

Crown Artist Brush Limited

**Directors' report and financial
statements**

Registered number 267073

31 December 2015



Company Information

Directors	M Barratt R Llewellyn
Company Number	267073
Registered Office	The Studio Building 21 Evesham Street London W11 4AJ
Auditors	KPMG LLP 15 Canada Square London E14 5GL
Business Address	Crown Street West Lowestoft Suffolk NR32 1SG

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Strategic report

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year.

The company's profit for the financial year is £26,000 (2014:195,000). No dividend was paid during the year (2014: £nil). The directors do not recommend payment of a final dividend (2014: £nil).

Trading

During the year, the turnover showed a decrease of £1,120,265 or 27.27% reduction on 2014. Capital spend, stock levels and debtors were tightly controlled.

The Company continues to operate as a key member within the ColArt Group of companies and there are no changes expected to be made to its principal activities in the foreseeable future.

Principal Risks

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risk affecting the Company relates to the provision and maintenance of high service levels to its external customers. The Company mitigates this risk through the continued focus on delivering excellent customer service and timely deliveries.

The Company continues to take actions to manage its foreign currency exposure, primarily through currency swaps and is looking to enhance this in future years by employing hedging mechanisms for currencies with potential exposure.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company also monitors existing customer accounts on an on-going basis and takes appropriate action where necessary to minimise any potential credit risk.

The Company retains sufficient cash to ensure it has available funds for operations and planned capital investments. The Company also has access to longer term funding from its ultimate parent undertaking.


Employees

The company's employment policies are based on equal opportunity for all staff. The selection and advancement of staff is based on ability and suitability for the relevant job and the subsequent training development. Promotion and assessment of staff performance are based on competence and not gender, ethnic origin or disability. In the event of an employee becoming disabled while in employment, every effort will be made by the company to find continuing and suitable work, including the offer of retraining.

Staff are kept fully informed of the company's progress both at a company and group level, through in-house publications, routine briefings and consultations with recognised trade unions. These routine meetings also provide a forum for discussions and consultations on health, safety and welfare matters, which are accompanied by training and codes of working practices designed to protect the health and safety of employees.

By order of the board

The Studio Building
21 Evesham Street
London
W11 4AJ



R Llewellyn
Director

29 Sept 2016

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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), including FRS 101 *Reduced Disclosure Framework*.

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.

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2015.

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 6 and shows the result for the year.

No interim dividend was paid during the year (2014:£nil). The Directors do not recommend that a final dividend be paid (2014:£nil).

Directors

The directors who held office during the year were as follows:

Gordon Roper (Resigned: 4 September 2015)

Mark Barratt (Appointed: 7 September 2015)

Richard Llewellyn

Political donations

The Company made no political donations or incurred any political expenditure during the year.

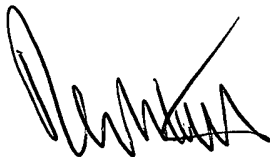
Disclosure of information to auditor

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 re-appointed and KPMG LLP will therefore continue in office.

By order of the board



R Llewellyn
Director

The Studio Building
21 Evesham Street
London
W11 4AJ

29 Sept 2016

KPMG LLP

15 Canada Square
London
E14 5GL
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 2015 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 3, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 Strategic Report and 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.

Mike Woodward

Mike Woodward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom

30 SEPT 2016

Profit and loss account
for the year ended 31 December 2015

	<i>Note</i>	2015 £000	2014 £000
Turnover	2	2,990	4111
Cost of sales		(2,684)	(3786)
		<hr/>	<hr/>
Gross profit		306	325
Distribution costs		(14)	(18)
Administrative expenses		(65)	(248)
		<hr/>	<hr/>
Operating profit	3	227	59
Interest receivable and similar charges	7	-	87
Interest payable and similar charges	6	(42)	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		185	146
Tax on profit on ordinary activities	8	(159)	49
		<hr/>	<hr/>
Profit for the financial year		26	195
		<hr/> <hr/>	<hr/> <hr/>

The results relate entirely to continuing activities. The notes on page 10 to 23 form an integral part of the financial statements.

