

Registered Number 00039402

Gardiner, Sons & Co., Limited
Annual report and financial statements
for the year ended 31 December 2016

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Gardiner,Sons & Co.,Limited
Directors' report and financial statements
for the year ended 31 December 2016

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Gardiner,Sons & Co.,Limited

Directors and Advisors for the year ended 31 December 2016

Directors

A G P Allen Chairman

B C F Allen

S D Butcher

C Davies-Gallagher (resigned on 5 May 2017)

J A Dursley

J Watson

A P Webb (resigned on 30 April 2017)

S D Whitcombe

Secretary

J Watson

Registered office

3 Broad Plain

Bristol

BS2 0JP

Incorporated on 10 August 1893

Bankers

The Royal Bank of Scotland PLC

36-38 Baldwin Street

Bristol

BS1 1NR

Independent Auditors

PricewaterhouseCoopers LLP

2 Glass Wharf

Bristol

BS2 0FR

Gardiner, Sons & Co., Limited

Registered number - 00039402

Strategic report for the year ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

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 profit on ordinary activities before taxation of £1,159,495 (2015: £1,719,882) for the year and turnover of £15,089,460 (2015: £15,516,996).

Profit for the financial year amounted to £921,191 (2015: £1,382,164). The dividend proposed and paid in respect of the year ended 31 December 2016 is £470,855 (2015: £1,205,866) resulting in a transfer to reserves of £432,636 (2015: £105,292).

Shareholders' funds total £11,270,591 (2015: £10,837,955) after a dividend payment of £470,855 (2015: £1,205,866).

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 external borrowings.

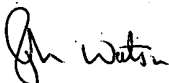
Financial risk management

The Directors' objective is to minimise financial risk. The key policy used to achieve this objective is to hold substantial positive cash balances.

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.

By order of the Board



J Watson
Director

16th September 2017

Gardiner, Sons & Co., Limited

Directors' report for the year ended 31 December 2016

The directors present their report and audited financial statements for the year ended 31 December 2016.

Future Developments

The external commercial environment is expected to remain competitive in 2017. However, we remain confident that we will maintain our current level of performance in the future.

Dividends

The dividend proposed and paid in respect of the year ended 31 December 2016 is £470,855 (2015: £1,205,866).

Fixed assets

The movement in fixed assets in the year is set out in note 7 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.

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.

Directors and their interests

The directors of the company who were in office during the year and up to the date of signing the financial statements were as disclosed on the Directors and Advisors page.

No director had any interest in the shares of the company.

Gardiner, Sons & Co., Limited

Directors' report for the year ended 31 December 2016 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors

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

In the case of each of the persons who are directors at the time when the report is approved:

- a) as far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board

J Watson

Director

18th September 2017

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

Report on the financial statements

Our opinion

In our opinion, Gardiner, Sons & Co., Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

What we have audited

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the profit and loss account and statement of comprehensive income for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 4, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
18 September 2017

Gardiner, Sons & Co., Limited

Profit and loss account for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover		15,089,460	15,516,996
Cost of sales		(8,684,965)	(8,914,594)
Gross profit		6,404,495	6,602,402
Administrative expenses		(4,552,306)	(4,449,393)
Operating profit – before group payments		1,852,189	2,153,009
Management charge payable to parent		(589,145)	(314,574)
Operating profit		1,263,044	1,838,435
Interest payable to parent undertaking		(140,000)	(140,000)
Interest receivable and similar income	5	10,751	8,947
Other finance income	17	25,700	12,500
Profit before taxation	5	1,159,495	1,719,882
Taxation on profit	6	(238,304)	(337,718)
Profit for the financial year		921,191	1,382,164

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.

The accounting policies and notes on pages 12 to 25 form part of these financial statements.

