Registered Number 39402

Gardiner Sons & Co Limited

Directors' report and financial statements

for the year ended 31 December 2006

Gardiner Sons & Co Limited
Directors' report and financial statements
for the year ended 31 December 2006

Contents

Gardiner Sons & Co Limited

Directors and Advisors for the year ended 31 December 2006

Directors
MW Barnes Chairman
M Carr
P Cook
J Watkins

Secretary
J Watson

Registered office
PO Box 259
Broad Plain
Bristol
BS99 7DN
Incorporated on 10 August 1893

Bankers
The Royal Bank of Scotland PLC
36-38 Baldwin Street
Bristol
BS1 1NR

Auditors
PricewaterhouseCoopers LLP
31 Great George Street
Bristol
BS1 5QD

Gardiner Sons & Co Limited

Directors' report for the year ended 31 December 2006

The directors present their report and audited financial statements for the year ended 31 December 2006

Business review and principal activity
The principal activity of the company is the operation of home improvement centres in Bristol and Cirencester

The results for the company show a pre tax profit of £2,565,754 (2005 £2,611,393) for the year and sales of £18,147,996 (2005 £17,886,024)

Profit after tax for the year amounted to £1,833,843 (2005 £1,849,863) The dividend proposed and paid in respect of the year ended 31 December 2006 is £3,016,681 (2005 £971,968) resulting in a transfer from reserves of £1,182,838 (2005 transfer to reserves of £877,895)

Equity shareholders funds total £9,207,807 (2005 £10,217,235) after a dividend payment of £3,016,681 (2005 £971,968)

The external commercial environment is expected to remain competitive in 2007 However, we remain confident that we will maintain our current level of performance in the future We continue to invest in the design and layout of our stores to enhance our customers' shopping experience

Key performance indicators

Given the straightforward nature of the business, other than the indicators shown above, we are of the opinion that further analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to the competitive environment and employee retention These risks are mitigated due to the company operating from freehold premises and with the benefit of a positive cash balance and no borrowings

Directors and their interests
The directors of the company during the year were

M Barnes
M Carr
P Cook
J Watkins

No director had any interest in the shares of the company

Gardiner Sons & Co Limited

Fixed assets
The movement in fixed assets in the year is set out in note 4 to the financial statements

The directors consider the market value of land and buildings to be greater than the book value disclosed in these financial statements

Statement of the directors' responsibilities
The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2006 The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

So far as the directors are aware, there is no current relevant audit information of which the company's auditors are unaware The directors have taken all of the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Employees
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability

The Company's policy is to continue to develop its communications with all employees, to inform them on matters of concern to them as employees and to promote awareness of the financial and economic factors affecting the performance of the company and subject to practical and commercial considerations, to consult them on decisions that affect their current jobs or future prospects

Auditors
PricewaterhouseCoopers LLP as auditors have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By Order of the Board

J Watson
Secretary
30 March 2007

Gardiner Sons & Co Limited

Independent auditors' report to the members of Gardiner Sons & Co Limited

We have audited the financial statements of Gardiner Sons & Co Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion
In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit and cash flows for the year then ended,

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and

- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Bristol
30 March 2007

Gardiner Sons & Co Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £	2005 £
Turnover		**18,147,996**	17,886,024
Cost of sales		**(10,472,636)**	(10,345,171)
Gross profit		**7,675,360**	7,540,853
Administrative and selling expenses		**(4,683,429)**	(4,493,844)
Operating profit – before group payments		**2,991,931**	3,047,009
Management charge payable to parent undertaking		**(355,053)**	(362,517)
Operating profit		**2,636,878**	2,684,492
Interest payable to parent undertaking		**(140,000)**	(140,000)
Interest receivable	2	**115,276**	117,501
Other finance expense	16	**(46,400)**	(50,600)
Profit on ordinary activities before taxation	2	**2,565,754**	2,611,393
Taxation on profit on ordinary activities	3	**(731,911)**	(761,530)
Profit on ordinary activities after taxation		**1,833,843**	1,849,863
Dividend paid		**(3,016,681)**	(971,968)
Retained (loss)/profit for the financial year	12	**(1,182,838)**	877,895

