Registered Number 00039402

Gardiner Sons & Co Limited

Directors' report and financial statements

for the year ended 31 December 2010

Gardiner Sons & Co Limited
Directors' report and financial statements
for the year ended 31 December 2010

Contents

Gardiner Sons & Co Limited

Directors and Advisors for the year ended 31 December 2010

Directors
MW Barnes Chairman
M Carr
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

Directors' report for the year ended 31 December 2010

The directors present their report and audited financial statements for the year ended 31 December 2010

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 £2,112,799 (2009 £1,982,439) for the year and sales of £17,806,743 (2009 £17,544,017)

Profit after tax for the year amounted to £1,558,197 (2009 £1,441,764) The dividend proposed and paid in respect of the year ended 31 December 2010 is £1,121,718 (2009 £1,103,300) resulting in a transfer to reserves of £436,479 (2009 £338,464)

Equity shareholders funds total £10,832,068 (2009 £10,290,249) after a dividend payment of £1,121,718 (2009 £1,103,300)

The external commercial environment is expected to remain competitive in 2011 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
J Watkins

No director had any interest in the shares of the company

Gardiner Sons & Co Limited
Registered number - 00039402

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

Directors' responsibility statement
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 2010 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

Date 18 April 2011

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 2010 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the Cash flow statement, the accounting policies and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, 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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of· whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

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 31st December 2010 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Katharine Finn (Senior Statutory Auditor)
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
18 April 2011

Gardiner Sons & Co Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover		**17,806,743**	17,544,017
Cost of sales		**(10,435,167)**	(10,146,736)
Gross profit		**7,371,576**	7,397,281
Administrative and selling expenses		**(4,805,081)**	(4,923,916)
Operating profit – before group payments		**2,566,495**	2,473,365
Management charge payable to parent undertaking		**(382,142)**	(384,477)
Operating profit		**2,184,353**	2,088,888
Interest payable to parent undertaking		**(140,000)**	(140,000)
Interest receivable	2	**10,546**	10,551
Other finance income	15	**57,900**	23,000
Profit on ordinary activities before taxation	2	**2,112,799**	1,982,439
Taxation on profit on ordinary activities	3	**(554,602)**	(540,675)
Profit for the financial year	11	**1,558,197**	1,441,764

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 total recognised gains and losses for the year ended 31 December 2010

	Note	2010 £	2009 £
Profit for the financial year		**1,558,197**	1,441,764
Actuarial gain on defined benefit pension scheme	15	**354,200**	(593,700)
Gains not recognised under FRS 17 in 2008, reversed in 2009	15	**-**	223,200
Gains not recognised under FRS 17 in 2010	15	**(147,500)**	-
Movement on deferred tax asset relating to the pension scheme	9	**(101,360)**	68,516
Total recognised gains and losses for the financial year		**1,663,537**	1,139,780

A statement of the movement in reserves is shown in note 11 of these financial statements

Gardiner Sons & Co Limited

Balance sheet as at 31 December 2010

	Note	2010	2009
		£	£
Fixed assets			
Tangible assets	4	**9,902,796**	10,046,755
Current assets			
Stocks	5	**3,305,400**	3,423,680
Debtors	6	**836,378**	878,772
Fixed short term cash deposits		**1,000,000**	-
Cash at bank and in hand		**1,741,969**	1,978,612
		6,883,747	6,281,064
Creditors: amounts falling due within one year	7	**(3,476,675)**	(3,299,130)
Net current assets		**3,407,072**	2,981,934
Total assets less current liabilities		**13,309,868**	13,028,689
Creditors: amounts falling due after more than one year	8	**(2,800,000)**	(2,800,000)
Net assets excluding pension scheme		**10,509,868**	10,228,689
Pension scheme surplus	15	**322,200**	61,560
Net assets including pension scheme		**10,832,068**	10,290,249
Capital and reserves			
Called up share capital	10	**1,262,661**	1,262,661
Profit and loss account	11	**9,569,407**	9,027,588
Equity shareholders' funds	12	**10,832,068**	10,290,249

The accounting policies and notes on pages 11 to 21 form part of the financial statements

Approved by the Board on 18 April 2011 and signed on its behalf by

J Watkins
Director

Registered Number 00039402

Gardiner Sons & Co Limited

Cash flow statement for the year ended 31 December 2010

	Note	2010	2010	2009	2009
		£	£	£	£
Net cash inflow from operating activities	a		**2,656,851**		2,173,144
Returns on investment and servicing of finance					
Interest received		**10,546**		10,551	
Interest paid to parent undertaking		**(140,000)**		(140,000)	
Net cash outflow from returns on investments and servicing of finance			**(129,454)**		(129,449)
Taxation			**(611,666)**		(248,271)
Capital expenditure					
Proceeds from sale of tangible fixed assets		-		47,550	
Purchase of tangible fixed assets		**(30,656)**		(223,783)	
Net cash outflow from capital expenditure			**(30,656)**		(176,233)
Equity dividends paid			**(1,121,718)**		(1,103,300)
Increase in net cash	b,c		**763,357**		515,891