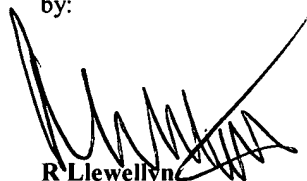
Other Comprehensive Income
for the year ended 31 December 2015

	<i>Note</i>	2015 £000	2014 £000
Profit for the financial year		26	195
Remeasurement of defined benefit liability	<i>17</i>	270	119
Deferred tax arising on in pension scheme	<i>15</i>	<u>(72)</u>	<u>(24)</u>
Comprehensive Income for the year		<u>224</u>	<u>290</u>

Balance sheet
as at 31 December 2015

	<i>Note</i>	2015	2014
		£000	£000
Fixed assets			
Intangible assets	9	-	-
Tangible assets	10	119	109
		<u>119</u>	<u>109</u>
Current assets			
Stock	11	681	621
Debtors	12	2,561	2,785
		<u>3,242</u>	<u>3,406</u>
Creditors: amounts falling due within one year	13	(378)	(206)
Net current assets		<u>2,864</u>	<u>3,200</u>
Total assets less current liabilities		<u>2,983</u>	<u>3,309</u>
Creditors: amounts falling due after one year	14	(86)	(317)
Net assets excluding pension asset		<u>2,897</u>	<u>2,992</u>
Pension liability	17	(896)	(1,215)
Net assets including pension asset		<u>2,001</u>	<u>1,777</u>
Capital and reserves			
Called up share capital	16	270	270
Share premium account	21	359	359
Profit and loss account	21	1,372	1,148
Equity Shareholders' funds		<u>2,001</u>	<u>1,777</u>

These financial statements were approved by the board of directors on 29 Sept 2016 and were signed on its behalf by:



R. Llewellyn
Director

Company registered number: 267073

Statement of changes in Equity
for the year ended 31 December 2015

	Called up Share capital £000	Share Premium £000	Profit and loss account £000	Total equity £000
Share Capital	270	-	-	270
Share Premium	-	359	-	359
Profit & Loss	-	-	858	858
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 January 2014	270	359	858	1,487
Total comprehensive income for the year				
Profit or loss	-	-	195	195
Other Comprehensive Income			95	95
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	290	290
Balance at 31 December 2014	270	359	1,148	1,777
Balance at 1 January 2015	270	359	1,148	1,777
Total comprehensive income for the year				
Profit or loss	-	-	26	26
Other comprehensive income	-	-	198	198
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	224	224
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	270	359	1,372	2,001

Notes

(forming part of the financial statements)

1 Accounting policies

Crown Artist Brush Limited (the "Company") is a company incorporated and domiciled in the UK.

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

Basis of preparation

The financial statements were prepared in accordance with the Financial Reporting Standard 101 Reduced Disclosure Framework ("IFRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of the International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but make amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking is Lindéngruppen AB, a company incorporated and registered in Sweden. Lindéngruppen AB prepares consolidated accounts which include the Company.

The consolidated financial statements of Lindéngruppen AB are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Bruksgården, SE-268-83, Höganas, Sweden.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures

- Cash Flow Statement and related notes;
- Disclosure in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- Disclosure in respect of the compensation of Key Management Personnel;
- Disclosures of transactions with a management entity that provides key management personnel services to the company;
- Related party transactions between two or more members of the same group.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2015 have had a material effect on the financial statements.

Measurement Convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

Going Concern

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 Lindéngruppen AB, the company's ultimate parent through a Group cash pool arrangement with its principal bankers. Lindéngruppen AB 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.

Foreign currency translation

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised. Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Tax is payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. 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 as follows:

Leasehold buildings	- not more than twelve years
Fixtures and equipment	- not more than fifteen years

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost. Software and development costs and licences purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives, generally 5 years.