All operations are continuing

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

Gardiner Sons & Co Limited

Statement of recognised gains and losses for the year ended 31 December 2006

	2006	2005
	£	£
Profit for the financial year	**1,833,843**	1,849,863
Actuarial gain/(loss) on defined benefit pension scheme	**273,100**	(283,600)
Movement on deferred tax asset relating to the pension scheme deficit	**(99,690)**	61,170
Unrealised gains on current asset investment	**-**	168,352
Total recognised gains and losses for the financial year	**2,007,253**	1,795,785

A statement of the movement in reserves is shown in note 12 to these financial statements

The notes on pages 10 to 19 form part of these financial statements

Gardiner Sons & Co Limited

Balance sheet as at 31 December 2006

	Note	2006	2005
		£	£
Fixed assets			
Tangible assets	4	**9,092,633**	9,135,206
Current assets			
Stocks	5	**3,256,584**	3,208,976
Debtors	6	**816,602**	922,536
Investments	7	**-**	974,487
Cash at bank and in hand		**3,111,113**	3,266,700
		7,184,299	8,372,699
Creditors: amounts falling due within one year	8	**(3,572,624)**	(3,561,559)
Net current assets		**3,611,675**	4,811,140
Total assets less current liabilities		**12,704,308**	13,946,346
Creditors amounts falling due after more than one year	9	**(2,800,000)**	(2,800,000)
Net assets excluding pension liability		**9,904,308**	11,146,346
Pension liability	16	**(696,501)**	(929,111)
Net assets including pension liability		**9,207,807**	10,217,235
Capital and reserves			
Called up share capital	11	**1,262,661**	1,262,661
Revaluation reserve	12	**-**	74,487
Profit and loss account	12	**7,945,146**	8,880,087
Equity shareholders' funds	13	**9,207,807**	10,217,235

The notes on pages 10 to 19 form part of these financial statements

Approved by the Board on 30 March 2007 and signed on its behalf by

J Watkins
Director

Gardiner Sons & Co Limited

Cash flow statement for the year ended 31 December 2006

	Note	2006	2006	2005	2005
		£	£	£	£
Net cash inflow from operating activities	a		**2,725,932**		2,285,904
Returns on investment and servicing of finance					
Interest received		**115,276**		117,501	
Interest paid to parent undertaking		**(140,000)**		(140,000)	
Net cash outflow from returns on investments and servicing of finance			**(24,724)**		(22,499)
Taxation			**(753,801)**		(823,070)
Capital expenditure and financial investments					
Proceeds from sale of current asset investment		**1,049,931**		-	
Proceeds from sale of tangible fixed assets		**17,800**		30,362	
Purchase of tangible fixed assets		**(154,044)**		(439,377)	
Net cash inflow/(outflow) from capital expenditure and financial investment			**913,687**		(409,015)
Equity dividends paid			**(3,016,681)**		(971,968)
(Decrease)/increase in net cash	b,c		**(155,587)**		59,352

The notes to the cash flow statement are set out on page 9 of these financial statements

Gardiner Sons & Co Limited

Cash flow statement for the year ended 31 December 2006

Notes to the cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2006	2005
	£	£
Operating profit	**2,636,878**	2,684,492
Depreciation charges	**177,117**	175,544
Difference between pension charge and cash contributions	**(105,600)**	(130,300)
Loss/(profit) on sales of tangible fixed assets	**1,700**	(19,517)
Profit on disposal of current asset investment	**(75,444)**	-
Increase in stocks	**(47,608)**	(3,464)
Decrease/(increase) in debtors	**105,934**	(109,965)
Increase/(decrease) in creditors	**32,955**	(310,886)
Net cash inflow from operating activities	**2,725,932**	2,285,904