The notes to the cash flow statement are set out on page 10 of these financial statements

Gardiner Sons & Co Limited

Cash flow statement for the year ended 31 December 2010

Notes to the cash flow statement

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

	2010	2009
	£	£
Operating profit	**2,184,353**	2,088,888
Depreciation charges	**174,615**	174,496
Difference between pension charge and cash contributions	**(97,400)**	(102,800)
Profit on sales of tangible fixed assets	**-**	(23,889)
Decrease/(increase) in stocks	**118,280**	(114,646)
Decrease/(increase) in debtors	**53,394**	(101,845)
Increase in creditors	**223,609**	252,940
Net cash inflow from operating activities	**2,656,851**	2,173,144

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

	2010	2009
	£	£
Increase in cash in the year	**763,357**	515,891
Movement in net funds in the year	**763,357**	515,891
Net funds at 1 January	**(821,388)**	(1,337,279)
Net funds at 31 December	**(58,031)**	(821,388)

(c) Analysis of net funds

	At 1 January 2010 £	Cash flow 2010 £	**At 31 December 2010 £**
Fixed short term cash deposits	-	1,000,000	**1,000,000**
Cash at bank and in hand	1,978,612	(236,643)	**1,741,969**
Deposit from parent undertaking	(2,800,000)	-	**(2,800,000)**
	(821,388)	763,357	**(58,031)**

Gardiner Sons & Co Limited

Accounting policies

These financial statements have been prepared under the historical cost convention 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 those 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 15, 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 In accordance with FRS 17, the plan surplus recognised on the balance sheet has been restricted to the extent that the company can expect to secure future economic benefit, either by paying a reduced rate of contributions or taking a refund from the plan

Gardiner Sons & Co Limited

Notes to the financial statements for the year ended 31 December 2010

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

	2010 £	2009 £
Wages and salaries	**3,013,644**	3,110,267
Social security costs	**230,110**	227,907
Other pension costs (note 15)	**90,651**	78,864
Depreciation	**174,615**	174,496
Auditors' remuneration – audit of annual financial statements	**13,250**	13,250
Auditors' remuneration – taxation	**1,530**	1,190
Interest receivable on bank deposits	**(10,546)**	(10,551)
Profit on sale of tangible fixed assets	**-**	(23,889)
Management charge payable to parent undertaking	**382,142**	384,477

3 Tax on profit on ordinary activities

	2010 £	2009 £
Current tax		
UK Corporation tax on the profit for the year	**563,106**	514,689
Adjustment in respect of prior years	**2,496**	(8,817)
Total current tax	**565,602**	505,872
Deferred tax		
Origination and reversal of timing differences (note 9)	**(11,000)**	34,803
Tax on profit on ordinary activities	**554,602**	540,675

3 Tax on profit on ordinary activities (continued)

The factors affecting the current tax charge are set out below

	2010£	2009 £
Profit on ordinary activities before tax	**2,112,799**	1,982,439
Profit on ordinary activities at standard rate of tax of 28% (2009 28%)	**591,584**	555,083
Profit on disposal of fixed assets	-	(6,689)
Depreciation in excess of capital allowances	**16,031**	1,519
Additional enhanced relief	**(1,025)**	-
Pension contributions in excess of current service cost	**(43,484)**	(35,224)
Adjustment in respect of prior year	**2,496**	(8,817)
Current tax charge for year	**565,602**	505,872

4 Tangible fixed assets

	Freehold land & buildings £	Fixtures & fittings £	Plant, machinery & vehicles £	Total £
Cost				
At 1 January 2010	9,669,233	1,791,053	1,302,493	12,762,779
Additions	-	30,656	-	30,656
At 31 December 2010	**9,669,233**	**1,821,709**	**1,302,493**	**12,793,435**
Accumulated depreciation				
At 1 January 2010	60,131	1,652,466	1,003,427	2,716,024
Provision for the year	-	78,027	96,588	174,615
At 31 December 2010	**60,131**	**1,730,493**	**1,100,015**	**2,890,639**
Net book amount				
At 31 December 2010	**9,609,102**	**91,216**	**202,478**	**9,902,796**
At 31 December 2009	9,609,102	138,587	299,066	10,046,755

Gardiner Sons & Co Limited

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

	2010	2009
	£	£
Trade debtors	**711,475**	714,830
Other debtors	**18,877**	63,042
Prepayments and accrued income	**85,026**	90,900
Deferred taxation (see note 9)	**21,000**	10,000
	836,378	878,772

