

Adare Limited

Directors' report
and financial statements

18 month period ended 31 October 2009

Registered number 2814431

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Adare Limited

Directors' report and financial statements

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Adare Limited

Directors and other information

Directors	B Crich R Whiteside K Herbert
Secretary	Marrons Consultancies Limited Meridian Office Park Leicester LE19 1WY
Registered office	Meridian Office Park Leicester LE19 1WY
Solicitors	Marrons Solicitors Meridian Office Park Leicester LE19 1WY
Bankers	The 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 18 month period ended 31 October 2009

Results and dividends

The profit for the period after taxation, attributable to shareholders amounted to £4,180,000
(year ended 30 April 2008 £2,515,000) The directors do not recommend the payment of a dividend
(year ended 30 April 2008 £Nil)

Principal activity and review of the development of the business

The company is engaged in direct marketing 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,
- The risk of unrealistic increases in wages or infrastructural cost 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
- 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 event

There have been no significant events affecting the company since 31 October 2009.

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 2009, the company had an average of 48 days purchases outstanding in creditors.

Directors and their interests

The directors of the company at 31 October 2009 are as listed on page 1.

The directors and their spouses and minor children have no interest in the shares of the company. R. Whiteside and K. Herbert were directors of the company's ultimate parent undertaking, ACICS Limited, at 31 October 2009, and their interests are disclosed in that company's financial statements. There are no other interests requiring disclosure under the Companies Act, 2006.

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.

Adare Limited

Directors' report *(continued)*

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

22 December 2009

Adare Limited

Statement of directors' responsibilities

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 period. 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)

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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 18 month period ended 31 October 2009 which comprises 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 United Kingdom accounting standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Section 495 and 496 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 described more fully in the Statement of Directors' Responsibilities on page 5, the directors are responsible for preparing the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. Further details of the scope of an audit of financial statements are provided on the Auditing Practices Board's website at <http://www.apb.org.uk/apb/scope>

Opinion

In our opinion the financial statements.

- give a true and fair view of the state of the company's affairs as at 31 October 2009 and of its profit for the period 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 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
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

22 December 2009

Adare Limited

Statement of accounting policies

for the 18 month period ended 31 October 2009

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 cost 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%

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)*

for the 18 month period ended 31 October 2009

Taxation

Corporation tax is calculated based on the taxable profits for the period. 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

Leased assets

Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful lives. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals 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. 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 two separately administered defined benefit pension schemes. For the defined benefit schemes, the amount charged to operating profit is the cost of accruing pension benefits promised to employees over the period plus any benefit improvements granted to members by the company during the period. Other finance charges/income in the profit and loss account includes a credit equivalent to the company's expected return on the pension schemes' assets over the year, offset by a charge equal to the expected increase in the schemes' liabilities over the period. The difference between the market value of the schemes' assets and the present value of the schemes' liabilities is disclosed as an asset/liability on the balance sheet, net of deferred tax (to the extent that it is recoverable). Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities over the period due to changes in assumptions or experience within the schemes, are recognised in the statement of total recognised gains and losses.


Adare Limited

Profit and loss account

for the 18 month period ended 31 October 2009

	<i>Note</i>	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'000
Turnover – continuing operations	<i>1</i>	61,708	28,689
Cost of sales		(46,701)	(20,506)
		<hr/>	<hr/>
Gross profit		15,007	8,183
Net operating expenses		(11,899)	(5,856)
		<hr/>	<hr/>
Operating profit – continuing operations	<i>2</i>	3,108	2,327
Loss on disposal of fixed assets		(45)	(2)
Interest payable and similar charges	<i>3</i>	(337)	(372)
Interest receivable	<i>4</i>	2,729	1,611
		<hr/>	<hr/>
Profit on ordinary activities before taxation		5,455	3,564
Tax on profit on ordinary activities	<i>7</i>	(1,275)	(1,049)
		<hr/>	<hr/>
Profit retained for the financial period	<i>16(b)</i>	4,180	2,515
		<hr/>	<hr/>

On behalf of the board


K. Herbert
Director

Adare Limited

Statement of total recognised gains and losses for the 18 month period ended 31 October 2009


	<i>Note</i>	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'000
Profit for the financial period		4,180	2,515
Actuarial loss on post employment pension scheme	<i>21</i>	(5,114)	(380)
Movement on deferred tax arising thereon		1,432	106
		<hr/>	<hr/>
Total recognised gains and loss relating to the period		498	2,241
		<hr/>	<hr/>

