

Registered Number 00039402

Gardiner Sons & Co Limited
Directors' report and financial statements
for the year ended 31 December 2014

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Gardiner Sons & Co Limited
Directors' report and financial statements
for the year ended 31 December 2014

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Gardiner Sons & Co Limited

Directors and Advisors for the year ended 31 December 2014

Directors

A G P Allen Chairman
S D Butcher
J A Dursley
J Watson
A P Webb
S D Whitcombe

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

Independent Auditors

PricewaterhouseCoopers LLP
31 Great George Street
Bristol
BS1 5QD

Gardiner Sons & Co Limited

Registered number - 00039402

Strategic report for the year ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

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 £1,740,682 (2013: £1,500,216) for the year and turnover of £15,849,230 (2013: £15,123,498).

Profit for financial the year amounted to £1,400,628 (2013: £1,189,635). The dividend proposed and paid in respect of the year ended 31 December 2014 is £1,225,581 (2013: £1,113,152) resulting in a transfer to reserves of £175,047 (2013: £76,483).

Shareholders' funds total £10,732,663 (2013: £10,763,281) after a dividend payment of £1,225,581 (2013: £1,113,152).

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.

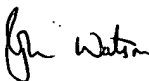
Financial risk management

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.

On behalf of the Board



J Watson
Director

26th March 2015

Gardiner Sons & Co Limited

Directors' report for the year ended 31 December 2014

The directors present their report and audited financial statements for the year ended 31 December 2014.

Future Developments

The external commercial environment is expected to remain competitive in 2015. 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 2014 is £1,225,581 (2013: £1,113,152).

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.

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 2014 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

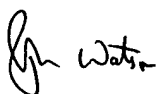
Independent Auditors

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 auditor is 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 auditor is aware of that information.

On behalf of the Board



J Watson
Secretary
26th March 2015

Gardiner Sons & Co Limited

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 2014 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

Gardiner Sons & Co Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account and the statement of total recognised gains and losses for the year then ended;
- the cash flow statement for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (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.

Opinion on other matter prescribed by the Companies Act 2006

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

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.

Gardiner Sons & Co Limited

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 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 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 Directors' Report and Financial Statements 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.



Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
26th March 2015

Gardiner Sons & Co Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover		15,849,230	15,123,498
Cost of sales		(9,261,471)	(8,786,995)
Gross profit		6,587,759	6,336,503
Administrative expenses		(4,437,686)	(4,361,891)
Operating profit – before group payments		2,150,073	1,974,612
Management charge payable to parent undertaking		(294,859)	(407,288)
Operating profit		1,855,214	1,567,324
Interest payable to parent undertaking		(140,000)	(140,000)
Interest receivable and similar income	2	8,898	53,328
Other finance income	15	16,570	19,564
Profit on ordinary activities before taxation	2	1,740,682	1,500,216
Taxation on profit on ordinary activities	3	(340,054)	(310,581)
Profit for the financial year	11	1,400,628	1,189,635

All operations are continuing.

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

The accounting policies and notes on pages 11 to 23 form part of these financial statements.

Gardiner Sons & Co Limited

Statement of total recognised gains and losses for the year ended 31 December 2014

	Note	2014 £	2013 £
Profit for the financial year		1,400,628	1,189,635
Actuarial (losses)/gains on defined benefit pension scheme	15	(965,300)	442,900
Adjustment in respect of gains not recognised under FRS 17	15	747,230	(592,364)
Movement on deferred tax relating to the pension scheme	9	12,405	(2,871)
Total recognised gains and losses for the financial year		1,194,963	1,037,300

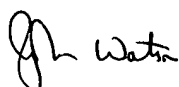
A statement of the movement in reserves is shown in note 11 to these financial statements.