(b) Reconciliation of net cash flow to movement in net funds (note c)

	£
(Decrease) in cash in the year	(155,587)
Change in net funds resulting from cash flow	(155,587)
Change in current asset investments	(974,487)
Movement in net funds in the year	(1,130,074)
Net funds at 1 January 2006	1,441,187
Net funds at 31 December 2006	**311,113**

(c) Analysis of net funds

	At 1 January 2006 £	Cash flow 2006 £	Other changes 2006 £	**At 31 December 2006 £**
Cash in hand, at bank	3,266,700	(155,587)	-	**3,111,113**
Current asset investments	974,487	-	(974,487)	-
Deposit from parent undertaking	(2,800,000)	-	-	**(2,800,000)**
	1,441,187	(155,587)	(974,487)	**311,113**

Gardiner Sons & Co Limited

Accounting policies

These financial statements have been prepared under the historical cost convention as modified by the revaluation of current asset investments under the alternative accounting rules set out in the Company Act 1985, and in accordance with applicable Accounting Standards

Turnover
Turnover represents sales to third parties and is determined by reference to the selling value of goods delivered and services rendered during the year, net of Value Added Tax All turnover is derived from continuing operations from one class of business in the United Kingdom

Fixed assets and depreciation
Fixed assets are stated at cost after deducting accumulated depreciation Depreciation is charged so as to write off the cost, less residual value, of assets over their estimated useful lives on the straight line basis The rates of depreciation vary according to the type of asset and are

Plant, machinery, fixtures and fittings	10% - 20%
Motor vehicles	25%

No depreciation is provided on freehold properties, as the directors consider that the residual value of such properties is considerably in excess of the current carrying amounts In order to confirm this, an impairment test has been carried out in accordance with FRS 11

Stocks
Stocks of goods purchased for resale are valued at the lower of cost (net invoice price after all discounts) and net realisable value

Deferred taxation
Deferred taxation is provided in full on all material timing differences Deferred tax assets are recognised where their recovery is considered more likely than not Deferred tax assets and liabilities have not been discounted

Pension costs
The company operates a defined benefit pension scheme and a money purchase pension scheme As disclosed in note 16, defined benefit pension costs are recognised in the profit and loss account and the statement of total recognised gains and losses in accordance with the requirements of FRS 17 Contributions to the money purchase pension scheme are charged to the profit and loss account as incurred

Notes to the financial statements for the year ended 31 December 2006

1 Ultimate parent undertaking

The company's parent undertaking is Gardiner (Holdings) Limited which is registered in Great Britain and is the parent undertaking of the largest and smallest group to consolidate the financial statements of the company Copies of the group financial statements can be obtained from PO Box 259, Broad Plain, Bristol, BS99 7DN

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting) the following amounts

	2006 £	2005 £
Wages and salaries	**2,865,194**	2,866,138
Social security costs	**212,228**	213,670
Other pension costs (note 16)	**110,863**	100,103
Depreciation	**177,117**	175,544
Auditors' remuneration – audit of annual financial statements	**11,250**	10,000
Auditors' remuneration – taxation	**970**	940
Interest receivable on bank deposits	**(115,276)**	(117,501)
Loss/(profit) on sale of tangible fixed assets	**1,700**	(19,517)
Management charge payable to parent undertaking	**355,053**	362,517
(Profit) on disposal of current asset investment	**(75,444)**	-

3 Tax on profit on ordinary activities

	2006 £	2005 £
Current tax		
UK Corporation tax on the profit for the year	**729,477**	751,367
Adjustment in respect of previous periods	**2,434**	1,163
Total current tax	**731,911**	752,530
Deferred tax		
Origination and reversal of timing differences (note 10)	**-**	9,000
Tax on profit on ordinary activities	**731,911**	761,530