Adare Limited

Balance sheet at 31 October 2009

	<i>Note</i>	31 October 2009 £'000	30 April 2008 £'000
Fixed assets			
Tangible assets	8	5,658	5,936
Current assets			
Stocks	9	1,698	1,405
Debtors	10	32,241	29,987
Cash at bank and in hand		1,844	2,485
		35,783	33,877
Creditors: amounts falling due within one year	11	(13,921)	(16,109)
Net current assets		21,862	17,768
Total assets less current liabilities		27,520	23,704
Creditors: amounts falling due after one year	12	(505)	(197)
Net assets excluding pension liabilities		27,015	23,507
Pension liabilities (net of deferred taxation)	21	(3,010)	-
Net assets		24,005	23,507
Capital and reserves			
Called up share capital	15	-	-
Capital reserve	17	896	896
Profit and loss account	16	23,109	22,611
Shareholders' funds	16	24,005	23,507

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.

	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'000
United Kingdom	61,708	28,689
<hr/>		
2 Operating profit	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'000
This is stated after charging		
Directors' emoluments (see note 5)	247	-
Auditor's remuneration	25	19
Management charges	1,799	976
Depreciation		
- owned assets	1,441	928
- leased assets	541	339
Hire of plant and machinery – rentals payable under operating leases	472	222
<hr/>		
3 Interest payable and similar charges	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'000
On bank overdrafts wholly repayable other than by instalments, within five years	2	58
On finance leases	53	-
Other finance costs		
Interest on pension scheme liabilities	1,959	1,199
Expected return on pension scheme assets	(2,227)	(1,199)
Interest payable to group undertakings	550	314
<hr/>		
	337	372
<hr/>		

Adare Limited

Notes (continued)

4 Interest receivable	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'000
Interest receivable from group undertakings	2,654	1,540
Bank interest receivable	75	71
	<hr/>	<hr/>
	2,729	1,611
	<hr/>	<hr/>
 5 Directors' emoluments	 18 month period ended 31 October 2009 £'000	 Year ended 30 April 2008 £'000
Emoluments	231	-
Pension contributions	16	-
	<hr/>	<hr/>
	247	-
	<hr/>	<hr/>

The emoluments of the highest paid director excluding pension contributions was £231,000 (*year ended 30 April 2008 £Nil*) Contributions to defined contribution arrangements on behalf of the highest paid director amounted to £16,000 for the period (*year ended 30 April 2008 £Nil*)

Adare Limited

Notes *(continued)*

6 Employees

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

	2009 Number	2008 Number
Production	187	138
Administration	123	96
	<hr/>	<hr/>
	310	234
	<hr/>	<hr/>

The aggregate payroll cost of these persons were as follows

	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'000
Wages and salaries	13,510	6,101
Social security costs	1,347	603
Pension costs		
Defined contribution	301	148
	<hr/>	<hr/>
	15,158	6,852
	<hr/>	<hr/>

Adare Limited

Notes (continued)

7 Tax on profit on ordinary activities

(a) Analysis of charge in period

	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'000
<i>Current tax</i>		
UK corporation tax charge for the period	1,654	1,151
Adjustment in respect of prior periods	(15)	(1)
	<hr/> 1,639	<hr/> 1,150
<i>Deferred tax.</i>		
Origination and reversal of timing differences (note 14(a))	(626)	(159)
Adjustment in respect of prior periods	-	(48)
Deferred tax related to pension scheme (note 14(b))	262	106
	<hr/> 1,275	<hr/> 1,049

(b) Factors affecting current tax charge in period

The tax assessed for the period is higher than the standard rate of corporation tax in the United Kingdom. The differences are explained below

	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'000
Profit on ordinary activities before tax	<hr/> 5,455	<hr/> 3,564
Profit on ordinary activities multiplied by the standard rate of corporation tax of 28% (year ended 30 April 2008 29.8361%)	<hr/> 1,527	<hr/> 1,063
<i>Effects of</i>		
Expenses not deductible for taxation purposes	32	-
Income not taxable	-	(86)
Depreciation in excess of capital allowances	553	366
Other timing differences	(458)	(192)
Adjustment in respect of prior periods	(15)	(1)
Current tax charge for period (note 7 (a))	<hr/> 1,639	<hr/> 1,150

Adare Limited

Notes (continued)

