

**Crown Artist Brush Limited**

**Directors' report and financial  
statements**

Registered number 267073  
31 December 2011

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## Company Information

<b>Directors</b>	G Roper R Llewellyn
<b>Secretary</b>	M Charles
<b>Company Number</b>	267073
<b>Registered Office</b>	Studio Building 21 Evesham Street London W11 4AJ
<b>Auditors</b>	KPMG LLP 3 Assembly Square Britannia Quay Cardiff CF10 4AX
<b>Business Address</b>	Crown Street West Lowestoft Suffolk NR32 1SG

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## Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2011

### Principal activities

The principal activity of the company is the manufacture of artists' brushes

### Results and dividends

The profit and loss account is set out on page 5

No interim dividend was paid during the year (2010 £Nil) The directors recommend that no final dividend be paid (2010 £nil)

### Directors

The directors who held office during the year were as follows

J R Keightley (Resigned on 17 June 2011)

R Llewellyn

G Roper (Appointed on 17 June 2011)

### Disclosure of information to auditors


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 auditors are 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 auditors are aware of that information

In preparing this directors' report advantage has been taken of the small companies' exemption

### Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office

By order of the board



M Charles  
Secretary

Studio Building  
21 Evesham Street  
London  
W11 4AJ

14 September 2012

## **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 they 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 judgments 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.



**KPMG LLP**

3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX  
United Kingdom

**Independent auditor's report to the members of Crown Artist Brush Limited**

We have audited the financial statements of Crown Artist Brush Limited for the year ended 31 December 2011 set out on pages 5 to 19. 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 set out on page 2, 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 web-site at [www.frc.org.uk/apb/scope/private.cfm](http://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 December 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.

**Opinion on other matter prescribed by the Companies Act 2006**

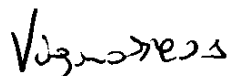
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Crown Artist Brush Limited** *(continued)*

### **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



**Virginia J Stevens (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX  
United Kingdom

18 | 9 | 2012

**Profit and loss account**  
*for the year ended 31 December 2011*

	<i>Note</i>	<b>2011</b> <b>£000</b>	2010 £000
<b>Turnover</b>	<b>2</b>	<b>4,926</b>	5,483
Cost of sales		<b>(4,218)</b>	(4,173)
<b>Gross profit</b>		<b>708</b>	1,310
Distribution costs		<b>(21)</b>	(10)
Administrative expenses		<b>(169)</b>	(91)
<b>Operating profit</b>	<b>3</b>	<b>518</b>	1,209
Interest receivable and similar income	7	<b>3</b>	-
Other finance income/(costs)	8	<b>17</b>	(19)
<b>Profit on ordinary activities before taxation</b>		<b>538</b>	1,190
Tax on profit on ordinary activities	6	<b>(343)</b>	(362)
<b>Profit for the financial year</b>		<b>195</b>	828

The above results relate entirely to continuing activities. The notes on pages 8 to 19 form an integral part of these financial statements.



**Balance sheet**  
*at 31 December 2011*

	<i>Note</i>	<b>2011</b>	<b>2010</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Tangible assets	9	151	194
<b>Current assets</b>			
Stock	10	1,099	1,216
Debtors	11	2,117	1,367
		<u>3,216</u>	<u>2,583</u>
<b>Creditors</b> amounts falling due within one year	12	<u>(1,150)</u>	<u>(666)</u>
<b>Net current assets</b>		<u>2,066</u>	<u>1,917</u>
<b>Total assets less current liabilities, being net assets excluding pension deficit</b>		<u>2,217</u>	<u>2,111</u>
Pension deficit	18	<u>(1,447)</u>	<u>(1,318)</u>
<b>Net assets including pension deficit</b>		<u>770</u>	<u>793</u>
<b>Capital and reserves</b>			
Called up share capital	14	270	270
Share premium account	15	359	359
Profit and loss account	15	141	164
<b>Equity Shareholders' funds</b>		<u>770</u>	<u>793</u>

These financial statements were approved by the board of directors on 14 September 2012 and were signed on its behalf by