7 Creditors – Amounts falling due within one year

	2010	2009
	£	£
Trade creditors	**2,410,887**	2,150,174
Other creditors	**100,933**	122,474
Corporation tax	**359,808**	405,872
Other taxation and social security	**359,813**	312,897
Accruals and deferred income	**245,234**	307,713
	3,476,675	3,299,130

8 Creditors – Amounts falling due after more than one year

	2010	2009
	£	£
Deposit from parent undertaking	**2,800,000**	2,800,000

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 2011 The deposit carries an interest rate of 5% per annum

Gardiner Sons & Co Limited

9 Deferred taxation

Deferred taxation provided in the financial statement is as follows

	2010	2009
	£	£
Depreciation in excess of capital allowances	**21,000**	10,000
Deferred tax asset (see note 6)	**21,000**	10,000
Pension surplus (see note 15)	**(125,300)**	(23,940)
Total deferred tax (liability)	**(104,300)**	(13,940)

The movement on deferred taxation is as follows

	2010	2009
	£	£
At 1 January	**(13,940)**	(47,653)
(Charged)/credited to the statement of total recognised gains and losses	**(101,360)**	68,516
Credited/(charged) to the profit and loss account	**11,000**	(34,803)
At 31 December	**(104,300)**	(13,940)

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011 Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014 The changes to further reduce the main rate of corporation tax from 27% down to 24% over 3 years had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements If it had been enacted at the balance sheet date, the effect of the changes enacted in the Finance (No 2) Act 2010 would be to reduce the deferred tax liability provided at 30 December 2010 If the proposed changes are enacted as expected the current tax charge will be reduced as a result If all the timing differences reversed at 24% the maximum impact on the deferred tax liability would be to reduce the liability by £14,900

To balance the proposed reduction in corporation tax rates, the Chancellor announced a reduction in the rate of relief for capital expenditure The relief will be spread over a longer period The main plant and machinery writing down rates will reduce from 20 per cent to 18 per cent per annum and longer life/special rate plant and machinery writing down rates will reduce from 10 per cent to 8 per cent per annum These changes are expected to apply to chargeable periods ending on or after 1 April 2012 for businesses subject to corporation tax and on or after 6 April 2012 for businesses subject to income tax

Gardiner Sons & Co Limited

10 Called up share capital

	Authorised £	Allotted, issued and fully paid £
6,000,000 ordinary shares of 25p each at 31 December 2009 and 31 December 2010	**1,500,000**	**1,262,661**

11 Reserves

	Profit and loss account £
At 1 January 2010	9,027,588
Profit for the year	1,558,197
Actuarial gain on defined benefit scheme	354,200
Gains not recognised under FRS 17	(147,500)
Movement in deferred tax asset relating to pension scheme	(101,360)
Dividends paid	(1,121,718)
At 31 December 2010	**9,569,407**

12 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the year	**1,558,197**	1,441,764
Dividend paid	**(1,121,718)**	(1,103,300)
Transfer to reserves	**436,479**	338,464
Actuarial gain/(loss) on defined benefit pension scheme	**354,200**	(593,700)
Gains not recognised under FRS 17 in 2010	**(147,500)**	-
Prior year gains not recognised under FRS17 credited in 2009	**-**	223,200
Movement on deferred tax asset relating to pension scheme	**(101,360)**	68,516
Net increase in shareholders' funds	**541,819**	36,480
Opening shareholders' funds	**10,290,249**	10,253,769
Closing shareholders' funds	**10,832,068**	10,290,249

13 Employees

	2010 Number	2009 Number
The average number of persons employed by the company during the year on a full time equivalent basis was	**156**	159

14 Directors' emoluments

	2010 Aggregate £	2010 Highest Paid Director £	2009 Aggregate £	2009 Highest Paid Director £
Directors' emoluments	**248,941**	**85,000**	339,604	90,000

	2010 Money Purchase Schemes	2010 Defined Benefit Schemes	2009 Money Purchase Schemes	2009 Defined Benefit Schemes
Number of directors with benefits accruing under pension schemes	**2**	**2**	2	2

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 £85,000 (2009 £90,000) 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

15 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 unit linked investments with the Equitable Life Assurance Society

Gardiner Sons & Co Limited

15 Pension commitments (continued)

An actuarial valuation as at 31 March 2009 was carried out by a professionally qualified actuary based on assumptions determined by the trustees, the most significant assumptions being

- An investment return of 3 7% pre-retirement, on fixed interest investments
- An investment return of 6 7%, pre-retirement, on equity and property investments
- Increases in payment of pensions that are in respect of services between 6th April 1997 and 31st March 2006 of 2 7%
- Increases in payment of pensions that are in respect of service from 1st April 2006 of 2 1%