Gardiner Sons & Co Limited

Balance sheet as at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	4	9,726,428	9,699,289
Current assets			
Stocks	5	4,091,699	4,035,830
Debtors	6	621,288	579,724
Cash at bank and in hand		1,849,260	1,942,808
		6,562,247	6,558,362
Creditors: amounts falling due within one year	7	(2,774,498)	(2,752,351)
Net current assets		3,787,749	3,806,011
Total assets less current liabilities		13,514,177	13,505,300
Creditors: amounts falling due after more than one year	8	(2,800,000)	(2,800,000)
Net assets excluding pension scheme		10,714,177	10,705,300
Pension scheme surplus	15	18,486	57,981
Net assets including pension scheme		10,732,663	10,763,281
Capital and reserves			
Called up share capital	10	1,262,661	1,262,661
Profit and loss account	11	9,470,002	9,500,620
Total shareholders' funds	12	10,732,663	10,763,281

The financial statements on pages 7 to 23 were approved by the Board of Directors on 26th March 2015 and signed on its behalf by:



J Watson
Director

Registered Number 00039402

Gardiner Sons & Co Limited

Cash flow statement for the year ended 31 December 2014

	Note	2014 £	2014 £	2013 £	2013 £
Net cash inflow from operating activities	a		1,637,314		1,209,170
Returns on investment and servicing of finance					
Interest received		8,898		53,328	
Interest paid to parent undertaking		(140,000)		(140,000)	
Net cash outflow from returns on investments and servicing of finance			(131,102)		(86,672)
Taxation			(297,878)		(336,961)
Capital expenditure					
Proceeds from sale of tangible fixed assets		7,726		23,622	
Purchase of tangible fixed assets		(84,027)		(78,564)	
Net cash outflow from capital expenditure			(76,301)		(54,942)
Equity dividends paid			(1,225,581)		(1,113,152)
Decrease in net cash	b,c		(93,548)		(382,557)

The notes to the cash flow statement are set out on page 11 of these financial statements.

Gardiner Sons & Co Limited

Notes to the cash flow statement

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

	2014 £	2013 £
Operating profit	1,855,214	1,567,324
Depreciation charges	56,888	55,697
Difference between pension charge and cash contributions	(149,600)	(145,000)
Profit on sales of tangible fixed assets	(7,726)	(23,622)
(Increase) in stocks	(55,869)	(219,841)
(Increase)/decrease in debtors	(48,564)	41,421
(Decrease) in creditors	(13,029)	(66,809)
Net cash inflow from operating activities	1,637,314	1,209,170

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

	2014 £	2013 £
Decrease in cash in the year	(93,548)	(382,557)
Movement in net funds in the year	(93,548)	(382,557)
Net debt at 1 January	(857,192)	(474,635)
Net debt at 31 December	(950,740)	(857,192)

(c) Analysis of net debt

	At 1 January 2014 £	Cash flow 2014 £	At 31 December 2014 £
Cash at bank and in hand	1,942,808	(93,548)	1,849,260
Deposit from parent undertaking	(2,800,000)	-	(2,800,000)
	(857,192)	(93,548)	(950,740)

Gardiner Sons & Co Limited

Accounting policies

Basis of accounting Companies Act 2006

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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, 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 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 2014

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:

	2014 £	2013 £
Wages and salaries	2,803,397	2,711,401
Social security costs	189,475	190,484
Other pension costs (note 15)	49,234	45,552
Depreciation	56,888	55,697
Auditors' remuneration – audit of annual financial statements	15,000	15,000
Interest receivable on bank deposits	(8,898)	(53,328)
Profit on sale of tangible fixed assets	(7,726)	(23,622)
Management charge payable to parent undertaking	294,859	407,288

3 Tax on profit on ordinary activities

	2014 £	2013 £
Current tax		
UK Corporation tax on the profit for the year	333,077	297,901
Adjustment in respect of prior years	(23)	(320)
Total current tax	333,054	297,581
Deferred tax		
Origination and reversal of timing differences (note 9)	7,000	13,000
Tax on profit on ordinary activities	340,054	310,581

Gardiner Sons & Co Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

3 Tax on profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	1,740,682	1,500,216
Profit on ordinary activities at standard rate of tax of 21.5% (2013: 23.25%)	374,247	348,800
Profit on disposal of fixed assets	(1,661)	(5,492)
Capital allowances in excess of depreciation	(3,782)	(7,146)
FRS 17 profit and loss account adjustments	(35,727)	(38,261)
Adjustment in respect of prior years	(23)	(320)
Current tax charge for year	333,054	297,581