G Roper  
*Director*

R Llewellyn  
*Director*

Company registered number 267073

**Statement of total recognised gains & losses**  
*for the year ended 31 December 2011*

	<i>Note</i>	<b>2011 £000</b>	<b>2010 £000</b>
Profit for the financial year		<b>195</b>	<b>828</b>
Actuarial loss recognised in the pension scheme	<i>18</i>	<b>(291)</b>	<b>(46)</b>
Deferred tax recognised on actuarial loss	<i>13</i>	<b>73</b>	<b>13</b>
<b>Total recognised gains/(losses) relating to the year</b>		<b>(23)</b>	<b>795</b>

**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 December 2011*

	<b>2011 £000</b>	<b>2010 £000</b>
<b>Profit for the financial year</b>	<b>195</b>	<b>828</b>
Other recognised losses relating to the financial year	<b>(218)</b>	<b>(33)</b>
<b>Net (decrease)/increase in shareholders' funds</b>	<b>(23)</b>	<b>795</b>
Opening shareholders' funds	<b>793</b>	<b>1,547</b>
Impact of full FRS 17 disclosure accounting	<b>-</b>	<b>(1,549)</b>
<b>Closing shareholders' funds</b>	<b>770</b>	<b>793</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### *Basis of preparation*

The accounts have been prepared under the historical cost convention. Accounting policies have been consistently applied. The company, as a member of the group headed by AB Wilhelm Becker, has taken advantage of the exemption under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons:

The company is dependent for its working capital on funds provided to it by AB Wilhelm Becker, the company's ultimate parent, through a Group cash pool arrangement with its principal bankers. AB Wilhelm Becker has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing its reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of the approval of these financial statements, they have no reason to believe that it will not do so.

#### *Turnover*

Turnover represents the net amount invoiced to external customers and affiliated companies during the year, exclusive of VAT and other sales related taxes. Turnover is recognised when the significant risks and rewards of ownership have been transferred to the customer. This is usually on despatch.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of those assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### *Tangible and intangible assets*

Tangible fixed assets and intangible fixed assets are stated at cost or valuation, net of depreciation or amortisation and any provision for impairment.

Except for freehold land, the cost of fixed assets (less estimated residual value) is written off on a straight line basis over the period of the expected useful life of the asset. For this purpose, expected lives are determined within the following limits:

Freehold land and buildings	-	not more than twenty years
Plant and equipment	-	not more than fifteen years

## Notes (continued)

### 1 Accounting policies (continued)

#### *Foreign currency balances*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Stocks*

Stock is stated at the lower of cost or net realisable value. Cost comprises materials, direct labour and an appropriate proportion of overhead expenses and is arrived at by the 'first in-first out' method.

#### *Operating lease commitments*

Operating lease commitments are charged in the financial statements on a straight line basis even if this is not the time the liabilities arise.

Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the renewal date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

#### *Defined Benefit Pension scheme*

The company participates in the ColArt Pension Scheme which has both a Defined Benefit and a Defined Contribution section. The Defined Benefit section of the Scheme was closed to new entrants and the Defined Contribution Section was introduced for new entrants joining from 1<sup>st</sup> August 2002. Following consultation during 2007 the Defined Benefit section of the scheme was changed to a CARE scheme for future accruals after 1 April 2007. The scheme's assets are held in a separate trustee administered pension fund.

The Scheme was formed on 1 April 2000, and is valued every three years by professionally qualified independent consulting actuaries.

Under the definitions set out in *Financial Reporting Standard 17 Retirement Benefits*, the ColArt Pension Scheme is a multi-employer pension scheme. Previously, the company had taken advantage of the multi-employer exemption within FRS 17 and accounted for pension costs in line with the employer contributions paid. However, this was only permissible under the FRS whilst the net surplus/deficit could not be split between the individual participating companies. This position changed in the year ended 31 December 2010 as the Group was able to split the fund's assets/liabilities between participating companies with the help of its actuary.

The latest actuarial valuation of the scheme was carried out in April 2009. It has been updated to 31 December 2011 by qualified independent actuaries using revised assumptions that are consistent with FRS 17.