Gardiner,Sons & Co.,Limited

Statement of Comprehensive Income for the year ended 31 December 2016

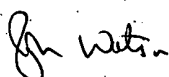
	Note	2016 £	2015 £
Profit for the financial year		921,191	1,382,164
Other comprehensive income:			
Actuarial (losses)/gains on defined benefit pension scheme	17	(710,300)	294,900
Adjustment in respect of gains not recognised	17	692,900	(369,700)
Movement on deferred tax relating to the pension scheme	12	(300)	3,794
Other comprehensive expense for the year, net of tax		(17,700)	(71,006)
Total comprehensive income for the year		903,491	1,311,158

Gardiner, Sons & Co., Limited

Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	7	9,854,141	9,713,816
Current assets			
Stocks	8	4,258,770	4,498,908
Debtors	9	603,910	570,886
Cash at bank and in hand		2,072,617	1,688,864
Pension scheme surplus due more than one year		7,100	4,480
		6,942,397	6,763,138
Creditors: amounts falling due within one year	10	(2,725,947)	(2,838,999)
Net current assets		4,216,450	3,924,139
Total assets less current liabilities		14,070,591	13,637,955
Creditors: amounts falling due after more than year	11	(2,800,000)	(2,800,000)
Net assets		11,270,591	10,837,955
Capital and reserves			
Called up share capital	13	1,262,661	1,262,661
Profit and loss account		10,007,930	9,575,294
Total shareholders' funds		11,270,591	10,837,955

The financial statements on pages 7 to 25 were approved by the Board of Directors on 18th September 2017 and signed on its behalf by:



J Watson
Director

Registered Number 00039402

Gardiner, Sons & Co., Limited

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital £	Profit & Loss Account £	Total Shareholder equity £
Balance as at 1 January 2015	1,262,661	9,470,002	10,732,663
Profit for the financial year	-	1,382,164	1,382,164
Other comprehensive income for the year:			
Actuarial gains on defined benefit pension scheme	-	294,900	294,900
Adjustment in respect of gain not recognised	-	(369,700)	(369,700)
Movement in deferred tax asset relating to pension scheme	-	3,794	3,794
Total comprehensive income for the year, before dividends	-	1,311,158	1,311,158
Dividends paid	-	(1,205,866)	(1,205,866)
Total comprehensive income for the year	-	105,292	105,292
Balance as at 31 December 2015	1,262,661	9,575,294	10,837,955
Balance as at 1 January 2016	1,262,661	9,575,294	10,837,955
Profit for the financial year	-	921,191	921,191
Other comprehensive income for the year:			
Actuarial (losses) on defined benefit pension scheme	-	(710,300)	(710,300)
Adjustment in respect of gain not recognised	-	692,900	692,900
Movement in deferred tax asset relating to pension scheme	-	(300)	(300)
Total comprehensive income for the year,	-	903,491	903,491
Dividends paid	-	(470,855)	(470,855)
Total comprehensive income for the year	-	432,636	432,636
Balance as at 31 December 2016	1,262,661	10,007,930	11,270,591

Gardiner, Sons & Co., Limited

Cash flow statement for the year ended 31 December 2016

	Note	2016 £	2015 £
Net cash inflow from operating activities	14	1,519,241	1,552,207
Taxation paid		(333,630)	(343,227)
Net cash generated from operating activities		1,185,611	1,208,980
Cash flow from investing activities			
Purchase of tangible fixed assets		(205,190)	(37,547)
Proceeds from sale of tangible fixed assets		3,436	5,090
Interest received		10,751	8,947
Net cash used in investing activities		(191,003)	(23,510)
Cash flow from financing activities			
Dividends paid		(470,855)	(1,205,866)
Interest paid to parent undertaking		(140,000)	(140,000)
Net cash used in financing activities		(610,855)	(1,345,866)
Net increase/(decrease) in cash and cash equivalents		383,753	(160,396)
Cash and cash equivalents at the beginning of the year		1,688,864	1,849,260
Cash and cash equivalents at the end of the year		2,072,617	1,688,864
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,072,617	1,688,864
Cash and cash equivalents		2,072,617	1,688,864

Gardiner,Sons & Co.,Limited

Notes to the financial statements for the year ended 31 December 2016

1 General information

Gardiner,Sons & Co.,Limited ('the Company') operates home improvement centres in Bristol and Cirencester in the UK.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 3 Broad Plain, Bristol, BS2 0JP.