Investments

Fixed asset investments are shown at cost less any provision for impairment.

Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Pension arrangements – ColArt 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 1st August 2002. Following consultation during 2007 the Defined Benefit section of the scheme was changed to a CARE (Career Average Revalued Earnings) scheme for future accruals after 1 April 2007. The scheme's assets are held in a separate trustee administered pension fund.

The last tri-annual actuarial valuation was carried out as at 31 March 2012 (signed on 21 May 2013). The actuarial valuation has been updated to 31 December 2015 by qualified independent actuaries using revised assumptions that are consistent with IAS19R.

2 Turnover

Turnover arose solely from the principal activity of the business.

Notes (continued)

3 Operating profit/(loss)

The operating loss is wholly derived from within the United Kingdom and from the company's principal activity.

	2015 £000	2014 £000
Audit of these financial statements	10	10
Depreciation - freehold property	-	1
Depreciation - plant and equipment	13	10
Hire of equipment	2	4
	<u> </u>	<u> </u>

4 Remuneration of directors

	2015 £000	2014 £000
The remuneration paid to directors of the company directly by the company was:		
Emoluments	117	117
Company contributions to money purchase pension schemes	-	-
	<u> </u>	<u> </u>
	117	117
	<u> </u>	<u> </u>

Pensions

The number of directors who were members of the ColArt pension scheme is as follows

	2015	2014
Defined benefit schemes	1	1
	<u> </u>	<u> </u>

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2015 £000	2014 £000
Emoluments	117	117
Company contributions to money purchase pension schemes	-	-
	<u> </u>	<u> </u>
	117	117
	<u> </u>	<u> </u>

The number of directors in respect of whose services shares were received or receivable under long term incentive schemes was:

	2015	2014
	-	-
	<u> </u>	<u> </u>

Notes *(continued)*

5 Staff numbers and costs

	Number of employees 2015	2014
The average monthly number of employees (including executive directors) was:	43	51
	<u>43</u>	<u>51</u>

The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	970	1,046
Social security costs	78	70
Other pension costs	61	74
Bonus	19	15
	<u>1,128</u>	<u>1,205</u>
	<u>1,128</u>	<u>1,205</u>

6 Interest payable and similar charges

	2015 £000	2014 £000
Net interest on defined benefit pension plan liability	42	-
	<u>42</u>	<u>-</u>
	<u>42</u>	<u>-</u>

7 Interest receivable and similar income

	2015 £000	2014 £000
Net interest on defined benefit pension plan liability	-	87
	<u>-</u>	<u>87</u>
	<u>-</u>	<u>87</u>

Notes (continued)

8 Taxation

Analysis of (credit)/charge in year

	2015 £000	2014 £000
<i>Current tax:</i>		
UK corporation tax on profit for the year	35	(2)
Adjustments in respect of previous years	108	(67)
	<hr/>	<hr/>
Current tax (credit)	143	(69)
<i>Deferred taxation (see note 15):</i>		
Charge for the year	16	20
	<hr/>	<hr/>
Tax (credit)/charge on profit on ordinary activities	159	(49)
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax (credit)/charge for the year

The current tax (credit)/charge for the year is explained below:

	2015 £000	2014 £000
Current tax reconciliation		
Profit on ordinary activities before tax	185	146
	<hr/> <hr/>	<hr/> <hr/>
Current tax thereon at 20.25% (2014: 21.49%)	37	31
<i>Effects of:</i>		
Capital allowances less than/(more than) depreciation	3	(5)
Other timing differences	5	-
Decrease in IAS19R provision	(10)	(4)
Other	16	(4)
Adjustments in respect of previous years	108	(67)
	<hr/>	<hr/>
Total current tax charge/(credit) as above	159	(49)
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