### 2 Analysis of turnover

The directors are of the opinion that it would be seriously prejudicial to the interests of the company to disclose an analysis of turnover.

**Notes (continued)**

**3 Operating profit**

	2011 £000	2010 £000
<i>Operating profit is stated after charging the following</i>		
Depreciation		
- depreciable properties	11	12
- plant and equipment	35	39
Hire of equipment	31	24
Audit of these financial statements	10	9
	<u>          </u>	<u>          </u>

**4 Directors' emoluments and interests**

Total emoluments paid for services to the Company was

	2011 £000	2010 £000
Aggregate emoluments	108	37
	<u>          </u>	<u>          </u>

Retirement benefits are accruing to one director under a defined benefit scheme

**5 Staff numbers and costs**

The average number of persons employed by the Company during the year, analysed by category, was as follows

	Number of employees 2011	2010
Selling and Administration	4	3
Production	59	60
	<u>          </u>	<u>          </u>
	63	63
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows

	2011 £000	2010 £000
Wages and salaries	1,208	1,292
Social security costs	87	93
Other pension costs	126	160
	<u>          </u>	<u>          </u>
	1,421	1,545
	<u>          </u>	<u>          </u>

## Notes (continued)

### 6 Taxation

#### Analysis of charge in year

	2011 £000	2010 £000
<b>Current tax</b>		
Current tax on profit for the year	155	228
Adjustments in respect of prior year	110	(2)
Total current tax	<u>265</u>	<u>226</u>
<b>Deferred tax (see note 13)</b>		
Origination/reversal of timing differences	-	9
Movement for year on pension deficit	42	109
Effect of decreased tax rate	36	18
Total deferred tax charge	<u>78</u>	<u>136</u>
Tax on profit on ordinary activities	<u><u>343</u></u>	<u><u>362</u></u>

#### Factors affecting the tax charge for the year

The current tax charge for the year is explained below

	2011 £000	2010 £000
<b>Current tax reconciliation</b>		
Profit on ordinary activities before tax	538	1,190
Current tax thereon at 26.5 % (2010 28%)	<u>143</u>	<u>333</u>
<b>Effects of:</b>		
Disallowed expenses	-	(108)
Capital allowances in excess of depreciation	12	3
Adjustment in respect of previous periods	110	(2)
Total current tax charge as above	<u><u>265</u></u>	<u><u>226</u></u>

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. This will reduce the company's future current tax charge accordingly and further reduce the deferred tax asset at 31 December 2011 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date) by approximately £19,000. It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

**Notes (continued)**

**7 Interest receivable and similar income**

	2011 £000	2010 £000
Other interest receivable	3	-
	<u>3</u>	<u>-</u>

**8 Other finance (costs)/income**

	2011 £'000	2010 £'000
Expected return on pension scheme assets	436	387
Interest on pension scheme liabilities	(419)	(406)
	<u>17</u>	<u>(19)</u>

**9 Tangible fixed assets**

	Freehold land £000	Freehold buildings £000	Plant and machinery £000	Total £000
<i>Cost</i>				
At beginning of year	60	266	991	1,317
Additions	-	-	3	3
Disposals	-	-	(79)	(79)
	<u>60</u>	<u>266</u>	<u>915</u>	<u>1,241</u>
At end of year	60	266	915	1,241
<i>Depreciation</i>				
At beginning of year	-	244	879	1,123
Charge for year	-	11	35	46
Disposals	-	-	(79)	(79)
	<u>-</u>	<u>255</u>	<u>835</u>	<u>1,090</u>
At end of year	-	255	835	1,090
<i>Net book value</i>				
At 31 December 2011	60	11	80	151
At 31 December 2010	60	22	112	194

**Notes** *(continued)*

**10 Stocks**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	508	540
Work in progress	409	494
Finished goods and goods for resale	182	182
	<u>1,099</u>	<u>1,216</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

**11 Debtors**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	357	177
Amounts owed by group undertakings	1,721	1,103
Deferred tax assets (see note 13)	3	3
Prepayments and accrued income	36	84
	<u>2,117</u>	<u>1,367</u>