4 Tangible fixed assets

	Freehold land & buildings	Fixtures & fittings	Plant, machinery & vehicles	Total
	£	£	£	£
Cost				
At 1 January 2014	9,669,233	1,837,228	1,236,590	12,743,051
Disposals	-	-	(36,100)	(36,100)
Additions	-	-	84,027	84,027
At 31 December 2014	9,669,233	1,837,228	1,284,517	12,790,978
Accumulated depreciation				
At 1 January 2014	60,131	1,828,696	1,154,935	3,043,762
Disposals	-	-	(36,100)	(36,100)
Provision for the year	-	4,596	52,292	56,888
At 31 December 2014	60,131	1,833,292	1,171,127	3,064,550
Net book amount				
At 31 December 2014	9,609,102	3,936	113,390	9,726,428
At 31 December 2013	9,609,102	8,532	81,655	9,699,289

Gardiner Sons & Co Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

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

	2014	2013
	£	£
Trade debtors	410,237	400,270
Other debtors	107,995	62,321
Prepayments and accrued income	85,056	92,133
Deferred taxation (see note 9)	18,000	25,000
	621,288	579,724

7 Creditors – Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	1,918,871	1,994,872
Other creditors	138,810	164,350
Corporation tax	183,077	147,901
Other taxation and social security	328,077	301,802
Accruals and deferred income	205,663	143,426
	2,774,498	2,752,351

8 Creditors – Amounts falling due after more than one year

	2014	2013
	£	£
Amounts owed to group undertakings	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 2015. The deposit carries an interest rate of 5% per annum.

Gardiner Sons & Co Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

9 Deferred taxation

Deferred taxation provided in the financial statement is as follows:

	2014 £	2013 £
Depreciation in excess of capital allowances	18,000	25,000
Deferred tax asset (see note 6)	18,000	25,000
Pension surplus (see note 15)	(4,914)	(17,319)
Total deferred tax asset	13,086	7,681

The movement on deferred taxation is as follows:

	2014 £	2013 £
At 1 January	7,681	23,552
Credited to the statement of total recognised gains and losses	12,405	(2,871)
(Charged) to the profit and loss account	(7,000)	(13,000)
At 31 December	13,086	7,681

During the year, as a result of the changes in the UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015, which were substantively enacted on 2 July 2013, the relevant deferred tax balances have been remeasured.

Gardiner Sons & Co Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Called up share capital

	Allotted, issued and fully paid £
5,050,644 ordinary shares of 25p each at 31 December 2013 and 31 December 2014	1,262,661

11 Reserves

	Profit and loss account £
At 1 January 2014	9,500,620
Profit for the financial year	1,400,628
Actuarial (losses) on defined benefit scheme	(965,300)
Adjustment in respect of gains not recognised under FRS 17	747,230
Movement in deferred tax asset relating to pension scheme	12,405
Dividends paid	(1,225,581)
At 31 December 2014	9,470,002

12 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	1,400,628	1,189,635
Dividend paid	(1,225,581)	(1,113,152)
Transfer to reserves	175,047	76,483
Actuarial (loss) / gain on defined benefit pension scheme	(965,300)	442,900
Decrease / (Increase) in gains not recognised under FRS 17	747,230	(592,364)
Movement on deferred tax asset relating to pension scheme	12,405	(2,871)
Net (decrease) in shareholders' funds	(30,618)	(75,852)
Opening shareholders' funds	10,763,281	10,839,133
Closing shareholders' funds	10,732,663	10,763,281

Gardiner Sons & Co Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

13 Employees

	2014 Number	2013 Number
The average number of persons employed by the company during the year on a full time equivalent basis was:	135	135

14 Directors' emoluments

	2014 Aggregate £	2014 Highest Paid Director £	2013 Aggregate £	2013 Highest Paid Director £
Directors' emoluments	448,557	100,000	432,797	99,427

	2014 Money Purchase Schemes	2014 Defined Benefit Schemes	2013 Money Purchase Schemes	2013 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 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 (2013: £85,000) is 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.

15 Pension commitments

The company operates a defined benefit pension scheme. With effect from 1 December 1990, the company 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

Notes to the financial statements for the year ended 31 December 2014 (continued)

15 Pension commitments (continued)

An actuarial valuation as at 31 March 2012 was carried out by a professionally qualified actuary based on assumptions determined by the trustees, the most significant assumptions being:

- An investment return of 2.7% pre-retirement, on fixed interest investments.
- An investment return of 4.7%, 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 £5,044,000 and assets at £4,605,000, a past funding shortfall of £439,000. 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 2014 this resulted in employer contributions exceeding the FRS 17 current service cost by £149,600 (2013: £145,000).