2 Statement of compliance

The individual financial statements of Gardiner,Sons & Co.,Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The company has not taken advantage of the FRS 102 disclosure exemptions available to qualifying entities.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4

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.

Tangible assets and depreciation

Tangible 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 and vehicles	10% - 25%
Fixtures and fittings	20%

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 section 27 of FRS102.

Gardiner, Sons & Co., Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

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

(i) Defined benefit pension plan

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration.

The surplus recognised in the balance sheet in respect of the defined benefit plan is the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the end of the reporting date. The pension scheme surplus (to the extent that it is recoverable through reduced contributions in the future or refunds from the scheme) or deficit is recognised in full.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

Gardiner, Sons & Co., Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

(ii) Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Cash, cash equivalents and financial instruments

As at 31 December 2016, the company's reported cash holdings consisted of cash in hand and deposits held at call with banks.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Inventory provisioning

The company is a retailer of home improvement goods. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods.

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 17 for the disclosures relating to the defined benefit pension scheme.

Gardiner, Sons & Co., Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

5 Profit before taxation

Profit before taxation is stated after (crediting)/charging the following amounts:

	2016 £	2015 £
Wages and salaries	2,746,135	2,703,768
Social security costs	188,214	182,095
Other pension costs (note 17)	53,446	59,310
Depreciation	64,865	50,158
Auditors' remuneration – audit of annual financial statements	17,000	19,000
Interest receivable on bank deposits	(10,751)	(8,947)
Profit on sale of tangible fixed assets	(3,436)	(5,090)
Management charge payable to parent undertaking	589,145	314,574

6 Tax on profit

	2016 £	2015 £
Current tax		
UK Corporation tax on the profit for the year	203,835	333,568
Adjustment in respect of prior years	62	150
Total current tax	203,897	333,718
Deferred tax		
Origination and reversal of timing differences (note 12)	34,407	4,000
Tax on profit	238,304	337,718

Gardiner,Sons & Co.,Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%): The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,159,495	1,719,882
Profit on ordinary activities at standard rate of tax of 20% (2015: 20.25%)	231,899	348,276
Profit on disposal of fixed assets	(687)	(1,031)
Employee benefit profit and loss account adjustments	1,360	(11,543)
Adjustment in respect of prior years	62	150
Rate change adjustment	5,670	1,866
Tax on profit	238,304	337,718

7 Tangible assets

	Freehold land & buildings £	Fixtures & fittings £	Plant, machinery & vehicles £	Total £
Cost				
At 1 January 2016	9,669,233	1,847,922	1,300,821	12,817,976
Disposals	-	-	(22,774)	(22,774)
Additions	-	4,562	200,628	205,190
At 31 December 2016	9,669,233	1,852,484	1,478,675	13,000,392
Accumulated depreciation				
At 1 January 2016	60,131	1,838,922	1,205,107	3,104,160
Disposals	-	-	(22,774)	(22,774)
Provision for the year	-	4,572	60,293	64,865
At 31 December 2016	60,131	1,843,494	1,242,626	3,146,251
Net book amount				
At 31 December 2016	9,609,102	8,990	236,049	9,854,141
At 31 December 2015	9,609,102	9,000	95,714	9,713,816

Gardiner, Sons & Co., Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

8 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.

9 Debtors

	2016	2015
	£	£
Trade debtors	332,676	363,013
Other debtors	153,838	110,800
Prepayments and accrued income	117,396	83,073
Deferred taxation (see note 12)	-	14,000
	603,910	570,886

10 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	2,020,929	2,008,508
Other creditors	187,523	131,952
Corporation tax	43,835	173,568
Deferred tax	21,827	-
Other taxation and social security	100,315	270,794
Accruals and deferred income	351,518	254,177
	2,725,947	2,838,999

Gardiner, Sons & Co., Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

11 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
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 2017. The deposit carries an interest rate of 5% per annum.

