

Adare Limited

Directors' report
and financial statements

Year ended 31 October 2011

Registered number 2814431

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Adare Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	5
Independent auditor's report	6
Statement of accounting policies	8
Profit and loss account	10
Statement of total recognised gains and losses	11
Balance sheet	12
Notes forming part of the financial statements	13

Adare Limited

Directors and other information

Directors	B Crich R Whiteside K Herbert
Secretary	Marrons Consultancies Limited
Registered office	1 Meridian South Meridian Business Park Leicester LE19 1WY
Solicitors	Marrons Solicitors Meridian Business Park Leicester LE19 1WY
Bankers	Bank of Scotland Lisbon House 116 Wellington Street Leeds LS1 4LT
Auditor	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Ireland

Adare Limited

Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 31 October 2011

Results and dividends

The profit for the year after taxation, attributable to shareholders amounted to £2,672,000 (2010 £2,845,000) The directors do not recommend the payment of a dividend in respect of the financial year (2010 £Nil)

Principal activity and review of the development of the business

The company is engaged in direct marketing, transactional mail and print management solutions The directors believe that the company continues to be well placed to meet the opportunities that may arise in the future

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties facing the company are as follows

Economic risk

- The risk of increased interest rates and or inflation having an adverse impact on served markets, and
- The risk of unrealistic increases in wages or infrastructural costs impacting adversely on competitiveness of the company and its principal customers

These risks are managed by the use of alternative sourcing of products and services and strict control of costs

Competition risk

The directors of the company manage competition risk through close attention to customer service levels

Financial risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk

Key performance indicators

Key performance indicators which are focused on by management include

- daily sales/gross profit reports analysed by division, salesperson and product,
- daily cash/bank reports,
- monthly management accounts showing divisional trading results, detailed overhead expenses, balance sheet and cash flow reports,
- monthly variance reports analysing sales, gross profit, expenses and cash flow variances, and
- monthly aged debtor reports analysed by division

Adare Limited

Directors' report *(continued)*

Key performance indicators *(continued)*

Each of these indicators is monitored by management against trading and cash flow budgets which are prepared every six months. The indicators are also monitored against prior periods. Half yearly product reviews with principal suppliers are attended by management.

Post balance sheet events

There have been no significant events affecting the company since 31 October 2011 which would require disclosure in or amendment of the financial statements.

Supplier payment policy

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 October 2011, the company had an average of 59 days (2010 66) purchases outstanding in creditors.

Directors and their interests

The directors of the company at 31 October 2011 are as listed on page 1.

R Whiteside and K Herbert were directors of the company's ultimate parent undertaking, ACICS Limited, at 31 October 2011, and their interests are disclosed in that company's financial statements.

The interests of the other director and the company secretary in office at 31 October 2011, including interests of their spouses and minor children, in the share capital and loan notes of ACICS Limited at the beginning of the year and the end of the year were

<i>Name of director</i>	<i>Description of Instrument</i>	<i>31 October 2011</i>	<i>31 October 2010</i>
		<i>Number</i>	<i>Number</i>
B Crich	Ordinary shares of £1 each	125,469	125,469

There are no other interests requiring disclosure under the Companies Act, 2006.

Political and charitable donations

The company made no political or charitable donations during the year (2010 £Nil).

Adare Limited

Directors' report *(continued)*

Employees

The directors give special attention to the health and safety of their employees and endeavour to ensure that as far as possible the training, career development and promotion of disabled persons is the same as other employees. Should employees become disabled, every effort is made to ensure that their employment continues and appropriate retraining is provided. Consultation with employees and good industrial relations are actively promoted through comprehensive and agreed procedures.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act, 2006, the auditor will be deemed to be reappointed and KPMG, Chartered Accountants, will therefore continue in office.

On behalf of the board



K Herbert
Director

2 April 2012

Adare Limited

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping 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 them to ensure that the financial statements comply with the Companies Act, 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

On behalf of the board



K Herbert
Director



KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Adare Limited

We have audited the financial statements of Adare Limited for the year ended 31 October 2011 set out on pages 8 to 26 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 October 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act, 2006.