3 Tax on profit on ordinary activities (continued)

The factors affecting the current tax charge are set out below

	2006	2005
	£	£
Profit on ordinary activities before tax	**2,565,754**	2,611,393
Profit on ordinary activities at standard rate of tax of 30% (2005 30%)	**769,726**	783,418
Loss/(profit) on disposal of fixed assets	**510**	(5,855)
Profit on disposal of current asset investment	**(22,633)**	-
Depreciation in excess of capital allowances	**(366)**	(2,286)
Adjustment in respect of previous year	**2,434**	1,163
Pension contribution relief in excess of net pension cost charge	**(17,760)**	(23,910)
Current tax charge for year	**731,911**	752,530

4 Tangible fixed assets

	Freehold land & buildings	Fixtures & fittings	Plant, machinery & vehicles	Total
	£	£	£	£
Cost				
At 1 January 2006	8,639,263	1,507,776	1,229,568	11,376,607
Additions	1,579	98,819	53,646	154,044
Disposals	-	-	(24,000)	(24,000)
At 31 December 2006	**8,640,842**	**1,606,595**	**1,259,214**	**11,506,651**
Accumulated depreciation				
At 1 January 2006	60,131	1,335,509	845,761	2,241,401
Provision for the year	-	78,117	99,000	177,117
Disposals	-	-	(4,500)	(4,500)
At 31 December 2006	**60,131**	**1,413,626**	**940,261**	**2,414,018**
Net book amount				
At 31 December 2006	**8,580,711**	**192,969**	**318,953**	**9,092,633**
At 31 December 2005	8,579,132	172,267	383,807	9,135,206

5 Stocks

Stocks comprise goods for resale The directors estimate that the replacement cost of stocks is not materially different from that stated in the balance sheet

6 Debtors

	2006 £	2005 £
Trade debtors	**638,222**	637,567
Other debtors	**82,093**	189,753
Prepayments and accrued income	**85,287**	84,216
Deferred taxation (see note 10)	**11,000**	11,000
	816,602	922,536

7 Current asset investments

	2006 £	2005 £
UK Stock Exchange Unit Trust Investments	-	974,487

During the year this investment, which had an original cost of £900,000 and had previously been revalued to £974,487 was sold for £1,049,931, realising a profit of £75,444 As a result of this sale a revaluation reserve of £74,487 was also transferred to the profit and loss reserve

8 Creditors – Amounts falling due within one year

	2006 £	2005 £
Trade creditors	**2,118,198**	2,126,259
Other creditors	**247,254**	188,778
Corporation tax	**429,477**	451,367
Other taxation and social security	**350,846**	386,443
Accruals and deferred income	**426,849**	408,712
	3,572,624	3,561,559

9 Creditors – Amounts falling due after more than one year

	2006	2005
	£	£
Deposit from parent undertaking	**2,800,000**	2,800,000

A deposit of £4,000,000 was placed by Gardiner (Holdings) Limited on 1 October 1995 at an interest rate of 6% per annum On 30 June 1998 £700,000 was withdrawn by Gardiner (Holdings) Limited and the interest rate was reduced to 5% per annum A further £500,000 was withdrawn on 31 March 2000

The deposit is to be withdrawn at a date to be agreed by both group companies There are no arrangements for any further withdrawal prior to 31 December 2007

10 Deferred taxation

Deferred taxation provided in the financial statement is as follows

	2006	2005
	£	£
Pension deficit (see note 16)	**298,500**	398,190
Depreciation in excess of capital allowances (see note 6)	**11,000**	11,000
Total deferred tax asset	**309,500**	409,190

The movement on deferred taxation is as follows

	2006	2005
	£	£
At 1 January	**409,190**	357,020
(Charged)/credited to the statement of total recognised gains and losses	**(99,690)**	61,170
Charged to the profit and loss account	**-**	(9,000)
At 31 December	**309,500**	409,190