12 Deferred taxation

Deferred taxation provided in the financial statement is as follows:

	2016	2015
	£	£
Depreciation in excess/(short) of capital allowances	(20,407)	14,000
Deferred tax (liability)/asset (see notes 9 and 10)	(20,407)	14,000
Pension surplus (see note 17)	(1,420)	(1,120)
Total deferred tax asset	(21,827)	12,880

The movement on deferred taxation is as follows:

	2016	2015
	£	£
At 1 January	12,880	13,086
Credited to other comprehensive income	(300)	3,794
(Charged) to the profit and loss account	(34,407)	(4,000)
At 31 December	(21,827)	12,880

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation Tax rate which decreased from 20.25% to 20% from 1 April 2016.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Gardiner, Sons & Co., Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

13 Called up share capital

	Allotted, issued and fully paid £
5,050,644 ordinary shares of 25p each at 31 December 2015 and 31 December 2016	1,262,661

14 Cash flow from operating activities

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

	2016 £	2015 £
Profit for the financial year	921,191	1,382,164
Taxation on profit on ordinary activities	238,304	337,718
Net interest expense	103,549	118,553
Operating profit	1,263,044	1,838,435
Depreciation charges	64,865	50,158
Difference between pension charge and cash contributions	6,800	(44,500)
Profit on sales of tangible fixed assets	(3,436)	(5,090)
(Decrease)/increase in stocks	240,138	(407,209)
(Increase)/decrease in debtors	(47,024)	46,402
(Decrease)/increase in creditors	(5,146)	74,011
Net cash inflow from operating activities	1,519,241	1,552,207

(b) Analysis of net funds

	At 1 January 2016 £	Cash flow 2016 £	At 31 December 2016 £
Cash at bank and in hand	1,688,864	383,753	2,072,617
Deposit from parent undertaking	(2,800,000)	-	(2,800,000)
	(1,111,136)	383,753	(727,383)

Gardiner, Sons & Co., Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

15 Employees

	2016 Number	2015 Number
The average number of persons employed by the company during the year on a full time equivalent basis was:	127	129

16 Directors' emoluments

	2016 Aggregate £	2016 Highest Paid Director £	2015 Aggregate £	2015 Highest Paid Director £
Directors' emoluments	320,165	76,348	460,205	100,000
	2016 Money Purchase Schemes	2016 Defined Benefit Schemes	2015 Money Purchase Schemes	2015 Defined Benefit Schemes
Number of directors with benefits accruing under pension schemes	5	-	2	2

The highest paid director has no retirement benefits accruing at the end of the year.

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

An amount of £200,000 (2015: £200,000) is also included in the management charge due from the subsidiary company to the parent company for making available the services of directors as directors of the subsidiary company.

Gardiner, Sons & Co., Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

17 Post employment benefits

The company operates a defined benefit pension scheme. With effect from 1 December 1990, the company formed a 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. On 31 March 2016, accrual of benefits ceased and all active members at that date became deferred members.

The scheme is a funded, defined benefits scheme where benefits are based on final pensionable pay.

An actuarial valuation as at 31 March 2015 was carried out by a professionally qualified actuary based on assumptions determined by the trustees, the most significant assumptions being:

- An investment return of 3.4% on all investments
- Increases in payment of pensions that are in respect of services between 6th April 1997 and 31st March 2006 of 2.9%.
- Increases in payment of pensions that are in respect of service from 1st April 2006 of 2.2%.

Based on these assumptions, liabilities were valued at £5,844,000 and assets at £6,167,000, a surplus of £323,000.

In 2016, no employers contribution were paid (2015: £67,952).

The company also operates a Group Personal Pension scheme on behalf of employees. Contributions made by the company are calculated on various bases, and are charged to the profit and loss account as incurred.