9 Intangible assets

	Trademarks £000	Total £000
Cost		
At beginning of year	54	54
Additions	-	-
Transfers from tangible fixed assets	-	-
	<hr/>	<hr/>
At end of year	54	54
	<hr/> <hr/>	<hr/> <hr/>
Amortisation		
At beginning of year	(54)	(54)
Charge for year	-	-
Transfers from tangible fixed assets	-	-
	<hr/>	<hr/>
At end of year	(54)	(54)
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
At 31 December 2015	-	-
	<hr/>	<hr/>
At 31 December 2014	-	-
	<hr/> <hr/>	<hr/> <hr/>

10 Tangible fixed assets

	Freehold land £000	Freehold buildings £000	Plant and Machinery £000	Total £000
Cost				
At beginning of year	60	266	840	1,166
Additions	-	-	23	23
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	60	266	863	1,189
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation				
At beginning of year	-	266	791	1,057
Charge for year	-	-	13	13
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	266	804	1,070
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value				
At 31 December 2015	60	-	59	119
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	60	-	49	109
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*

11 Stock

	2015	2014
	£000	£000
Raw materials and consumables	348	390
Work in progress	287	203
Finished goods and goods for resale	46	28
	<hr/> 681 <hr/>	<hr/> 621 <hr/>

12 Debtors

	2015	2014
	£000	£000
Trade debtors	324	254
Amounts owed by Group undertakings	2,001	2,235
Prepayments and accrued income	38	10
Deferred tax asset (see note 15)	198	286
	<hr/> 2,561 <hr/>	<hr/> 2,785 <hr/>
Due within one year	560	550
Due after more than one year	2,001	2,235
	<hr/> 2,561 <hr/>	<hr/> 2,785 <hr/>

Notes *(continued)*

13 Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Trade creditors	76	68
Accrued expenses and deferred income	119	115
Taxation and social security	183	23
	<hr/> 378 <hr/>	<hr/> 206 <hr/>

14 Creditors: amounts greater than one year

	2015	2014
	£000	£000
Amounts owed to group undertakings	86	317
	<hr/> 86 <hr/>	<hr/> 317 <hr/>

15 Deferred tax

	2015	2014
	£000	£000
Net deferred tax asset at beginning of year	286	330
Recognised in the Other Comprehensive Income for the year	(72)	(24)
Recognised in the profit and loss account for the year	(16)	(20)
	<hr/> 198 <hr/>	<hr/> 286 <hr/>
Net deferred tax asset at end of year	198	286

Notes (continued)

15 Deferred tax (continued)

	2015	2014
	£000	£000
Other timing differences	4	17
Accelerated capital allowances	33	26
Tax losses	-	-
Deferred tax on pension deficit	161	243
	<hr/> 198	<hr/> 286
	<hr/> <hr/>	<hr/> <hr/>

The tax assessed on the profit on ordinary activities for the year is the same as the lower rate of corporation tax in the UK of 20% (2014: 20%). These were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016.

16 Called up share capital

	2015	2014
	£000	£000
<i>Allotted, called up and fully paid</i>		
1,079,053 ordinary shares of 25p each	270	270
	<hr/> 270	<hr/> 270
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

17 Employee benefits

The company participates in the Colart Pension Scheme. The Scheme has two sections; one is a defined benefit section that provides benefits based on final pensionable salary and the other is a defined contribution section. The defined benefit section of the scheme was closed to new entrants on 1 July 2003 and was closed to all future accrual of benefits from 1 May 2008.

The defined benefit scheme operated by the ColArt group of companies under which contributions are paid by members and the group into a fund. This fund is separate from the Group's finances and is administered by Trustees. The Group pays a monthly contribution of £129,000 towards the elimination of the deficit on the fund from 16 May 2013.

A full actuarial valuation was carried out on 31 March 2012 (signed on 21 May 2013) by a qualified independent actuary and was updated to 31 December 2014

Subsequent to the year end on the 9th June a revised schedule of contributions was agreed with the trustees. The group monthly contributions have decreased to £100,000 per month.