Independent auditor's report to the members of Adare Limited (*continued*)

Opinion on other matter prescribed by the Companies Act, 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Tom McEvoy (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

2 April 2012

Adare Limited

Statement of accounting policies

for the year ended 31 October 2011

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board as promulgated by the Institute of Chartered Accountants in England and Wales

Cash flow statement

The company has availed of the exemption available in FRS 1 - *Cash Flow Statements (Revised)*, not to present a cash flow statement as it is a wholly owned subsidiary undertaking of ACICS Limited, a company incorporated in England which prepares a consolidated cash flow statement which includes the cash flows of this company

Turnover

Turnover represents the fair value of goods excluding Value Added Tax, delivered to or collected by third party customers in the year. Goods are deemed to have been delivered to customers, when the customer has access to the significant benefits inherent in the goods and exposure to the risks inherent in those benefits

Stocks

Stocks are valued at the lower of cost including a proportion of the appropriate manufacturing overheads, and net realisable value. Net realisable value comprises the actual or estimated selling price (net of trade discounts) less all other further costs to be incurred in marketing, selling and distribution

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost of the assets over their expected useful lives at the following annual rates

Freehold buildings	-	2%
Improvements to freehold buildings	-	4% to 10%
Plant and equipment	-	10% to 20%
Fixtures and fittings	-	10% to 30%

Freehold land is not depreciated

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Adare Limited

Statement of accounting policies *(continued)*

Taxation

Corporation tax is calculated based on the taxable profits for the year. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Leasing and hire purchase arrangements

Assets held under finance leases are capitalised in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful lives. Assets held under hire purchase agreements are capitalised in the balance sheet at their equivalent capital value and are depreciated over their useful lives. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease/hire purchase agreement is charged to the profit and loss account on an annuity basis.

Rent payable in respect of assets held under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

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. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.


The company also provides pensions to certain employees through a separately administered defined benefit pension scheme, which is closed to future accrual. Pension scheme assets are measured using market values. For quoted securities, the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Adare Limited

Profit and loss account for the year ended 31 October 2011

	<i>Note</i>	2011 £'000	2010 £'000
Turnover – continuing operations	<i>1</i>	44,694	40,438
Cost of sales		(35,877)	(29,985)
		<hr/>	<hr/>
Gross profit		8,817	10,453
Net operating expenses		(6,829)	(7,539)
		<hr/>	<hr/>
Operating profit – continuing operations	<i>2</i>	1,988	2,914
Profit on disposal of tangible fixed assets		4	16
Interest payable and similar charges	<i>3</i>	(334)	(537)
Interest receivable	<i>4</i>	1,929	1,882
		<hr/>	<hr/>
Profit on ordinary activities before taxation		3,587	4,275
Tax on profit on ordinary activities	<i>7</i>	(915)	(1,430)
		<hr/>	<hr/>
Profit retained for the financial year	<i>16(b)</i>	2,672	2,845
		<hr/>	<hr/>

On behalf of the board


K Herbert
Director

Adare Limited

Statement of total recognised gains and losses for the year ended 31 October 2011

	<i>Note</i>	2011 £'000	2010 £'000
Profit for the financial year		2,672	2,845
Actuarial gain on post employment pension scheme	<i>21</i>	806	2,027
Movement on deferred tax arising thereon		(218)	(583)
		<hr/>	<hr/>
Total recognised gains and loss relating to the year		3,260	4,289
		<hr/>	<hr/>

Adare Limited

Balance sheet at 31 October 2011

	<i>Note</i>	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	8	6,109	4,829
Current assets			
Stocks	9	1,801	1,614
Debtors	10	36,457	34,163
Cash at bank and in hand		815	4,210
Creditors: amounts falling due within one year	11	39,073 (13,031)	39,987 (15,120)
Net current assets		26,042	24,867
Total assets less current liabilities		32,151	29,696
Creditors: amounts falling due after one year	12	(550)	(234)
Net assets excluding pension liabilities		31,601	29,462
Pension liability (net of deferred taxation)	21	(47)	(1,168)
Net assets		31,554	28,294
Capital and reserves			
Called up share capital	15	-	-
Capital reserve	17	896	896
Profit and loss account	16(b)	30,658	27,398
Shareholders' funds	16(a)	31,554	28,294

On behalf of the board


K Herbert
Director

Adare Limited

Notes

forming part of the financial statements

1 Turnover

The company has three classes of business being print manufacture, print management and direct mail. All of the company's turnover is derived from its operations which are located in the United Kingdom. A geographical analysis of turnover by destination is given below.

	2011 £'000	2010 £'000
United Kingdom	44,694	40,438

A segmental analysis of turnover by line of business, and operating profit and net assets by geographical area and line of business has not been provided as, in the opinion of the directors, such disclosure would be prejudicial to the interest of the company.

