<u>1,237,409</u>	<u>1,099,885</u>

4. STAFF COSTS

The aggregate of staff remuneration (including director) comprised:

	2014 £	2013 £
Wages and salaries	5,111,735	4,426,255
Social security costs	530,727	477,110
Other pension costs (see note 20)	50,447	52,000
	<u>5,692,909</u>	<u>4,955,365</u>

The average monthly number of employees (including director) during the year was:

	2014 No.	2013 No.
Sales	54	64
Marketing, Production and Administration	102	50
	<u>156</u>	<u>114</u>

5. DIRECTOR'S REMUNERATION

	2014 £	2013 £
Remuneration	414,380	399,218
Company pension contributions to defined contribution pension scheme	50,232	52,000

During the year retirement benefits were accruing to 1 director (2013: 1) in respect of defined contribution pension schemes.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2014

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £	2013 £
Current tax		
UK corporation tax charge on profit for the year	551,860	423,388
Adjustments in respect of prior periods	68	-
Total current tax	<u>551,928</u>	<u>423,388</u>
Deferred tax		
Origination and reversal of timing differences	147,439	13,113
Effect of changes in tax rates	(10,241)	1,490
Total deferred tax (see note 12)	<u>137,198</u>	<u>14,603</u>
Tax on profit on ordinary activities	<u>689,126</u>	<u>437,991</u>

Factors affecting tax for the year:

The tax assessed for the year is lower (2013: lower than) the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before taxation	2,828,613	1,879,962
Profit on ordinary activities at UK standard rate of 21.49% (2013 – 23.25%)	607,869	437,091
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	91,430	1,603
Depreciation lower than than capital allowances	(147,439)	(15,242)
Adjustments to tax charge in respect of prior periods	68	-
Short term timing difference leading to an increase/(decrease) in taxation	-	(64)
Current tax charge for the year	<u>551,928</u>	<u>423,388</u>

PARTNERSHIP MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2014

7. TANGIBLE FIXED ASSETS

	Freehold buildings £	Freehold improve- ments £	Leasehold improve- ments £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost						
At 1 January 2014	-	-	50,911	145,394	451,370	647,675
Additions	9,109,360	323,833	-	147,158	324,360	9,904,711
Disposals	-	-	-	(56,019)	(324,917)	(380,936)
At 31 December 2014	9,109,360	323,833	50,911	236,533	450,815	10,171,450
Depreciation						
At 1 January 2014	-	-	43,168	131,036	374,978	549,182
Charge for the year	-	5,310	7,742	8,642	101,972	123,666
Disposals	-	-	-	(54,744)	(324,020)	(378,764)
At 31 December 2014	-	5,310	50,910	84,934	152,930	294,084
Net book value						
At 31 December 2014	9,109,360	318,523	1	151,599	297,883	9,877,366
At 31 December 2013	-	-	7,743	14,358	76,392	98,493

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 1 January 2014 and 31 December 2014	100
Net book value	
At 1 January 2014	100
At 31 December 2014	100

Subsidiary investments

The following were dormant subsidiary undertakings of the company:

Name	Class of shares	Holding
Govnet Communications Limited	Ordinary	100%

9. DEBTORS

	2014 £	2013 £
Trade debtors	2,923,102	2,388,370
Other debtors	286,328	816,300
Prepayments and accrued income	307,640	120,170
	<u>3,517,070</u>	<u>3,324,840</u>

Included within other debtors due within one year is a loan to J Walsh, a director, amounting to £129,581 (2013: £400,435).

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2014

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Bank loan	237,744	-
Trade creditors	267,389	432,360
Corporation tax	208,085	423,388
Other taxation and social security	530,868	591,999
Other creditors	328,198	298,688
Accruals and deferred income	4,023,380	3,534,918
	<u>5,595,664</u>	<u>5,281,353</u>

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

The company acquired new office premises in London during the year at a cost of £9.1 million. The acquisition was funded through a 20 year loan of £6.15 million. Interest is charged at 2% per annum over the Bank of England Base rate. The loan is secured against the London property together with a fixed and floating charge over the assets of the business. The amounts repayable are as follows:-

	2014 £	2013 £
Bank loans		
Between two and five years	950,976	-
After five years	4,842,144	-
	<u>5,793,120</u>	<u>-</u>
On demand or within one year	237,744	-
	<u>6,030,864</u>	<u>-</u>

12. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	(3,176)	11,427
Charge for year	(137,198)	(14,603)
At end of year	<u>(140,374)</u>	<u>(3,176)</u>

The deferred taxation balance is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	144,922	7,726
Short term timing differences	(4,548)	(4,550)
	<u>140,374</u>	<u>3,176</u>

PARTNERSHIP MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2014

13. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid 66 ordinary shares of £1 each	66	66

14. RESERVES

	Capital redemption reserve £	Profit and loss account 2014 £
At 1 January 2014	33	2,651,411
Profit for the financial year	-	2,139,487
Dividends paid	-	(800,000)
At 31 December 2014	33	3,990,898

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £	2013 £
Opening shareholder's funds	2,651,510	1,929,539
Profit for the financial year	2,139,487	1,441,971
Dividend payable (note 16)	(800,000)	(720,000)
Closing shareholder's funds	3,990,997	2,651,510

16. DIVIDENDS

	2014 £	2013 £
Final dividend declared and paid	800,000	720,000

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	2,891,397	1,868,746
Depreciation of tangible fixed assets	123,666	35,361
Increase in debtors	(437,030)	(186,549)
Increase in creditors	291,871	1,478,586
Loss on disposal of fixed assets	2,172	-
Net cash inflow from operating activities	2,872,078	3,196,144

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2014

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	13,663	11,216
Interest paid & payable	(76,447)	-
	<u>(62,784)</u>	<u>11,216</u>
Taxation		
Corporation tax	<u>(767,242)</u>	<u>(567,576)</u>
Financing		
Drawdown of long term loan	6,150,000	-
Capital repayments	<u>(119,136)</u>	<u>-</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(9,904,711)</u>	<u>(86,565)</u>

19. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2014 £	Cash flow £	31 December 2014 £
Cash at bank and in hand	4,512,606	(2,386,987)	2,125,619
Debt < 1 year	-	(237,744)	(237,744)
Debt > 1 year	-	(5,793,120)	(5,793,120)
Net funds	<u>4,512,606</u>	<u>(8,417,851)</u>	<u>(3,905,245)</u>

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £50,477 (2013: £52,000). Contributions totalling £11,749 (2013: £nil) were payable to the fund at the balance sheet date.

21. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within 1 year	68,398	426,796	104,781	6,130
Between 2 and 5 years	<u>44,063</u>	<u>105,310</u>	<u>239,241</u>	<u>63,995</u>

22. CONTINGENT LIABILITIES

There is a bank cross guarantee between the company and the director, J Walsh. At 31 December 2014 the total potential liability amounted to £2,338,590 (2013: £2,338,590).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2014

23. RELATED PARTY TRANSACTIONS

In 2012, the director took out a loan of £1,058,501 from the company. The loan was provided in order to fund the purchase of property in London. This property is leased to the company in order to provide an increased presence in London thus enabling the Company to perform its business in a more cost effective manner. At the balance sheet date, a total of £129,581 (2013: £400,435) was still owing. This balance is included within other debtors (note 9).

During the year, the company paid lease rentals to the director totalling £117,000 (2013: £108,225), the amount of £nil (2013: £nil) is still owing at the date of the balance sheet.

24. CONTROLLING PARTY

The ultimate controlling party is J Walsh.