The company 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 company in 2014 for the final salary scheme and the money purchase schemes were £198,834 (2013: £190,552) of which £32,664 (2013: £25,988) relates to money purchase schemes.

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

	2014	2013
Rate of increases in salary	1.9%	2.4%
Rate of increases of pensions in payment	2.2%	2.2%
Rate used to discount scheme liabilities	3.4%	4.4%
Retail price index inflation assumption	3.1%	3.4%
Consumer prices index inflation assumption	1.9%	2.4%
	2014	2013
Longevity at age 65 for current pensioners		
Men	22.3	23.1
Women	24.2	24.8
Longevity at age 65 for future pensioners		
Men	23.6	24.5
Women	25.7	26.4

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Notes to the financial statements for the year ended 31 December 2014 (continued)

15 Pension commitments (continued)

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

	2014	2013
	£	£
Total market value of assets	5,939,100	5,653,800
Present value of scheme liabilities	(5,592,500)	(4,632,100)
Surplus in the scheme	346,600	1,021,700
Surplus not recognised under FRS 17	(323,200)	(946,400)
Related deferred tax liability	(4,914)	(17,319)
Net pension surplus	18,486	57,981

As at 31 December the fair value of the fund assets invested was £5,939,100 (2013: £5,653,800) with expected long-term rate of return of 4.5% (2013: 6.0%).

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

Changes in the present value of the defined benefit obligations are as follows:

	2014	2013
	£	£
Opening defined benefit obligation	4,632,100	4,560,000
Service cost	16,570	19,564
Interest cost	202,300	183,800
Members' contributions	8,830	10,436
Actuarial losses	851,400	57,200
Benefits paid and death-in-service premiums	(118,700)	(198,900)
Closing defined benefit obligation	5,592,500	4,632,100

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Notes to the financial statements for the year ended 31 December 2014 (continued)

15 Pension commitments (continued)

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

	2014	2013
	£	£
Opening fair value of plan assets	5,653,800	4,919,400
Expected return	342,900	258,200
Actuarial gains	(113,900)	500,100
Contributions by employer	166,170	164,564
Members' contributions	8,830	10,436
Benefits paid and death-in-service premiums	(118,700)	(198,900)
Closing fair value of plan assets	5,939,100	5,653,800
Expected contributions to the scheme in the next year:	175,000	175,000

The amount recognised in statement of total recognised gains and losses (STRGL) is as follows:

	2014	2013
	£	£
Actual return less expected return on scheme assets	(113,900)	500,100
Experience gains arising on liabilities	(4,400)	10,600
Change in present value of liabilities due to change in assumptions	(847,000)	(67,800)
Total actuarial (loss) / gain recognised in STRGL	(965,300)	442,900
Adjustment in respect of gains not recognised under FRS 17	747,230	(592,364)
Movement in deferred tax relating to pension scheme	12,405	(2,871)
Total loss recognised in STRGL	(205,665)	(152,335)

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 £229,000 (2013: £758,300).

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Notes to the financial statements for the year ended 31 December 2014 (continued)

15 Pension commitments (continued)

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

	2014	2013
	£	£
Expected return on plan assets	(342,900)	(258,200)
Interest on obligation	202,300	183,800
Adjustment in respect of unrecognisable asset	124,030	54,836
Other finance income	(16,570)	(19,564)
Current service cost	16,570	19,564
Total	-	-

	2014	2013	2012	2011	2010
	£	£	£	£	£
Defined benefit obligation	(5,592,500)	(4,632,100)	(4,560,000)	(4,056,200)	(3,756,100)
Plan assets	5,939,100	5,653,800	4,919,400	4,467,700	4,351,100
Surplus	346,600	1,021,700	359,400	411,500	595,000
Experience adjustments on plan liabilities	(4,400)	10,600	65,400	121,100	39,800
Experience adjustments on plan assets	(113,900)	446,200	115,100	(267,200)	205,600
Total cumulative actuarial gains and (losses) recognised in the STRGL	(1,624,200)	(658,900)	(1,101,800)	(873,900)	(509,500)

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 under FRS 8.

Gardiner Sons & Co Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

18 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Gardiner (Holdings) Limited, a company incorporated in England. It is also the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is the only member.

Copies of the consolidated financial statements of Gardiner (Holdings) Limited may be obtained from the Company Secretary at 9 College Fields, Clifton, Bristol, BS8 3HP.