The total contributions made by the company in 2016 for the Group Personal Pension scheme were £46,646 (2015: £35,858).

Gardiner,Sons & Co.,Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

17 Post employment benefits (continued)

The financial assumptions used to calculate scheme liabilities at 31 December are:

	2016	2015
Discount rate	2.8%	3.7%
Retail price inflation	3.3%	3.1%
Consumer price inflation	2.1%	1.9%
Rate of increase in salaries	n/a	1.9%
Rate of increase of pensions in payment (6/4/97-31/3/06)	3.2%	2.9%
Rate of increase of pensions in payment (from 1/4/06)	2.2%	2.1%
Life Expectancies:		
Current pensioners age 65, males	22.0	22.4
Current pensioners age 65, females	23.9	24.3
Future pensioners age 65 (currently age 45), males	23.2	23.8
Future pensioners age 65 (currently age 45), females	25.4	25.8

The following amounts at 31 December were measured in accordance with section 28 of FRS102 'Employee benefits':

	2016	2015
	£	£
Total market value of assets	6,546,400	6,032,800
Present value of scheme liabilities	(6,539,300)	(5,334,300)
Surplus in the scheme	7,100	698,500
Surplus not recognised	-	(692,900)
Related deferred tax liability	(1,420)	(1,120)

Gardiner, Sons & Co., Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

17 Post employment benefits (continued)

Reconciliation of scheme liabilities:

	2016	2015
	£	£
Opening defined benefit obligation	5,334,300	5,592,500
Service cost	6,800	23,452
Interest cost	195,200	188,200
Members' contributions	-	7,048
Actuarial losses/(gains)	1,125,700	(322,300)
Benefits paid	(122,700)	(154,600)
Closing defined benefit obligation	6,539,300	5,334,300

Reconciliation of scheme assets:

	2016	2015
	£	£
Opening fair value of plan assets	6,032,800	5,939,100
Interest income	220,900	200,700
Actuarial gains/(losses)	415,400	(27,400)
Contributions by employer	-	67,952
Members' contributions	-	7,048
Benefits paid	(122,700)	(154,600)
Closing fair value of plan assets	6,546,400	6,032,800

Expected contributions to the scheme in the next year:

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Gardiner, Sons & Co., Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

17 Post employment benefits (continued)

The amounts recognised in the statement of other comprehensive income is as follows:

	2016 £	2015 £
Actual return less expected return on scheme assets	415,400	(27,400)
Change in present value of liabilities due to change in assumptions	(1,125,700)	322,300
Total actuarial (loss) / gain recognised in other comprehensive income	(710,300)	294,900
Adjustment in respect of gains not recognised	692,900	(369,700)
Movement in deferred tax relating to pension scheme	(300)	3,794
Total (loss) recognised in other comprehensive income	(17,700)	(71,006)

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

The amounts charged/(credited) to the profit and loss account are as follows:

	2016 £	2015 £
Expected return on plan assets	(220,900)	(200,700)
Interest on obligation	195,200	188,200
Other finance income	(25,700)	(12,500)
Current service cost	6,800	23,452
Total	(18,900)	10,952

The fair value of the plan assets are:

	2016 £	2015 £
Equity instruments	3,345,211	4,102,304
Gilts	746,289	965,248
Bonds	1,158,713	180,984
Property	72,010	482,624
Cash	1,224,177	301,640
	6,546,400	6,032,800

Gardiner,Sons & Co.,Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

18 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.

19 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 under section 33 of FRS 102.

Gardiner,Sons & Co.,Limited receives HR advice from Partners in HR LLP (Registration number OC 393598). Mrs. C. Allen (spouse of a Gardiner,Sons & Co.,Limited director) is a partner in this LLP.

20 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. Gardiner (Holdings) Limited has a registered address of 3 Broad Plain, Bristol, BS2 0JP and copies of the group financial statements can be obtained from Companies House.