8 Tangible assets

	Freehold land and buildings £'000	Plant and machinery £'000	Equipment £'000	Total £'000
Cost:				
At 30 April 2008	3,712	13,891	1,262	18,865
Additions	10	1,014	124	1,148
Transfers from fellow group undertaking	-	394	243	637
Disposals	(28)	(598)	(52)	(678)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2009	3,694	14,701	1,577	19,972
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation:				
At 30 April 2008	896	11,233	800	12,929
Charge for period	209	1,509	264	1,982
Disposals	(28)	(517)	(52)	(597)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2009	1,077	12,225	1,012	14,314
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 October 2009	2,617	2,476	565	5,658
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2008	2,816	2,658	462	5,936
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of plant and machinery at 31 October 2009, acquired under finance leases, was £950,773 (30 April 2008 £601,782) Depreciation charged on such assets in the period ended 31 October 2009 was £540,950 (year ended 30 April 2008 £338,823)

9 Stocks	31 October 2009 £'000	30 April 2008 £'000
Raw materials	268	246
Work in progress	157	55
Finished goods	1,273	1,104
	<hr/>	<hr/>
	1,698	1,405
	<hr/>	<hr/>

In the opinion of the directors, the replacement cost of stocks at 31 October 2009, is not materially different to the carrying value as stated above

Adare Limited

Notes (continued)

10 Debtors	31 October 2009 £'000	30 April 2008 £'000
Amounts falling due within one year		
Trade debtors	4,833	4,062
Amounts owed by group undertakings	25,888	24,652
Other debtors	149	507
Prepayments and accrued income	283	304
	<hr/>	<hr/>
	31,153	29,525
Amounts falling due after one year		
Deferred tax asset (note 14)	1,088	462
	<hr/>	<hr/>
	32,241	29,987
	<hr/>	<hr/>
11 Creditors: amounts falling due within one year	31 October 2009 £'000	30 April 2008 £'000
Trade creditors	4,139	6,328
Amounts owed to parent undertaking	6,636	7,164
Other creditors	37	116
Corporation tax	1,654	1,149
Other taxes and social security	828	744
Accruals and deferred income	315	181
Finance leases (note 13)	312	427
	<hr/>	<hr/>
	13,921	16,109
	<hr/>	<hr/>
12 Creditors: amounts falling due after one year	31 October 2009 £'000	30 April 2008 £'000
Finance leases (note 13)	505	197
	<hr/>	<hr/>

Adare Limited

Notes (continued)

13 Maturity analysis

The maturity analysis of the finance leases is as follows

	Within one year £'000	Between 1 - 2 years £'000	Between 2 - 5 years £'000	After 5 years £'000	Total £'000
Repayable by instalments	312	271	234	-	817

14 Deferred tax

**31 October
2009
£'000**

**30 April
2008
£'000**

(a) Deferred tax asset

At beginning of period	(462)	(255)
Adjustment in respect of prior year	-	(48)
Released in period (note 7)	(626)	(159)

At end of period (note 10)	(1,088)	(462)
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Deferred tax assets arise as follows

Capital allowances	(1,069)	(259)
Other timing differences	(19)	(203)

At end of period	(1,088)	(462)
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Adare Limited

Notes (continued)

14 Deferred tax (continued)

(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

	£'000
Deferred tax asset at 30 April 2008	-
Charge to profit and loss account (note 7)	(262)
Credit to statement of total recognised gains and losses	1,432
	<hr/>
Deferred tax asset at 31 October 2009	1,170
	<hr/>

15 Called up share capital

	31 October 2009 £'000	30 April 2008 £'000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1	1
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	-	-
	<hr/>	<hr/>

Adare Limited

Notes (continued)

16 Reconciliation of shareholders' funds and movements on reserves

	<i>Notes</i>	31 October 2009 £'000	30 April 2008 £'000
(a) Opening shareholders' funds		23,507	21,266
Total recognised gains and losses for the financial period		498	2,241
Closing shareholders' funds		24,005	23,507
(b) Profit and loss account at beginning of period		22,611	20,370
Profit for the financial period		4,180	2,515
Actuarial loss on post employment pension schemes	<i>21</i>	(5,114)	(380)
Movement on deferred tax arising thereon	<i>14(b)</i>	1,432	106
Profit and loss account at end of period		23,109	22,611
17 Capital reserve		31 October 2009 £'000	30 April 2008 £'000
At beginning and end of period		896	896

Adare Limited

Notes (continued)

18 Lease commitments

Annual commitments under operating leases are as follows

	31 October	Other
	2009	30 April
	£'000	2008
		£'000
Leases expiring		
Within one year	23	23
Within two to five years	175	68
	<hr/>	<hr/>
	198	91
	<hr/>	<hr/>

19 Capital commitments

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

	31 October	30 April
	2009	2008
	£'000	£'000
Contracted	70	26
Authorised but not contracted	46	-
	<hr/>	<hr/>
	116	26
	<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 Garvins.