Based on these assumptions, liabilities were valued at £3,227,000 and assets at £2,878,000, a past funding shortfall of £349,000 The calculation assumed that no further benefits will accrue but based the benefits on members' projected final pay

To eliminate this past funding shortfall, the trustees and the Company agreed the payment of additional contributions In 2010 this resulted in employer contributions exceeding the FRS 17 current service cost by £97,400 (2009 £102,800)

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 2010 for the final salary scheme and the money purchase schemes were £188,051 (2009 £181,664) of which £27,482 (2009 £24,566) relates to money purchase schemes

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

	2010	2009
Rate of increases in salary	**4.4%**	4 7%
Rate of increases of pensions in payment	**2.2%**	3 3%
Rate used to discount scheme liabilities	**5.4%**	5 7%
Retail price index inflation assumption	**3.4%**	3 7%
Consumer prices index inflation assumption	**2.7%**	-

The mortality assumptions used in the valuation of the defined benefit pension liabilities are summarised below

	2010	2009
Longevity at age 65 for current pensioners		
Men	**21.4**	22 2
Women	**23.2**	24 8
Longevity at age 65 for future pensioners		
Men	**22.9**	24 2
Women	**24.8**	26 6

15 Pension commitments (continued)

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

	2010	2009
	£	£
Total market value of assets	**4,351,100**	3,740,200
Present value of scheme liabilities	**(3,756,100)**	(3,654,700)
Surplus in the scheme	**595,000**	85,500
Gains not recognised under FRS 17	**(147,500)**	-
Related deferred tax liability	**(125,300)**	(23,940)
Net pension surplus	**322,200**	61,560

As at 31 December the fair value of the fund assets invested was £4,351,100 (2009 £3,740,200) with expected long-term rate of return of 6 6% (2009 £7 0%)

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

	2010	2009
	£	£
Opening defined benefit obligation	**3,654,700**	2,624,200
Service cost	**63,169**	54,298
Interest cost	**210,200**	174,100
Members' contributions	**17,131**	16,902
Actuarial (gains)/losses	**(148,600)**	919,500
Benefits paid and death-in-service premiums	**(40,500)**	(134,300)
Closing defined benefit obligation	**3,756,100**	3,654,700

15 Pension commitments (continued)

Changes in the fair value of plan assets are as follows:

	2010 £	2009 £
Opening fair value of plan assets	**3,740,200**	3,177,600
Expected return	**268,100**	197,100
Actuarial gains	**205,600**	325,800
Contributions by employer	**160,569**	157,098
Members' contributions	**17,131**	16,902
Benefits paid and death-in-service premiums	**(40,500)**	(134,300)
Closing fair value of plan assets	**4,351,100**	3,740,200
Expected contributions to the scheme in the next year	**175,000**	175,000

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)	2010 £	2009 £
Total actuarial gain/(loss)	**354,200**	(593,700)
Gains not recognised under FRS 17 in 2010	**(147,500)**	-
Gains not recognised under FRS 17 in 2008, reversed in 2009	**-**	223,200
Total gain/(loss) recognised in STRGL	**206,700**	(370,500)

Scheme assets do not include any of the company's own financial instruments or any property occupied by the company

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy The actual return on scheme assets in the year was a £473,700 gain (2009 £522,900 gain)

The amounts recognised in profit or loss are as follows:

	2010 £	2009 £
Current service cost	**63,169**	54,298
Interest on obligation	**210,200**	174,100
Expected return on plan assets	**(268,100)**	(197,100)
Total	**5,269**	31,298

15 Pension commitments (continued)

	2010 £	2009 £
Statement of total recognised gains and losses (STRGL)		
Actual return less expected return on pension scheme assets	**205,600**	325,800
Experience gains and losses arising on liabilities	**39,800**	49,400
Change in assumptions underlying present value of liabilities	**108,800**	(968,900)
Actuarial (loss)/gain recognised in STRGL	**354,200**	(593,700)

	2010 £	2009 £	2008 £	2007 £	2006 £
Defined benefit obligation	**(3,756,100)**	(3,654,700)	(2,624,200)	(3,327,200)	(3,294,400)
Plan assets	**4,351,100**	3,740,200	3,177,600	3,496,000	2,299,400
Surplus/(deficit)	**595,000**	85,500	553,400	168,800	(995,000)
Experience adjustments on plan liabilities	**39,800**	49,400	9,300	45,100	30,800
Experience adjustments on plan assets	**205,600**	325,800	(850,200)	(176,900)	123,700
Total cumulative actuarial gains and losses recognised in the Statement of Total Recognised Gains and losses	**(509,500)**	(863,700)	(270,000)	(312,100)	(355,000)

16 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

17 Related parties

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