2 Operating profit

	2011 £'000	2010 £'000
This is stated after charging		
Directors' emoluments (see note 5)	176	163
Auditor's remuneration – audit services	25	25
Management charges	520	888
Depreciation		
- owned assets	1,059	770
- leased assets	495	255
Hire of plant and machinery – rentals payable under operating leases	301	281

3 Interest payable and similar charges

	2011 £'000	2010 £'000
On finance leases/hire purchase arrangements	168	53
Other finance costs		
Interest on pension scheme liabilities	1,310	1,400
Expected return on pension scheme assets	(1,468)	(1,381)
Interest payable to group undertakings	324	465
	334	537

Adare Limited

Notes *(continued)*

4 Interest receivable

	2011 £'000	2010 £'000
Interest receivable from group undertakings	1,860	1,801
Bank interest receivable	69	81
	<u>1,929</u>	<u>1,882</u>

5 Directors' emoluments

	2011 £'000	2010 £'000
Salaries	165	152
Pension contributions	11	11
	<u>176</u>	<u>163</u>

Adare Limited

Notes *(continued)*

6 Employees

The average number of employees during the year analysed by function, comprised

	2011 Number	2010 Number
Production	202	172
Administration	109	115
	<hr/>	<hr/>
	311	287
	<hr/>	<hr/>

The aggregate payroll cost of these persons was as follows

	2011 £'000	2010 £'000
Wages and salaries	8,988	8,728
Social security costs	882	815
Pension costs		
Defined contribution	190	180
	<hr/>	<hr/>
	10,060	9,723
	<hr/>	<hr/>

Adare Limited

Notes (continued)

7 Tax on profit on ordinary activities

Analysis of charge in year

	2011 £'000	2010 £'000
<i>Current tax</i>		
UK corporation tax charge for the year	765	1,227
Adjustment in respect of prior years	(7)	(5)
	<hr/> 758	<hr/> 1,222
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 14(a))	106	59
Adjustment in respect of prior years (note 14(a))	(146)	(6)
Deferred tax related to pension scheme (note 14(b))	197	155
	<hr/> 915	<hr/> 1,430

(b) Factors affecting current tax charge in year

The tax assessed for the year is lower (2010 higher) than the standard rate of corporation tax in the United Kingdom. The differences are explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	<hr/> 3,587	<hr/> 4,275
Profit on ordinary activities multiplied by the standard rate of corporation tax of 26.83% (2010 28%)	962	1,197
<i>Effects of</i>		
Expenses not deductible for taxation purposes	37	40
Capital allowances in excess of depreciation	(46)	(16)
Other timing differences	(188)	6
Adjustment in respect of prior years	(7)	(5)
	<hr/> 758	<hr/> 1,222

Adare Limited

Notes (continued)

8 Tangible assets

	Freehold land and buildings £'000	Plant and machinery £'000	Equipment £'000	Total £'000
Cost:				
At 31 October 2010	3,664	13,442	1,700	18,806
Additions	-	2,609	225	2,834
Disposals	(36)	(194)	(538)	(768)
At 31 October 2011	3,628	15,857	1,387	20,872
Accumulated depreciation:				
At 31 October 2010	1,181	11,635	1,161	13,977
Charge for year	126	1,191	237	1,554
Disposals	(36)	(194)	(538)	(768)
At 31 October 2011	1,271	12,632	860	14,763
Net book value:				
At 31 October 2011	2,357	3,225	527	6,109
At 31 October 2010	2,483	1,807	539	4,829

The net book value of plant and machinery at 31 October 2011, acquired under finance leases/hire purchase arrangements, was £1,700,212 (2010 £695,295) Depreciation charged on such assets in the year ended 31 October 2011 was £494,500 (2010 £255,478)

9 Stocks

	£'000	£'000
Raw materials	292	236
Work in progress	157	84
Finished goods	1,352	1,294
	1,801	1,614

In the opinion of the directors, the replacement cost of stocks at 31 October 2011, is not materially different to the carrying value as stated above

Adare Limited

Notes (continued)

10 Debtors

	£'000	£'000
Amounts falling due within one year:		
Trade debtors	6,437	4,873
Amounts owed by group undertakings	28,107	27,571
Other debtors	475	300
Prepayments and accrued income	363	384
	<hr/>	<hr/>
	35,382	33,128
Amounts falling due after one year		
Deferred tax asset (note 14)	1,075	1,035
	<hr/>	<hr/>
	36,457	34,163
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	£'000	£'000
Trade creditors	6,098	5,385
Amounts owed to parent undertaking	3,943	7,267
Other creditors	50	35
Corporation tax	764	1,227
Other taxes and social security	1,171	645
Accruals and deferred income	279	290
Finance leases/hire purchase arrangements (note 13)	726	271
	<hr/>	<hr/>
	13,031	15,120
	<hr/>	<hr/>