11 Called up share capital

	Authorised	Allotted, issued and fully paid
	£	£
Ordinary shares of 25p each at 31 December 2005 and 31 December 2006	**1,500,000**	**1,262,661**

Gardiner Sons & Co Limited

12 Reserves

	Profit and loss account £	Revaluation reserve £
At 1 January 2006	8,880,087	74,487
Profit for the year	1,833,843	-
Actuarial gain on defined benefit scheme	273,100	-
Movement in deferred tax asset relating to pension scheme deficit	(99,690)	-
Realised gain on current asset investments	74,487	(74,487)
Dividends paid	(3,016,681)	-
At 31 December 2006	**7,945,146**	**-**

13 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Opening shareholders' funds	**10,217,235**	9,393,418
Unrealised gain on current asset investment	**-**	168,352
Actuarial gain/(loss) on defined benefit pension scheme	**273,100**	(283,600)
Movement on deferred tax asset relating to pension scheme deficit	**(99,690)**	61,170
Profit for the year	**1,833,843**	1,849,863
Dividend paid	**(3,016,681)**	(971,968)
Closing shareholders' funds	**9,207,807**	10,217,235

14 Employees

	2006 Number	2005 Number
The average number of persons employed by the company during the year on a full time equivalent basis was	**167**	165

Gardiner Sons & Co Limited

15 Directors' emoluments

	2006 Aggregate £	2006 Highest Paid Director £	2005 Aggregate £	2005 Highest Paid Director £
Directors' emoluments	**342,276**	**88,000**	394,658	85,000

	2006 Money Purchase Schemes	2006 Defined Benefit Schemes	2005 Money Purchase Schemes	2005 Defined Benefit Schemes
Number of directors with benefits accruing under pension schemes	**3**	**3**	3	3

The highest paid director has no retirement benefits accruing

No amounts were paid to or receivable by directors under long term incentive schemes or share option schemes

An amount of £88,000 (2005 £85,000) is included in the management charge due from the subsidiary company to the parent company for making available the services of a director as a director of the subsidiary company

In addition, a sum of £57,800 was paid to a former director during the year as compensation for loss of office

16 Pension commitments

The company operates a defined benefit pension scheme With effect from 1 December 1990, the group formed a new pension scheme, the Gardiners Pension and Life Assurance Scheme (1990) for members of the previous parent undertaking's pension scheme The scheme had previously been closed to new entrants which means that the current service cost will increase as members approach retirement

The scheme is a funded, defined benefits scheme where benefits are based on final pensionable pay The assets are in an insurance policy invested in a with-profits fund and FTSE All-share Tracking pension fund with the Equitable Life Assurance Society

An actuarial valuation as at 31 March 2003 was carried out in accordance with the advice of a professionally qualified actuary using the aggregate method, the most significant assumptions being

- an investment return of 7 5% per annum for equities and 4 5% per annum for other assets pre-retirement and 4 5% per annum post-retirement
- salary increases of 4 6% per annum
- increases to pensions in payment in respect of post 6 April 1997 service of 2 5%

16 Pension commitments (continued)

The actuarial value of the assets as at 31 March 2003 was £1,240,000 which represented 53% of the benefits that had accrued to members at that time, allowing for future pay increases

As a result, a contribution rate of 50 8% of pensionable pay was recommended with effect from 1 April 2005 to spread the cost of pensions over the members' working lives with the group

In 2006, members contributed 6% of pensionable pay less an amount equivalent to the lower earnings limit and the company made additional contributions to ensure that total normal contributions were equal to 50 8% of pensionable pay, as recommended by the actuary

The group also operates money purchase pension schemes on behalf of certain specified employees Contributions made by the group are calculated on various bases, and are charged to the profit and loss account as incurred

The total contributions made by the group in 2006 for the final salary scheme and the money purchase schemes were £216,463 (2005 £230,403)

The financial assumptions used to calculate scheme liabilities under FRS 17 as at 31 December are