The information disclosed below is the allocated share of cost under an agreed group policy throughout the periods shown.

	2015 £000	2014 £000
Total defined benefit asset	10,198	9,365
Total defined benefit liability	(11,094)	(10,580)
Total employee benefits	(896)	(1,215)

Movements in net defined benefit liability/asset

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability (asset)	
	2015 £000	2014 £000	2015 £000	2014 £000	2015 £000	2014 £000
Balance at 1 January	(10,580)	(9,387)	9,365	7,919	(1,215)	(1,468)
Included in profit or loss*						
Interest cost/(income)	(376)	(432)	334	475	(42)	43
Included in OCI*						
Remeasurements loss/(gain):						
Actuarial loss (gain) arising from						
- Changes in demographic Assumptions	30	(39)	-	-	30	(39)
- Change in financial assumptions	76	(21)	-	-	76	21
- Experience adjustment	(507)	(1,061)	-	-	(507)	1,233
Return on plan assets excluding interest income	-	-	671	1,198	671	1,198
	(401)	(1,079)	671	1,198	270	119
Other						
Contributions paid by the employer	-	-	91	91	91	91
Benefits paid	263	318	(263)	(318)	-	-
Balance at 31 December	(11,094)	(10,580)	10,198	9,365	(896)	(1,215)

Notes (continued)

17 Employee benefits (continued)

Plan assets	2015	2014
	£000	£000
Cash and cash equivalents	195	53
Equity instruments	2,201	2,113
Illiquids (Real Estate, Infrastructure, Debt)	707	454
Hedge Funds	1,555	1,651
Return Seeking Bonds	702	661
Liability Matching Assets	4,547	4,164
Other components	291	269
Total	10,198	9,365

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by European governments and are AAA- or AA-rated. All other plan assets are not quoted in an active market.

Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	2015	2014
Discount rate at 31 December	3.8%	3.7%
Future salary increases	3.4%	3.3%
CPI	2.4%	2.3%
RPI	3.4%	3.3%

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 assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 21.3 years (male), 23.3 years (female).
- Future retiree upon reaching 65: 23.0 years (male), 25.2 years (female).

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased (decreased) as a result of a change in the respective assumptions by half a percent.

	2015	2015
	£000	£000
Discount rate (+0.5% / -0.5%)	(1,002)	1,142
Future salary increases (+0.5% / -0.5%)	280	(267)
Inflation (RPI, CPI) (+0.5% / -0.5%)	541	(582)

Notes *(continued)*

17 Employee benefits *(continued)*

In valuing the liabilities of the pension fund at 31 December 2015, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31 December 2015 would have increased by £5,991,000 before deferred tax.

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31 March 2012 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

Funding

The Company expects to pay £169,000 per month in contributions to its defined benefit plans in 2016, reducing to £100,000 per month from June 2016. The weighted average duration of the defined benefit obligation at the end of the reporting period is 17 years (2014: 18 years).

Notes (continued)

18 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 Lindéngruppen 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 Lindéngruppen AB companies not wholly owned and at the end of the year end there were outstanding creditor amounts of £85,715 (2014: £2,000) and debtor amounts of £2,000,552 (2014: £1,798,000).

Due to the similar nature of these transactions the amounts for all companies have been aggregated as follows:

	2015 £'000	2014 £'000
Sales	2001	1,862
Purchases	86	(1340)
Management charges receivable	103	88
	<hr/>	<hr/>

19 Ultimate parent undertaking and controlling party

The immediate holding company is Colart Group Holdings Limited, a company incorporated in Great Britain and registered in England and Wales.

The ultimate UK holding company is Colart Group Holdings Limited, incorporated in Great Britain and registered in England and Wales.

The ultimate holding company is Lindéngruppen 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 Lindéngruppen AB, a company incorporated and registered in Sweden.

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