All amounts shown under debtors fall due for payment within one year

**12 Creditors: amounts falling due within one year**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	106	121
Amounts owed to group undertakings	791	179
Taxation and social security	170	247
Accruals and deferred income	83	119
	<u>1,150</u>	<u>666</u>

The creditor for taxation and social security includes UK Corporation tax payable amounting to £153,000 (2010 £226,000)



## Notes (continued)

### 13 Deferred tax

	2011 £000	2010 £000
At beginning of year	491	12
Charge to profit and loss account relating to fixed assets	-	(9)
Initial recognition of deferred tax in relation to pension deficit	-	506
Amounts reflected through the Statement of Total Recognised Gains & Losses	73	-
Charge to profit & loss account relating to pension deficit	(42)	-
Effect of change in tax rate	(36)	(18)
	<u>486</u>	<u>491</u>
<b>At end of year</b>	<b>486</b>	<b>491</b>

The deferred taxation liability at full provision of 25% (2010 27%) is as follows

	2011 £000	2010 £000
Difference between depreciation and capital allowances	3	3
	<u>3</u>	<u>3</u>
Total disclosed within debtors (note 11)	3	3
Deferred tax asset arising on defined benefit pension scheme liability	483	488
	<u>486</u>	<u>491</u>

### 14 Called up share capital

	2011 £000	2010 £000
<i>Allotted, called up and fully paid</i>		
1,079,053 ordinary shares of 25p each	270	270
	<u>270</u>	<u>270</u>

## Notes (continued)

### 15 Share premium and reserves

	Share premium account £000	Profit and loss account £000
At beginning of year	359	164
Profit for the year	-	195
Other recognised (losses) for the financial year	-	(218)
	<u>359</u>	<u>141</u>
<b>At end of year</b>	<b>359</b>	<b>141</b>

### 16 Contingent liabilities

Crown Artist Brush Limited is dependent on a facility provided by AB Wilhelm Becker for its working capital and growth (see note 20). There are currently no charges on the assets of the company to support this facility.

### 17 Commitments

(a) Capital commitments at the end of the financial year for which no provision has been made amounted to £nil (2010 £nil).

(b) Annual commitments under non-cancellable operating leases are as follows

	2011 £000	2010 £000
Plant and Machinery		
Operating Leases that expire		
- Within one year	7	9
- Within two to five years	3	3
	<u>10</u>	<u>12</u>

## Notes (continued)

### 18 Pension scheme

#### Company UK retirement benefits scheme

This is a defined benefit scheme operated by ColArt group of companies under which contributions were paid by members and the group into a fund. This fund is separate from the Group's finances and is administered by Trustees.

Previously, the company had taken advantage of the multi-employer exemption within FRS 17 and accounted for pension costs in line with the employer contributions paid. However, this was only permissible under the FRS whilst the net surplus/deficit could not be split between the individual participating companies. This position changed in the year ended 31 December 2010 as the Group was able to split the fund's assets/liabilities between participating companies with the help of its actuary.

The Group pays a monthly contribution of £78,000 towards the elimination of the deficit on the fund from April 2011.

A full actuarial valuation was carried out on the 1 April 2009 by a qualified independent actuary and was updated to 31 December 2011.

<i>Present values of scheme liabilities, fair value of assets and deficit.</i>	<b>2011</b> <b>£000</b>	2010 £000
Fair value of scheme assets	<b>5,920</b>	5,974
Present value of scheme liabilities	<b>(7,850)</b>	(7,780)
	<hr/>	<hr/>
Liability to be recognised in the balance sheet	<b>(1,930)</b>	(1,806)
Deferred tax	<b>483</b>	488
	<hr/>	<hr/>
Net liability	<b>(1,447)</b>	(1,318)
	<hr/>	<hr/>

<i>Movements in present value of defined benefit obligation</i>	<b>2011</b> <b>£000</b>
At 1 January 2011	7,780
Current service cost	<b>101</b>
Interest cost	<b>419</b>
Contribution by scheme participants	<b>45</b>
Actuarial gains	<b>(153)</b>
Benefits paid and death in service insurance premiums	<b>(342)</b>
	<hr/>
<b>At 31 December 2011</b>	<b>7,850</b>
	<hr/>