12 Creditors: amounts falling due after one year

	£'000	£'000
Finance leases/hire purchase arrangements (note 13)	550	234
	<hr/>	<hr/>

Adare Limited

Notes (continued)

13 Maturity analysis

The maturity analysis of the finance leases/hire purchase arrangements is as follows

	Within one year £'000	Between 1 – 2 years £'000	Total £'000
Repayable by instalments	726	550	1,276
14 Deferred tax		2011 £'000	2010 £'000
(a) Deferred tax asset			
At beginning of year		1,035	1,088
Adjustment in respect of prior year (note 7)		146	6
Charged in year (note 7)		(106)	(59)
At end of year (note 10)		1,075	1,035
<i>Deferred tax assets arise as follows</i>			
Capital allowances		1,054	1,019
Other timing differences		21	16
At end of year		1,075	1,035

(b) Deferred tax asset related to post employment benefits

The movement on the deferred tax asset related to the post employment liabilities in the balance sheet and which was netted against the liability to which it related (note 21), is as follows

	2011 £'000
Deferred tax asset at 31 October 2010	432
Charge to profit and loss account (note 7)	(197)
Charge to statement of total recognised gains and losses	(218)
Deferred tax asset at 31 October 2011	17

Adare Limited

Notes (continued)

15 Called up share capital

	2011 £'000	2010 £'000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1	1
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	-	-

16 Reconciliation of shareholders' funds and movements on reserves

	Notes	2011 £'000	2010 £'000
(a) Opening shareholders' funds		28,294	24,005
Total recognised gains and losses for the financial year		3,260	4,289
Closing shareholders' funds		31,554	28,294
(b) Profit and loss account at beginning of year		27,398	23,109
Profit for the financial period		2,672	2,845
Actuarial gain on post employment pension schemes	21	806	2,027
Movement on deferred tax arising thereon	14(b)	(218)	(583)
Profit and loss account at end of year		30,658	27,398

17 Capital reserve

	2011 £'000	2010 £'000
At beginning and end of year	896	896

Adare Limited

Notes *(continued)*

18 Lease commitments

Annual commitments under operating leases are as follows

	2011 £'000	2010 £'000
Leases expiring		
Within one year	19	65
Between one and two years	73	29
Between two and five years	31	65
	<hr/>	<hr/>
	123	159
	<hr/>	<hr/>

19 Capital commitments

Future capital expenditure approved by the directors but not provided for in these financial statements is as follows

	2011 £'000	2010 £'000
Contracted	130	377
Authorised but not contracted	-	75
	<hr/>	<hr/>
	130	452
	<hr/>	<hr/>

20 Bank security

The bank loans and overdrafts of the company and the group are secured by way of an unlimited intergroup cross guarantee together with a mortgage debenture comprising of fixed and floating charges over the assets of the group

Adare Limited

Notes (continued)

21 Pensions

Pensions for employees are funded through a defined benefit pension scheme, the assets of which are vested in independent trustees for the benefit of employees and their dependants. The contributions are based on the advice of a professionally qualified actuary employed by Xafinity Consulting.

In addition to the defined benefit scheme the company has contributed to a defined contribution scheme to which the company makes contributions on behalf of employees. Contributions totalling £189,587 were paid to the scheme during the year ended 31 October 2011 (2010 £179,593). A balance of £28,922 (2010 £13,864) is included in creditors at the balance sheet date in respect of defined contribution pension liabilities.

The valuations of the defined benefit scheme used for the purpose of FRS17 have been based on the most recent actuarial valuation as identified and updated by the independent actuaries to take account of the requirements of FRS 17 in order to assess the liabilities as at 31 October 2011. Scheme assets are stated at their market value at the balance sheet date.

The financial assumptions used to calculate the retirement benefit liabilities under FRS 17 were as follows:

Valuation method	2011 Projected unit	2010 Projected unit	2009 Projected unit
Discount rate	5.1%	5.40%	5.75%
Inflation rate	2.6%	3.00%	3.20%
Increase to pension in payment	1.6%	2.90%	3.00%
Salary increases	N/A	N/A	N/A

In relation to the mortality assumption after retirement, the Actuary has used the Medium Cohort PA00 year of birth tables. This results in an assumed life expectancy on reaching age 65 of between 21.5 years and 25.7 years for scheme members with a current age 65 years to 45 years.