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 £301,000 were paid to the scheme during the period ended 31 October 2009 (year ended 30 April 2008: £148,000).

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 2009. 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:

	31 October 2009	30 April 2008	30 April 2007
Valuation method	Projected unit	Projected unit	Projected unit
Discount rate	5.75%	6.40%	5.50%
Inflation rate	3.20%	3.25%	2.50%
Increase to pension in payment	3.00%	3.25%	2.50%
Salary increases	N/A	N/A	N/A

In relation to the mortality assumption after retirement, the Actuary has used the Medium Cohort PA92 year of birth tables. This results in an assumed life expectancy on reaching age 65 of between 22.0 years and 25.9 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

	31 October 2009	30 April 2008	30 April 2007
Equities	7.0%	7.0%	7.0%
Bonds	5.75%	5.5%	5.25%
Property	7.0%	7.0%	7.0%
Cash	4.0%	4.0%	4.0%
	31 October 2009 £'000	30 April 2008 £'000	30 April 2007 £'000
Equities	14,608	14,706	15,750
Bonds	4,190	5,883	5,826
Property	1,698	2,036	2,362
Cash	94	-	7
	<hr/>	<hr/>	<hr/>
Total market value of pension scheme assets	20,590	22,625	23,945
Present value of pension scheme liabilities	(24,770)	(20,868)	(22,094)
	<hr/>	<hr/>	<hr/>
(Deficit)/surplus in scheme	(4,180)	1,757	1,851
Surplus not recognised by company	-	(1,757)	(1,851)
Related deferred tax asset	1,170	-	-
	<hr/>	<hr/>	<hr/>
Net pension liability	(3,010)	-	-
	<hr/>	<hr/>	<hr/>

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

	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'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	2,227	1,568
Restriction of expected return on assets	-	(369)
Interest on pension scheme liabilities	(1,959)	(1,199)
	<hr/>	<hr/>
Net finance charge	268	-
	<hr/>	<hr/>
<i>Included in statement of total recognised gains and losses</i>		
Differences between expected and actual return on assets	(4,011)	(2,329)
Effect of changes in actuarial assumptions underlying the present value of scheme liabilities	(2,860)	1,855
Change in unrecognised surplus	1,757	94
	<hr/>	<hr/>
Actuarial loss in statement of total recognised gains and losses	(5,114)	(380)
	<hr/>	<hr/>

Adare Limited

Notes (continued)

21 Pensions (continued)

	18 month period ended 31 October 2009 £'000	Year ended 30 April 2008 £'000
History of actuarial gains and losses		
Difference between expected and actual return on assets	(4,011)	(2,329)
Expressed as a percentage of schemes assets	(19.5%)	(10%)
Experience gains and losses on scheme liabilities	-	-
Expressed as a percentage of schemes liabilities	-	-
Total actuarial losses recognised in statement of total recognised gains and losses	(5,114)	(380)
Expressed as a percentage of schemes liabilities	20.6%	1.8%
Cumulative actuarial losses reported in the consolidated statement of total recognised gains and losses for the period ended 31 October 2009 is £2,606,000 (year ended 30 April 2008 gain £2,508,000)		
Movements in assets and liabilities in the period		
Assets at beginning of period	22,625	23,945
Expected return on assets	2,227	1,568
Restriction on expected return on assets	-	(369)
Employer contributions	666	380
Employee contributions	-	-
Benefits paid	(917)	(570)
Actuarial loss on assets	(4,011)	(2,329)
Assets at end of period	20,590	22,625
Obligations at beginning of period	20,868	22,094
Interest on pension obligations	1,959	1,199
Effect of changes in actuarial assumptions in relation to scheme liabilities	2,860	(1,855)
Benefits paid	(917)	(570)
Obligations at end of period	24,770	20,868

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. On the advice of the company's Actuary, the surplus in the scheme at 30 April 2008, amounting to £1,757,000 before deferred tax, measured on an FRS 17 basis, was not recoverable by the company and was therefore not recognised in the financial statements relating to that year. 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 is a subsidiary of Adare Group Limited. The company's ultimate parent undertaking is ACICS Limited. Both companies are incorporated in England and Wales.

The only consolidated financial statements in which the results of Adare Limited at 31 October 2009 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 event

No significant events affecting the company have occurred since 31 October 2009.

25 Approval of the financial statements

These financial statements were approved by the directors on 22 December 2009.