	2006	2005	2004
Rate of increases in salary	**4.3%**	4 0%	4 0%
Rate of increases of pensions in payment to 31 March 2006	**3.1%**	2 9%	2 9%
Rate of increases of pensions in payment from 1 April 2006	**2.2%**	-	-
Rate used to discount scheme liabilities	**5.1%**	4 8%	5 3%
Inflation rate	**3.3%**	3 0%	3 0%

The following amounts at 31 December were measured in accordance with Financial Reporting Standard 17 ' Retirement Benefits'

	2006	2005	2004
	£'000	£'000	£'000
Total market value of assets	**2,299**	1,955	1,620
Present value of scheme liabilities	**(3,294)**	(3,282)	(2,743)
Deficit in the scheme	**(995)**	(1,327)	(1,123)
Related deferred tax asset	**299**	398	337
Net pension deficit	**(696)**	(929)	(786)

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16 Pension commitments (continued)

As at 31 December the fair value of the funds assets invested and expected long-term rate of return were as shown below

	2006		2005		2004	
	£'000	**Expected return**	**£'000**	**Expected return**	**£'000**	**Expected return**
Equities	**1,454**	**7.1%**	1,058	6 6%	652	7 1%
Bonds	**845**	**4 7%**	897	4 3%	968	4 8%
	2,299		1,955		1,620	

The following amounts have been recognised in the performance statements in the year to 31 December under the requirements of FRS 17 'Retirement Benefits'

Analysis of the amount charged to operating profit	**2006**	2005	2004
	£'000	£'000	£'000
Operating profit			
Current service cost	**80**	82	70
Total operating charge	**80**	82	70

	2006	2005	2004
	£'000	£'000	£'000
Other finance charges and analysis of the amount credited to other finance income			
Expected return on pension scheme assets	**113**	97	84
Interest on pension scheme liabilities	**(159)**	(148)	(137)
Net charge	**(46)**	(51)	(53)

	2006	2005	2004
	£'000	£'000	£'000
Statement of total recognised gains and losses (STRGL)			
Actual return less expected return on pension scheme assets	**124**	130	4
Experience gains and losses arising on liabilities	**31**	(33)	9
Change in assumptions underlying present value of liabilities	**118**	(381)	(182)
Actuarial gain/(loss) recognised in STRGL	**273**	(284)	(169)

	2006	2005	2004
	£'000	£'000	£'000
Movement in deficit during the year			
Deficit in scheme at beginning of year	**(1,327)**	(1,123)	(1,031)
Movement in year			
Current service cost	**(80)**	(82)	(70)
Contributions	**185**	213	200
Other finance charges	**(46)**	(51)	(53)
Actuarial gain/(loss)	**273**	(284)	(169)
Deficit in scheme at end of the year	**(995)**	**(1,327)**	**(1,123)**

Gardiner Sons & Co Limited

16 Pension commitments (continued)

Details of experience gains and losses for the year	**2006**	2005	2004	2003
	£'000	£'000	£'000	£'000
Difference between the expected and actual return in scheme assets				
Amount (£'000)	**124**	130	4	16
Percentage of scheme assets	**5.4%**	6 7%	0 2%	1 1%
Experience gains and losses on scheme liabilities				
Amount (£'000)	**31**	(33)	9	(1)
Percentage of scheme liabilities	**0.9%**	(1 0%)	0 3%	-
Total amount recognised in statement of total recognised gains and losses				
Amount (£'000)	**273**	(284)	(169)	(175)
Percentage of the present value of the scheme liabilities	**8.3%**	(8 6%)	(6 2%)	(7 1%)

17 Contingent liabilities

There is a bank cross guarantee to cover banking facilities across all group companies There is a debenture in favour of the company's bankers

18 Related parties note

As the company is a wholly owned subsidiary within a group that prepares consolidated financial statements, the company is exempt from disclosing transactions with group entities