Adare Limited

Notes (continued)

21 Pensions (continued)

The market value of the assets in the pension scheme and the expected rate of return were

	2011	2010	2009
Equities	5.9%	6.7%	7.0%
Bonds	4.2%	5.4%	5.75%
Property	5.9%	6.7%	7.0%
Cash	2.9%	3.8%	4.0%
	2011	2010	2009
	£'000	£'000	£'000
Equities	16,935	16,364	14,608
Bonds	6,767	4,579	4,190
Property	-	1,943	1,698
Cash	135	137	94
Total market value of pension scheme assets	23,837	23,023	20,590
Present value of pension scheme liabilities	(23,901)	(24,623)	(24,770)
Deficit in scheme	(64)	(1,600)	(4,180)
Related deferred tax asset	17	432	1,170
Net pension liability	(47)	(1,168)	(3,010)

Adare Limited

Notes (continued)

21 Pensions (continued)

The following are the amounts that have been included in the Profit and Loss Account and the Statement of Total Recognised Gains and Losses

	2011 £'000	2010 £'000
<i>Included in payroll costs</i>		
Current service costs	-	-
Death in service costs	-	-
	<hr/>	<hr/>
Net operating profit charge	-	-
	<hr/>	<hr/>
<i>Included in finance costs</i>		
Expected return on assets	1,468	1,381
Interest on pension scheme liabilities	(1,310)	(1,400)
	<hr/>	<hr/>
Net finance credit/(charge)	158	(19)
	<hr/>	<hr/>
<i>Included in statement of total recognised gains and losses</i>		
Differences between expected and actual return on assets	(481)	1,314
Effect of changes in actuarial assumptions underlying the present value of scheme liabilities	1,287	713
	<hr/>	<hr/>
Actuarial gain in statement of total recognised gains and losses	806	2,027
	<hr/>	<hr/>

Adare Limited

Notes (continued)

21 Pensions (continued)

	2011 £'000	2010 £'000
History of actuarial gains and losses		
Difference between expected and actual return on assets	(481)	1,314
Expressed as a percentage of schemes assets	(2.0%)	5.7%
Experience gains and losses on scheme liabilities	1,287	713
Expressed as a percentage of schemes liabilities	5.4%	2.9%
Total actuarial losses recognised in statement of total recognised gains and losses	806	2,027
Expressed as a percentage of schemes liabilities	3.4%	8.2%

Cumulative actuarial gains reported in the consolidated statement of total recognised gains and losses for the year 2011 is £227,000 (2010 cumulative losses of £579,000)

Movements in assets and liabilities in the year

	2011 £'000	2010 £'000
Assets at beginning of year	23,023	20,590
Expected return on assets	1,468	1,381
Employer contributions	572	572
Benefits paid	(745)	(834)
Actuarial (loss)/gain on assets	(481)	1,314
Assets at end of year	23,837	23,023
Obligations at beginning of year	24,623	24,770
Interest on pension obligations	1,310	1,400
Effect of changes in actuarial assumptions in relation to scheme liabilities	(1,287)	(713)
Benefits paid	(745)	(834)
Obligations at end of year	23,901	24,623

Adare Limited

Notes *(continued)*

21 Pensions *(continued)*

The defined benefit pension scheme is now closed and current service costs are no longer accruing to current members. The company will continue to account for all future fluctuations in the value of the assets and liabilities of the scheme in accordance with FRS 17.

22 Ultimate parent undertaking

The company's immediate parent undertaking is Adare Group Limited. Following a group restructure subsequent to year end, the company's ultimate parent undertaking is now Mavisbank Limited. The company's ultimate parent undertaking at year-end was ACICS Limited. Each of these companies is incorporated in England and Wales.

The only consolidated financial statements in which the results of Adare Limited at 31 October 2011 are included is that of ACICS Limited. Copies of the consolidated financial statements of ACICS Limited are filed at Companies House, Crown Way, Cardiff.

23 Related party transactions

In accordance with FRS 8, the company has not disclosed its transactions with other group companies as its results are consolidated into the financial statements of its ultimate parent company which are publicly available.

24 Post balance sheet events

No significant events affecting the company have occurred since 31 October 2011.

25 Approval of the financial statements

These financial statements were approved by the directors 2 April 2012.