**Notes (continued)**

**18 Pension scheme (continued)**

<i>Movements in fair value of plan assets</i>	<b>2011</b>
	<b>£000</b>
At 1 January 2011	<b>5,974</b>
Employer contributions	<b>251</b>
Contributions by scheme participants	<b>45</b>
Benefits paid and death in service insurance premiums	<b>(342)</b>
Expected return on scheme assets	<b>436</b>
Actuarial loss on plan assets	<b>(444)</b>
	<b>5,920</b>
<b>At 31 December 2011</b>	<b>5,920</b>

The actual return on scheme assets was (£8,000)

***Expense recognised in the profit and loss account***

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Current service cost	<b>101</b>	<b>108</b>
Interest cost	<b>419</b>	<b>406</b>
Expected return on scheme assets	<b>(436)</b>	<b>(387)</b>
Past service cost	<b>-</b>	<b>(324)</b>
	<b>84</b>	<b>(197)</b>
Total expense recognised in profit and loss	<b>84</b>	<b>(197)</b>

***Statement of total recognised gains and losses (STRGL).***

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Actual return less expected return on pension scheme assets	<b>(444)</b>	<b>289</b>
Experience gains and losses arising on the scheme liabilities	<b>(133)</b>	<b>(114)</b>
Changes in assumptions underlying the liabilities present value	<b>286</b>	<b>(221)</b>
	<b>(291)</b>	<b>(46)</b>
Actuarial loss recognised in STRGL	<b>(291)</b>	<b>(46)</b>

The cumulative total amount recognised in the statement of total recognised gains and losses in respect of actuarial losses is £337,000 (2010 £46,000)

## Notes (continued)

### 18 Pension scheme (continued)

*The principal actuarial assumptions used at the year end were as follows:*

	2011	2010
Discount rate	5.10%	5.50%
Expected rate of return on plan assets	7.35%	7.38%
Future salary increases	n/a	n/a
Inflation assumption	3.00%	2.80%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The mortality assumptions adopted at 31 December 2011 were:

Male retiring at age 65 in 2011	23.2
Female retiring at age 65 in 2011	25.7
Male retiring at age 65 in 2031	25.2
Female retiring at age 65 in 2031	27.6

*The expected long term rates of return applicable for each period are as follows.*

	Long term rate of return expected	Fair value £000
Equity	8.20%	2,914
Government Bonds	4.20%	-
Cash	4.20%	2,640
Corporate Bonds	5.20%	366
Overall for Scheme	7.35%	5,920

The Company expects to contribute approximately £182,000 to its defined benefit plans in the next financial year.

	2011 £'000	2010 £'000
Experience adjustment on plans liabilities	(133)	(114)
Experience adjustment on plan assets	(444)	289

### 19 Related party disclosures

The company has taken advantage of the exemption conferred by FRS 8 'Related Party Disclosures' not to disclose transactions with other 100% owned members of the group headed by AB Wilhelm Becker AB, on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

During the year the company undertook business transactions with other Becker Group companies as listed in the published accounts of Wilhelm Becker AB. At the end of the year there were outstanding balances of £324,000 (2010: £179,000) payables and £569,000 (2010: £525,000) receivables.

	2011 £000	2010 £000
Sales	3,093	3,666
Royalties receivable	83	73
Purchases	(1,284)	(1,387)
Royalties payable	(112)	(126)
Management charges payable	(776)	(371)
Management charges receivable	120	25

**Notes** *(continued)*

**20 Ultimate parent undertaking and controlling party**

The immediate holding company is ColArt Fine Art & Graphics Limited, a company incorporated in Great Britain and registered in England and Wales

The ultimate UK holding company is Wilhelm Becker Limited incorporated in Great Britain and registered in England and Wales

The ultimate holding company is Lindengruppen AB, a company incorporated and registered in Sweden. The parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up is AB Wilhelm Becker, a company incorporated and registered in Sweden.

Copies of the consolidated financial statements of AB Wilhelm Becker can be obtained from Bruksgården, SE-268 83, Höganas, Sweden.